



Fastighets AB Trianon (publ)

Annual and Sustainability Report 2021

TRIANON 



Contents

Annual and Sustainability Report 2021

Reasons to invest in Trianon	2
This is Trianon	3
The year in brief	5
CEO's comment: 2021 – the most profitable year in Trianon's history	7
Chairman of the board's comment: Continued strong growth during the year	9
Strategic focus	11
Trianon's business	12
Financial objectives	13
The real estate market	14
Property portfolio	16
Acquisitions	17
Letting	19
Value-generating investments	21
New construction och property portfolio	23

Trianon's Sustainability Report 2021

Responsible business the Trianon way	25
Sustainability risks	27
Housing	28
Sustainable properties	31
Sustainable workplace	34
The EU Taxonomy Regulation	37
Trianon's Sustainable Hybrid Bond	38

The share: Strong development during 2021	41
Earning capacity	43
Financing	45
Valuation	48
Corporate governance report	49
Board of directors	54
Executive management	56

Trianon's Annual Report 2021

Directors' report	57
Risks and risk management	62
Multi-year overview	67
Consolidated income	69
The parent's financial statements	73
Notes	77
Signatures of Board of Directors and auditors	98
Auditor's report	99
Definitions	102

Property list	103
Information to shareholders	105
Financial calendar	105

Audited by Mazars AB: Trianon's sustainability report on page 25-36,

Corporate governance report page 49-52, Trianon's annual report page 57-99.

On the cover: Vårsången 8, Lindängen in Malmö. Page 1, 7, 9, 18, 29, 35, photographer: Pernilla Wästberg. Others: Trianon.

Why invest in Trianon?

- Property and project portfolio with a focus on housing and public property/ community services, which means low risk and great value-creating potential.
- Strong and locally based real estate company in Malmö and the surrounding area, with a large customer focus and with experienced management and organisation.
- Works with environmental, economic and social sustainability that generates social and customer benefits, as well as long-term values for Trianon's shareholders.
- Contributes to sustainable urban development and to renewing the housing market with innovative solutions.
- Intends to continuously generate annual profits from the project portfolio.



This is Trianon

Trianon is an entrepreneurial property company which owns, manages, develops and builds both residential and commercial premises in Malmö and its environs. The company is committed to providing sustainable accommodation and fully accepts its social responsibilities.

Mission

Trianon shall own, manage, develop and build properties in Malmö and its environs. Through innovation, commitment and long-term thinking, Trianon aims to achieve sustainable urban development.

The share and shareholders

The Trianon share is traded on Nasdaq Stockholm in the Mid Cap segment. The closing price on 31 December 2021 was SEK 238 (137.00) and the company's total market capitalisation was SEK 9.0 billion(4.9) on 31 December 2021. During 2021 a total of 4.3 million shares (2.5) were traded at a value of SEK 839.6 million (306.4).

The ten largest owners as of December 31, 2021:

- Olof Andersson, privately and through companies
- Brihan Invest AB
- AB Grensöspecialisten
- Länsförsäkringar Fastighetsfond
- Mats Cederholm privately and through companies
- SEB Sverigefond Småbolag
- The Eklund family privately and through companies
- Verdipapirfondet Odin Eiendom
- SEB Nanocap
- Tredje AP-fonden [the Third National Pension Fund]

In Malmö and its environs

Trianon's property portfolio consists of residential, retail, office and public sector/community properties in Malmö and in the municipalities of Svedala, Burlöv and Skurup.

With the acquisition of Signatur Fastigheter, Trianon also owns properties in Trelleborg, Lund, Landskrona, Eslöv, Bjuv, Klippan, Helsingborg, Hässleholm, Osby, Vimmerby and Stockholm.

Trianon consolidates a total of 153 properties, and is part-owner of an additional 6 properties which are recognised as associates and joint ventures as at the reporting date.



Property value (SEK billion)

12.7 (9.5)



Property portfolio (m²)

487,800

Total rentable area excluding garage and joint ventures (402,000). Increased by 85,800 m² during 2021. In addition to this, there are approx 3,000 parking spaces in the portfolio and 80,000 m² which are owned via joint venture.



Yield

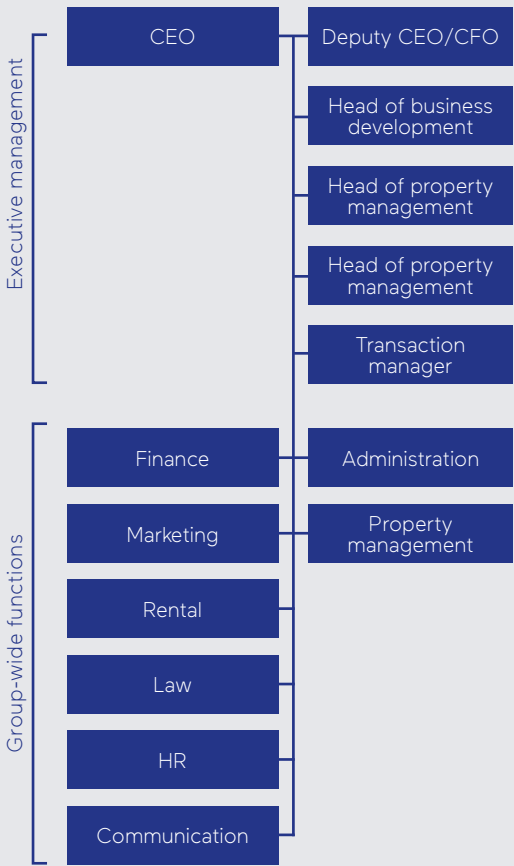
3.9% (4.6)

Number of employees, end of the year



89
(71)
employees of which
46% (41) women
54% (59) men.

Organisation



Revised financial objectives and sustainability goals 2022-2024

Now that the target of 80 percent residential and public sector/community properties has been achieved, on 9 November 2021, the Board of Directors adopted updated financial targets for 2022-2024.

Financial objectives

- The profit from property management shall increase by 12 % annually.
- Return on equity shall exceed 12 % over an economic cycle.
- The loan-to-value ratio shall not exceed 60 % of the property value.
- The interest coverage rate shall exceed 1.75 times.
- Annual investment income from the project portfolio shall be at least SEK 100 million.

Sustainability goals

- Reduce energy consumption by 10 percent in kWh.
- Increase the usage of renewable energy.
- Build more rental apartments with reasonable rents and renovate cost effective.
- Reduce unemployment in our residential areas.
- Reduce homelessness.

Read more about Trianon’s financial objectives on page 13 and sustainability goals on pages 25-37.



The year in brief

Letting

- Continued strong net letting in the entire portfolio and in all property segments.
- Demand in the region remains strong and Trianon sees a positive development in net leasing, which amounted to SEK 5.5 million and newly signed contracts for SEK 39 million.
- Vacancies in the residential properties amounted to 0 percent. Trianon has signed a number of long leases with commercial tenants and community service actors, for example the City of Malmö's upper secondary and adult education administration, the State Service Center at Entré and the care company Praktikertjänst in Kvarteret Hanna in Burlöv. In Burlöv, Trianon and Wallfast also rented to Willys and Normal in Burlöv Center.



Net rentals SEK **5.5** million

Signed leases SEK **39** million
(incl joint ventures)

Transactions

- Trianon continued to be very active in the real estate market in Malmö and the surrounding area and completed both acquisitions and divestments during the year.
- In 2021, Signatur Fastigheter AB (publ) was acquired, listed on the First North Growth Market, which is Trianon's largest acquisition to date with a property value of SEK 1.5 billion. The acquisition added about 800 apartments to the portfolio as well as a number of community properties and building rights, primarily in Malmö and the surrounding area.
- Trianon also acquired 174 apartments in the best location in central Malmö.
- Through acquisitions, we are expanding the portfolio during the year by 1,200 homes. The company acquired a total of 124,300 m², of which 86 percent are residential and community properties.
- Divested properties corresponded to 40,400 m². Major sales include 50 percent of the Rosengård Centrum property (now a JV company owned together with Brunswick Real Estate and Bonnier Fastigheter) and the commercial part of Multihuset in Limhamn.
- Acquisition of number of homes:
 - Malmö: 174
 - Svedala: 261
 - Signatur Fastigheter: 800
 - Minority shares: 258
- The acquisitions (a total of SEK 2.7 billion) have primarily been financed through bank financing, new share issues, issuance of corporate bonds and property sales.



Acquisitions

SEK **2.7** billion

Project portfolio

- During the year, the company received the go-ahead to start construction on over 500 homes in Malmö, of which 129 apartments in Rosengård and 388 apartments for young people in Norra Sorgenfri. Occupancy is planned for 2024 and 2025, respectively.
- Trianon added several development properties to the portfolio during the year, including for conversion to housing and for the development of building rights. There are a total of 124,300 m² of BTA potential building rights.
- The project portfolio currently comprises just over 1,300 potential homes in various phases of planning.
- During the year, the condominium project Concordia 14 in central Malmö with 8 apartments was also completed.



New construction

1,300
apartments in the
project portfolio



Trianon made a number of property acquisitions during the year, not least our largest acquisition to date through the acquisition of Signatur Fastigheter.

Olof Andersson, CEO

Value-generating investments

- High number of renovations and great potential.
- During the year, Trianon carried out 186 apartment renovations in its portfolio as part of its value-creating investments. Renovation of apartments is done in connection with relocation and the goal is to renovate 200 apartments annually. Today, 68 percent of Trianon's apartments have the potential for renovation.



Renovated apartments 186

Potential for renovation 68%
(3,400 apartments)

Transactions in financial markets

- To strengthen the company's financial position for continued expansion, for value-creating investments in the existing portfolio and in new production, and to complete acquisitions, Trianon carried out two new issues during the year. The acquisition of Signatur Fastigheter was financed, among other things, through a non-cash issue of approximately SEK 60 million. In addition, another new share issue of approximately SEK 400 million was carried out, in order to increase the company's financial preparedness for continued expansion and complete the acquisition of 174 apartments in Malmö in accordance with the business plan and updated financial targets. After the issues, the total number of shares in Trianon amounted to 39,251,490, of which 1,521,118 A shares and 37,730,372 B shares, corresponding to a total of 5,294,155 votes.
- During the year, Trianon also issued unsecured corporate bonds of SEK 500 million to finance new real estate projects and ongoing operations. Thus, the framework for the bond loan is fully utilized.



New share issue: SEK 458 million
Bonds: SEK 500 million

Urban development and innovations

- As part of the company's sustainability work and the ambition to have safe and pleasant residential areas, Trianon has in the autumn of 2021 increased the sustainability work in the areas of Lindängen and Hermodsödal in Malmö. A customer survey has been distributed to 2,000 households to find out what the tenants think about their homes, yards, security, service and more.
- Trianon, together with other actors, has actively participated in the Vinnova project Housing for All. A new financing solution will make it possible for households that do not have savings capital for the cash contribution, but who have the opportunity to pay interest and fees, to buy and own their home.
- As part of Trianon's social responsibility and an adaptation to market developments, Trianon introduced a new policy for residential rental at the turn of the year 2020/2021. The new policy has led to a broader target group that also includes households with lower incomes, including young people and families with children, having the opportunity to apply for housing.

Financial objectives and sustainability goals

- On November 9, 2021, the Board decided to adjust Trianon's financial objectives and sustainability goals for 2022-2024 to reflect the company's growth ambitions and value creation. Read more about Trianon's goals on pages 4, 13 and 25-37.

AGM, Board and Nomination Committee

- The 2021 Annual General Meeting resolved that a dividend of SEK 1.80 per share be paid.
- Boris Lennerhov was appointed by the Board as the new Chairman of the Board of Trianon at the beginning of the year. He was then re-elected by the Annual General Meeting.
- At the Annual General Meeting, Board members Boris Lennerhov (also Chairman of the Board), Olof Andersson, Axel Barchan, Viktoria Bergman, Jens Ismunden and Elin Thott were re-elected and Richard Hultin was newly elected. Sofie Karlsryd was re-elected deputy board member.
- The Nomination Committee for the 2022 Annual General Meeting consists of Torbjörn Granevärn (Olof Andersson Förvaltnings AB), Jan Barchan (Briban Invest AB), Malin Ruijsenaars (AB Grenska) and Boris Lennerhov (Chairman of the Board of Fastighets AB Trianon). The Nomination Committee has appointed Torbjörn Granevärn as its chairman.
- During the year, Trianon carried out a number of strategic recruitments to realize its growth ambitions and value creation.



CEO'S COMMENT

2021 – The most profitable year in Trianon's history

2021 was the most profitable year to date in Trianon's history. We enjoyed continued strong growth with a high level of profitability, and achieved our financial targets. In addition, we met the target that residential units and public sector/community properties should constitute at least 80 percent of our property value by a comfortable margin. Trianon completed a number of property acquisitions during the year, not least our largest acquisition so far through the purchase of Signatur Fastigheter. Overall, it was an exceptionally good year, with an increased earning capacity, a higher proportion of residential units and a lower loan-to-value ratio.

In 2021, our earnings rose by 12 percent to SEK 618 million (553) compared with the corresponding period of the preceding year, and the profit from property management grew by 13 percent to SEK 253 million (224). The increase in rental income and profit from property management is due above all to letting, acquisitions and our value-generating investments. The profit from property management exceeded the target of an annual increase of 12 percent. We had a strong cash flow from operating activities, which increased by 47 percent to SEK 262 million (179). Our strong cash flow enables us to continue with a high level of investment.

Trianon is in a strong financial position

Against the background of our aggressive approach to acquisitions during 2021, we carried out a new issue of SEK 400 million, a non-cash issue of SEK 60 million in connection with the Signatur acquisition and also issued corporate bonds of SEK 500 million. At the close of the year, the loan-to-value ratio was 53.5 percent. The target is that the loan-to-value ratio is not permitted to exceed 60 percent. Calculated on total assets, the loan-to-value ratio is about 50 percent. This gives us considerable scope for acquisitions.

Strong letting

During the year, Trianon's net letting reached SEK 5.5 million, and in total, we signed new lease contracts valued at SEK 39 million, with the joint venture company being responsible for SEK 11 million of this. In Entré, we signed contracts with the City of Malmö, Statens Servicecenter and Sveriges BostadsrättsCentrum, among others. When Trianon acquired Entré in 2017, the occupancy rate was 48 percent. Since then, we have converted the former retail centre into a property containing public sector/community services, retail stores, offices, restaurants and an experience centre. After the completion of the Rolf 6 property in Entré, it was converted into a dedicated public sector/community property with a total of 13,700 m² and an occupancy rate of almost 90 percent.

The major leasing contracts signed in the fourth quarter were in the Hanna district in Burlöv with the dental and healthcare company, Praktikertjänst, and in Burlöv Center with the supermarket chain, Willys. The lettings are value-generating for Trianon, and will have a very positive impact on our future growth opportunities.

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Over the past 15 years, Trianon has enjoyed incredible success, going from 5 to 90 employees and with a property portfolio which rose in value from SEK 200 million to this year's SEK 12.7 billion.





Extensive value-generating investments

During 2021, Trianon implemented extensive value-generating investments. In total, we renovated 186 apartments, almost achieving our annual target of 200 apartments. The majority of these followed our standard model, which gives reasonable rent increases and, consequently, long-term tenants. The renovations are an important part of our social sustainability initiative and are also value-generating, providing a yield of 6.5-7 percent.

Transactions resulted in 1,200 new apartments

During the year, we implemented strategic transactions which involved first selling and then purchasing properties. This enabled our bid for the listed company, Signatur Fastigheter, which brought 800 apartments, an excellent addition to our portfolio. Additional acquisitions in central Malmö, in Svedala and at Limhamn brought the total of acquired apartments during the year to 1,200.

Substantial project portfolio

To meet the demand for housing in the region and to contribute to sustainable urban development, Trianon has a substantial project portfolio, see page 16. During the year, we began the construction of 138 apartments in Malmö and received planning permission for 111 apartments in Burlöv. We aim to start construction on 700 apartments in 2021-2022. It is probable that Trianon will have investment support for the apartments which we started construction on before the end of the year, since applications were submitted before 31 December. The decision to end investment support

will hit lower-income working residents of Malmö hard, as it ensured more reasonable rents which matched their ability to pay. Nevertheless, Trianon is an entrepreneurial company which will find new ways of continuing with the projects and delivering on our new target of an annual investment income from the project portfolio of at least SEK 100 million.

Strong property market

As I look into the future, I see a very strong property market in 2022. A record number of transactions were made during the autumn, and these have resulted in lower required returns and positive changes in value. Interest in acquisitions will probably remain high, and this can make it challenging to find good deals. Having said that, Trianon has historically been able to make attractive deals even in a challenging environment, thanks to the strength of our finances.

The social restrictions have had a negative impact on some of our tenants, particularly in the restaurant and entertainment sectors. We can now see the light at the end of the tunnel, and we can expect that these tenants will provide significantly higher rental income going forward.

Positive outlook for 2022

The year has got off to an excellent start with a number of large lettings which will have a highly positive impact on our future earnings. We will continue to focus on value-generating investments, letting, new construction and acquisitions. Our two major urban development projects, in Burlöv and Rosengård Centrum, will enable us to

generate substantial value in the future. At the end of the year, the Board adopted a new business plan for 2022-2024, with revised financial targets which we intend to achieve. An important part of the plan is our increased focus on sustainability. This involves both energy savings and a major investment in security measures with a clear focus on social sustainability, particularly in the Lindängen and Hermodsdal areas of Malmö - investments which will provide more attractive residential environments and increase property values in the long term.

However, at the time of writing, an imminent war is going on after Russia invaded Ukraine in a reckless manner on 24 February. The invasion has made the outside world more conflict-filled and the future more difficult to predict. We at Trianon have already offered accommodation to Ukrainian refugees and that work is continuing.

Over the past 15 years, Trianon has enjoyed incredible success, going from 5 to 90 employees and with a property portfolio which rose in value from SEK 200 million to this year's SEK 12.7 billion. I would like to take this opportunity to thank our clients, shareholders and partners for their confidence in us and, above all, I would like to give my heartfelt thanks to all our dedicated staff for their unstinting efforts every day.

Olof Andersson, CEO



Concordia 35, Malmö.



CHAIRMAN OF THE BOARD'S COMMENT:

Continued strong growth during the year

Trianon continued to develop strongly in 2021. In management and the board, we first made the assessment that it would be a calmer year, among other things through the uncertainty created by the restrictions in society. But it turned out that there were great opportunities for development.

Trianon's strength is a strong network, great knowledge of the local market and an ability to act quickly when opportunities for good business arise. Despite extensive investments during the year, the company achieved its financial targets and continues to have a strong financial position with a loan-to-value ratio of approximately 53 percent. By being a large and expansive player, the company has also been able to achieve better conditions for financing growth.

Continued strong real estate market

2021 was thus characterized by a continued high pace in structural transactions, such as Trianon's acquisition of Signatur Fastigheter. The project market was also strong, not least driven by the high demand for housing, both nationally and especially in Malmö and its surrounding municipalities. Today, construction is even more energy-efficient, both for economic reasons, not least due to the high electricity prices, and from an environmental point of view where construction and real estate companies have an increasing focus on sustainability. The concern applies the increased construction costs, which have been amplified by high material prices and long delivery times, which creates a more uncertain market picture.

However, Trianon has the advantage of having

a strong focus on residential and community properties, which is more stable compared to, for example, commercial properties.

An increasingly professional company

From a corporate governance perspective, Trianon has become an increasingly professional company. It is a journey to make from being a privately owned real estate company to becoming a listed company on Nasdaq's Stockholm's main list. The company has strengthened its competence in both the board and management since the listing in 2017 and established clearer routines for governance, control and follow-up.

In 2021, the Board focused mainly on issues of acquisitions, sales as the venture agreement for Rosengård Centrum, development of Burlövs centrum, intensified sustainability work and development of the business plan 2022–2024 with revised financial goals and sustainability goals. The business plan states a continued clear strategy for growth where it has become increasingly natural for Trianon to establish itself in Malmö's surrounding municipalities - otherwise it will be difficult to maintain the current growth rate. The establishments close to Malmö enable Trianon to achieve coordination benefits in matters such as administration, project development and administration.

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Trianon's strength is a strong network, great knowledge of the local market and an ability to act quickly when opportunities for good business arise.





Employees are the key to success

I took over as chairman in January 2021. Already when I became a member of the board in 2017, I had high expectations of the company and they have really been met. Trianon has delivered far beyond its goals while gradually strengthening its organisation. Ambitious, competent and dedicated employees are the key to success. When you get bigger, it is more difficult to deliver on high goals. However, I believe that the new revised financial targets are realistic and adapted to today's conditions. With the current organisation, Trianon has every opportunity to create shareholder value and continue to be an attractive employer with increased growth in the coming years.

Boris Lennerhov, Chairman of the board



In December, Trianon started the construction of 73 rental apartments at Hyllievång, Malmö.



Strategic focus

Business environment

Malmö continues to be one of Sweden's fastest growing cities. From today's approximately 350,000¹ inhabitants, the forecast is to become 500,000 inhabitants in 2047². The strong population increase means that there is a housing shortage and that the demand for housing is also high in Malmö's surrounding municipalities. This is one reason why Trianon is establishing itself in nearby municipalities, preferably in locations close to the station with good commuting to Malmö.

Through innovative solutions and collaborations, Trianon wants to contribute to renewing, developing and enriching the housing and real estate market in Malmö and the surrounding area for sustainable urban development for everyone in the region.

Objectives

Sustainability work must generate long-term, safe and good returns for the company's owners and at the same time lead to positive societal development and the fulfillment of several goals in Agenda 2030, see pages 25-37.

Financial objectives

Some of the financial targets were updated in 2021 and a new target was added: Annual investment gain from the project portfolio shall amount to at least SEK 100 million. For a definition of other financial targets, see the section "Financial targets and outcome 2021" on page 13.

Sustainability goals

Goals that are particularly important for Trianon and directly linked to the company's assignments and business are reported in Trianon's sustainability report. In November 2021, the Board decided on updated sustainability goals, see page 4.

Operational objectives

Renovate 200 apartments per year with a return of at least 6.5 percent.

Start construction 1,300 apartments 2022–2024, where the rental apartments will to some extent be built with investment support³ for reasonable rents.

In the long term, the property portfolio shall consist of 80 percent residential and community service properties. The goal was achieved in 2021 and amounted to 85 percent.

1) Malmö 2021, <https://sv.wikipedia.org/wiki/Malmö>

2) Malmö stad – New population forecast for the year 2020-2030

3) Investment support was removed from the government budget in December. Grants applied for before the turn of the year 2021/2022 are received when the projects are completed. Trianon has applied for investment support for the two construction projects in Sege Park and Hyllie in Malmö.

BUSINESS ENVIRONMENT

Malmö and the surrounding area are experiencing strong growth with a great need for housing.

VISION

Trianon shall be the most profitable and well-run real estate company in Malmö. We see the proof of the most profitable company in the return on equity.

FINANCIAL OBJECTIVES

Profit from property management
> 12%

Return on equity
> 12%

Annual investment profit
> 100 Mkr

Loan-to-value ratio
< 60%

Interest coverage ratio
> 1.75 ggr

SUSTAINABILITY GOALS



OPERATIVE OBJECTIVES

Renovate
200
apartments/year

80 %
housing/community service

Construction start
1,300
apartments 2022-2024

STRATEGI



ACQUIRE & OWN

We will acquire and long-term own properties in Malmö and the surrounding area.



RENT OUT & MANAGE

We rent out and manage with our own staff to give the tenants the best service.



DEVELOP

Each house and area has its own development potential that we must take advantage of.



BUILDING NEW

We see opportunities to develop our property portfolio by building new.



Trianon's business model

Business concept

Own – Our goal is to be long-term owners of properties in Malmö and the surrounding area. We will focus on selected municipalities and ensure a sufficiently large stock to have efficient management.

Manage – We manage properties with our own staff to provide the tenants with the best service.

Develop – Each house and area has its own development potential that we will take advantage of.

Build new – We are developing our property portfolio by building new rental apartments in a market with a housing shortage.

Business model

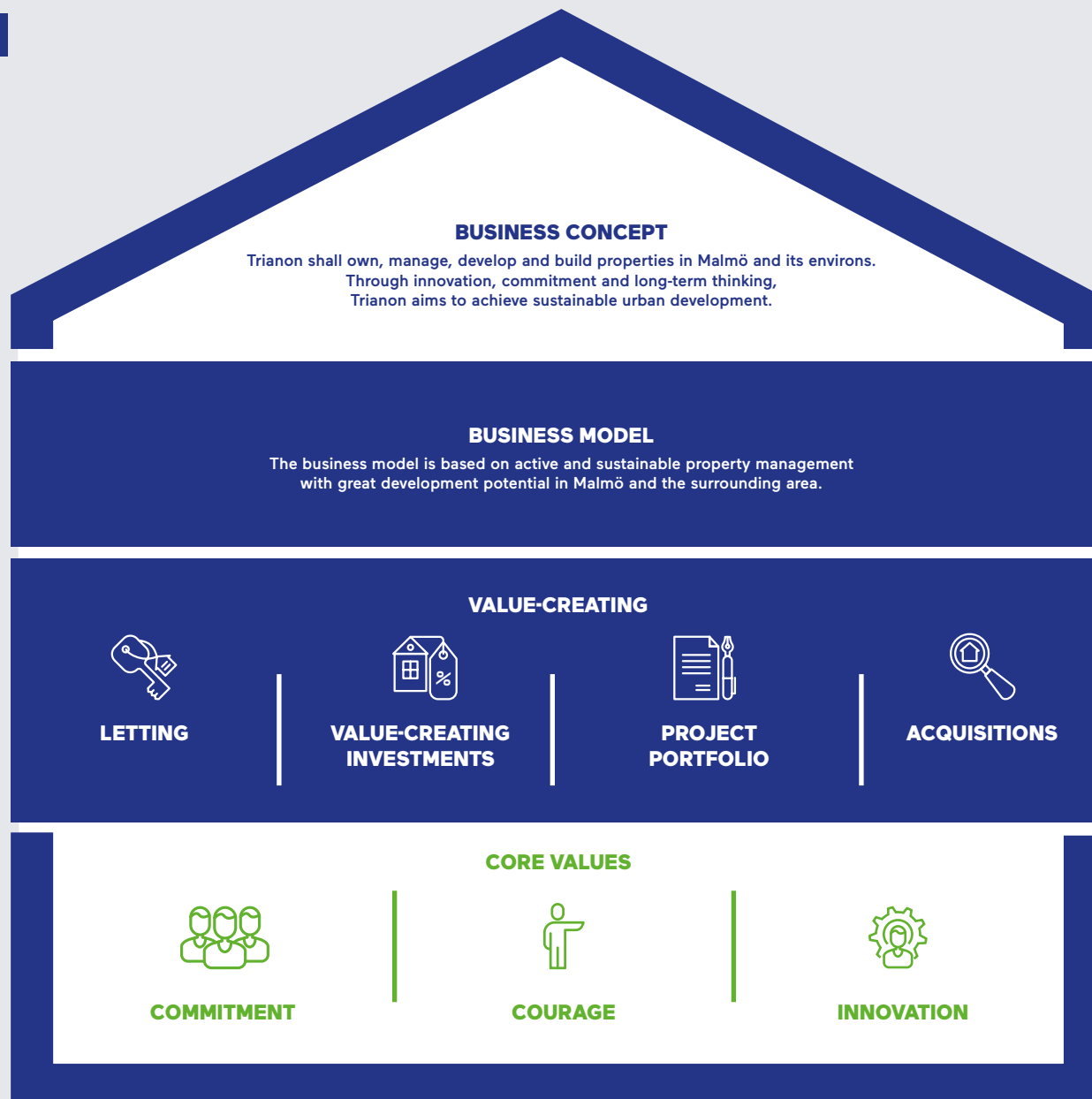
The basis of our business is the management and development of our properties and areas. The development potential depends on the type of property (residential and community properties, respectively office and commercial properties) and geographical location. Through a focus on leasing, value-creating investments, new production and acquisitions, we create value for tenants, society and shareholders.

Core values

Commitment – We are committed and honest. We promote an inclusive culture characterised by trust, respect and low prestige. We are committed to our employees, tenants, society and the environment. Together, we create a better urban and residential environment with sustainable solutions and long-term profitability.

Innovation – We are constantly striving to get better at what we do. We will be involved and contribute to a positive and sustainable social development in Malmö and the surrounding area. With entrepreneurship, we create business benefit, customer benefit and social benefit.

Courage – We are brave and dare to develop new business models. We see new opportunities, make decisions and have the courage to invest. Together we make a difference.





Financial objectives

Result 2021

Overall objective for Trianon's property portfolio

OBJECTIVE: 80%

housing/community service

The property portfolio shall consist of 80 percent residential and community service properties.

Result

85%

In 2021, the goal was achieved through the sale of the commercial property Bryggan 2 in Limhamn and the retail property Rosengårds Centrum, as well as through various acquisitions of a total of approximately 1,200 apartments during the year. At the end of 2021, residential and community properties amounted to 85 percent of the property portfolio.

The profit from property management

OBJECTIVE: 12% per year

Increase the profit from property management by 12 % annually.

Result

13%

The profit from property management increased by 13 procent during 2021 and is thus above our goal. The increased result is mainly due to acquisitions and increased letting.

Return on equity

OBJECTIVE: > 12%

Return on equity shall exceed 12 % over an economic cycle.

Result

31%

Return on equity amounted to 31 percent in 2021, which is well above target. Behind the good return is an improved management result through primarily increased leasing, value-creating investments and acquisitions. The valuation of Trianon's properties by more than SEK 1,300 million, due to lower yields, contributed to the positive outcome.

Loan-to-value

OBJECTIVE: < 60%

The loan-to-value ratio shall not exceed 60 %.

Result

53.5%

The loan-to-value ratio at the end of 2021 was 53.5 percent, which is well in relation to our target. The value has been positively affected by a change in the value of the properties of more than SEK 1,300 million, a new issue of approximately SEK 400 million and a non-cash issue of SEK 60 million in connection with the acquisition of Signatur Fastigheter.

Interest coverage ratio

OBJECTIVE: > 1.5 times

The interest coverage ratio shall exceed 1.5 times.

Result

3.2 times

The interest coverage ratio was 3.2 times, well above our target largely due to the increased management result and a continued low interest rate situation.



THE PROPERTY MARKET

The Swedish real estate market remains strong

In 2021, Sweden's economy continued to develop strongly despite higher inflation and energy prices. Around the world, several central banks chose to raise the repo rate, while the Riksbank chose to wait as inflation is expected to decline in 2022. Should interest rates rise, financial stability could be severely affected and have an effect on both securities and housing prices. The Swedish real estate market remained attractive for investments in 2021 and transaction volumes broke new records, which we were able to see during the autumn with lower yield requirements and positive value changes.

The real estate market and transactions in Sweden

2021 was a record year in terms of transactions in the Swedish real estate market and the total volume amounted to SEK 400 billion, mainly driven by Swedish players. Major transactions include Corem's acquisition of Klöver and Heimstaden's acquisition of Akelius properties, both exceeding SEK 30bn. Compared with previous years, the proportion of foreign buyers fell to 17 percent. There was still a lot of capital in the market in combination with a favorable interest rate situation¹.

Housing was the largest property segment and accounted for 35 percent of the volume, followed by offices which accounted for 21 percent after a couple of years declining share, while the retail segment has the lowest share with about 6 percent².

The real estate market in Malmö and the Öresund region

Malmö continues to be an attractive city to move to and settle in. At the turn of the year 2021/2022, there were 351,749 Malmö residents and the city's calculations indicate that another 50,000 people will move here by 2030.³

The Öresund region and Copenhagen continued to interest investment capital, not least in the real estate market. The location, which offers good living environments, well-functioning communications and several leading universities and research initiatives such as ESS and MAX IV, attracts people here. Ongoing infrastructure investments such as the Fehmarn-Belt Bridge will significantly contribute to connecting Skåne, Malmö and the Öresund region closer to continental Europe. In addition, communication capacity will increase when there are four tracks on the southern main line between Malmö and Lund⁴.

For 2021, the investment volume in Malmö and the surrounding area amounted to approximately SEK 43.8 billion, which represented approximately 11 percent of the total transaction volume in the country⁵.

Non-existent vacancies and long queues

There is currently a general and great need for housing in Malmö and in the neighboring municipalities. There are almost no vacancies and the queue times for a rental property are long throughout the region. Those who have the most difficulty finding a new home are young adults and those with limited ability to pay⁶.

The fact that demand for rental apartments, especially in Malmö and southern Skåne, remains high is confirmed by statistics for 2021 from Boplat Syd. It is a municipal housing agency owned by the city of Malmö and mediates both municipal and private rental apartments

in large parts of Skåne. In total, Boplat Syd provided 10,051 apartments in 21 south Swedish municipalities in 2021. Most apartments received new tenants in Malmö, 7,550, which is an increase of 12 percent, but increases were also due to the surrounding municipalities where waiting times for housing are still long. In Lomma municipality, applicants need to wait for 1,370 days, followed by Svalöv (1,277), Lund (1,089), Vellinge (1,084) and Malmö (1,060). In other municipalities where Trianon is established, the queue time is 999 days in Skurup, 610 days in Burlöv and 540 days in Svedala.⁷

In 2021, investments in housing in the Malmö region amounted to approximately SEK 22 billion, approximately 50 percent of the entire transaction volume.

Given the continued high demand, in combination with increased prices for condominiums and a positive rental trend, as well as a lag of new production, there are good prospects for rental housing in the region.⁸

1 Newsecs market overview 2021

2 Newsecs market overview 2021

3 Malmö stad – New population forecast for 2020-2023

4 Newsecs market overview 2021

5 Newsecs market overview 2021

6 Newsecs market overview 2021

7 Boplat Syd, <https://www.boplatssyd.se/om-boplatssyd> and

Sydsvenskan, Tuesday 22 Feb 2022, page A5

8 Newsecs market overview 2021



Public sector/community service properties

The tenants in community service properties conduct socially important activities such as education, care and nursing. The segment's attractiveness has increased in line with a growing population and not least because the tenants are often publicly funded by the state, municipality or region. Rental levels are generally high and leases are long, often two or three times as long in comparison with offices, as the premises are often specially adapted.

The total investments in the community properties segment for 2021 amounted to approximately SEK 49 billion, which is just over 12 percent of the total transaction volume.⁹

Retail

Large and established shopping centers, are plentiful in Malmö and the surrounding area. Digitalisation and e-commerce have influenced consumer behavior and thus trade patterns. As a result, several property owners are reviewing the tenant structure and supplementing the range of retail with offices and community services. At the same time, smaller retail spaces, retail and service in, or in close proximity to, residential areas have developed positively in recent years.

The investment volume in the segment in Malmö and the surrounding area decreased for 2021 and amounted to SEK 1.4 billion in volume, corresponding to 15 percent. Rental levels for retail premises in the central parts of Malmö continued to decrease by 10 percent also in 2021, while the vacancy rate was around 9 percent for 2021.¹⁰

Offices

After a certain period of slowdown and uncertainty, office death in 2021 seems to be excessive. Demand for more flexible office solutions, such as co-working and adaptation to hybrid work, left its mark on market development in 2021. After several years of intensive construction in Hyllie, there was a certain slowdown. At the same time, the city planned for new production of offices in central Universitetsholmen and Nyhamnen. Attractive and central locations are expected to continue to be in demand with a low vacancy risk, and in general the conditions for rental growth remain positive.

The total investment volume in the segment for 2021 amounted to SEK 82 billion in volume, corresponding to 21 percent.¹¹

The real estate market in Malmö and the surrounding area

Larger real estate companies, housing:

- Akelius
- Stena Fastigheter
- Heimstaden
- HSB
- Victoriahem
- Municipal housing companies

• Larger real estate companies, public sector/community service:

- Hemsö
- Rikshem

• Larger real estate companies, offices:

- Balder
- Kungsleden
- Vasakronan
- Wilhborgs

• Larger real estate companies, retail:

- Atrium Ljungberg
- Steen & Ström

⁹ Newsecs market overview 2021

¹⁰ Newsecs market overview 2021

¹¹ Newsec market overview 2021



PROPERTY PORTFOLIO

Trianon's properties

Earning capacity per segment

Property category	Number properties	Number apartments	Rentable area, m ²	Property value		Rental value	
				SEK million	SEK/m ²	SEK million	SEK/m ²
Residential	104	4,766	350,860	9,284	26,460	503	1,434*
Public sector/ community	21	214	56,718	1,241	21,880	99	1,740
Retail	10	54	47,611	1,278	26,838	101	2,115
Offices	6	1	12,025	517	42,969	30	2,470
Total excluding project properties	141	5,035	467,214	12,319	26,368	732	1,567
Projects	12	2	20,591	346	-	6	-
Total including project properties	153	5,037	487,805	12,665	25,964	738	1,513

Property category	Economic occupancy ratio	Rental income, SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin**
Residential	99%	497	322	65%	336	3.6%
Public sector/ community	83%	82	56	69%	59	4.7%
Retail	88%	88	60	68%	62	4.9%
Offices	97%	29	21	72%	21	4.1%
Total excluding project properties	95%	696	459	66%	478	3.9%
Projects	-	5	1	-	2	-
Total including project properties	95%	701	459	66%	480	3.8%

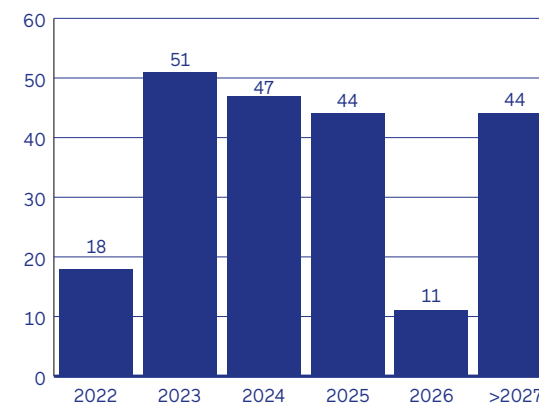
The division of the properties in accordance with the above is based on the predominant share of rental value.

* The rental value only of apartments in the property portfolio in total averaged SEK 1,325 per m².

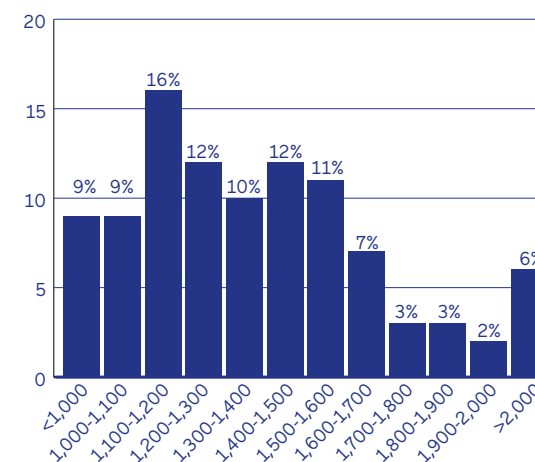
** Net operating income excl. admin, SEK million in relation to property value, SEK million.

Maturity structure of commercial contracts

Rental value, SEK million



Percentage distribution of the rental level for apartments





ACQUISITIONS

An acquisition-intensive year

In 2021, Trianon completed its largest acquisition to date through the acquisition of the listed company Signatur Fastigheter. The acquisition provided Trianon with 800 apartments as well as a number of community properties and building rights. In total, approximately 1,200 apartments, ten community properties, two commercial properties, three development properties and building rights were acquired. In addition to these acquisitions, Trianon carried out two divestments through Rosengård Centrum (50 percent) and Multihuset in Limhamn.

Largest acquisition

In 2021, Trianon completed its largest acquisition to date - the listed Signature Properties, with a property value of approximately SEK 1.5 billion and a rental value of SEK 89 million. Through the acquisition, Trianon's portfolio was expanded with approximately 800 apartments and nine community properties. Trianon now also owns properties in Trelleborg, Lund, Landskrona, Eslöv, Bjuv, Klippan, Helsingborg, Hässleholm, Osby, Vimmerby and Stockholm. The yield on Signature's portfolio amounts to 4.3 percent. With the acquisition, 14 new employees were added, including in administration and finance, who in the autumn of 2021 were integrated into Trianon's organization. The acquisition well complements Trianon's portfolio and, through its size, contributed to Trianon achieving the goal of 80 percent housing and community properties in 2021.

174 apartments in central Malmö

At the end of the year, Trianon acquired homes in central Malmö comprising approximately 12,900 sq.m. divided into 174 apartments. The property value amounts to SEK 630 million and the rental value to SEK 23.6 million. In total, the properties comprise five buildings, two of which are new produced, one is a community building and two with renovation potential.

Trianon also signed an agreement on the acquisition of minority interests in two, today partly owned, companies, each of which owns the residential properties Häggen 13 in central Malmö and Ugglan 21 in Limhamn. The properties together comprise 258 apartments and 19,000 sqm of lettable area. The properties have previously been reported as group companies with deductions for minority interests.

Several acquisitions in Svedala

Trianon acquired a development property, housing and building rights from Fastighets AB Svedalahem and Svedala municipality at a price of SEK 169 million and a total of 14,000 sq.m. It is the first own acquisition in Svedala in addition to a former commercial property in the municipality. The acquisition includes 208 apartments, Folkets hus of approximately 1,600 sq.m. with the possibility of housing construction and a land allotment with the possibility of building approximately 120 apartments. Trianon also acquired a housing project in Svedala of 3,700 sq.m. with 53 apartments with a property value of SEK 112 million from Wästbygg. The unit, which is located in close proximity to Svedala center and the train station, will have a lettable area of 3,700 sq.m. and a rental value of SEK 5.5 million. The homes are built with investment support, which means energy-efficient apartments with reasonable rents. Access will take place when

the project is completed, which is planned for the summer of 2023, and the apartments will complement Trianon's other properties in the municipality in a good way.

Two divestments

During the year, Trianon sold 50 percent of the property Rosengård Centrum (now a JV company owned together with Fastighets AB Hemmaplan) and the commercial part of the Multihuset in Limhamn. Rosengård Centrum has great development potential for housing construction. It is an extensive project and therefore it is natural to bring in a partner. The divestment of the commercial part of Multihuset in Limhamn follows Trianon's strategy of selling fully developed properties.

Focus 2022

Trianon has good contacts in the local market and will in future continue to evaluate basically all business opportunities.

Principles for Trianon's acquisitions

- The acquisition shall fit in with Trianon's business concept of owning, managing, developing and building properties in Malmö and the surrounding area.
- The property shall have the right price in relation to the market price and Trianon's other properties.
- The property shall have the correct geographical location in relation to Trianon's other holdings.
- The property shall have a development potential - for Trianon to be able to make value-creating investments.

For acquisitions in the surrounding municipalities:

- The property shall be located in a municipality with growth, with the advantage of being located close to the station and having a size to be able to take advantage of synergies with Trianon's management.



Trianon's acquisitions during 2021

Object	Number properties	m ²	Apartments	Value	Seller
Signatur Fastigheter	62	78,800	800	1,500	Listed
Residential properties in central Malmö	2	12,900	174	630	Private owner
Development property, housing, building rights in Svedala	3	14,000	208	169	Svedalahem
Building rights in Hyllie	1	5,450	73		City of Malmö
Building rights i Sege Park	2	4,860	76		City of Malmö
Housing project in Svedala		3,700	53	112	Wästbygg
Minority shares in partly owned housing companies in Limhamn and Värnhem		19,000	258		Private owner
Minority shares in partly owned commercial property in Limhamn		2,170			Private owner
Commercial property in Hermodsda	1	1,700		38	Svenska Handelsfastigheter
Development property in Malmö for conversion to housing	1	800		16	Private owner
Development property with building rights on Norra Sorgenfri	1	10,000			Galjaden Fastigheter
Community property in Malmö	1	3,200		70	Private owner
	74	156,580	1,642	2,535	

In November, Trianon acquired apartments in Nyborg 22 and Basunen 3 in Malmö.



LETTING

Continued high demand for housing and new long-term contracts for premises

In 2021, demand for Trianon's housing remained high and the occupancy rate was close to 100 percent. The company signed a number of long leases with commercial tenants and community actors. During the year, Trianon had a net lease of SEK 5.5 million and in total we signed new leases for SEK 39 million, of which JV companies accounted for SEK 11 million. For 2022, the company is investing in continued development and leasing of commercial properties and in maintaining the level with no vacancies for housing.

Less effect of the restrictions

Trianon did not see any major negative effects of society's restrictions. For some of the commercial tenants, the company gave a discounted rent, and the state support to the companies also mitigated the negative effects. The restrictions also did not directly affect the tenants' ability to pay. On the other hand, a large group of apartment applicants experienced a more uncertain situation through more temporary forms of employment, such as fixed-term and project employment. However, the possibilities for renting Trianon's homes were improved with the new criteria that the company introduced for renting.

Several major leases for premises

In 2021, Trianon signed several large and long-term leases for their commercial tenants. In Entré, Trianon signed an agreement with, among others, the City of Malmö's upper secondary and adult education administration, the State Service Center, a health center and Sveriges BostadsrättsCentrum AB (SBC). In the Hanna district in Burlöv, agreements were signed with the care company Praktikertjänst and in Burlövs Center with the grocery store Willys. See table on the next page of the major leases in 2021.

Entrés transformation

When Trianon acquired Entré in 2017, the occupancy rate was 48 percent. Today, the property is contracted to about 90 percent. Trianon has redirected the development from being a pure shopping center to becoming a property with, among other things, community services, offices, retail, entertainment centers and restaurants. Uno 5 focuses on local service and experience center. Rolf 6 is now being converted into a community property, including with the new tenants, the city of Malmö, the State Service Center, the care center and SBC. On the ground floor, Cello Mat & Vin rents. Trianon is upgrading the area by developing the existing square adjacent to the facade. The city of Malmö is constructing green areas, stormwater drainage and a bicycle garage on the surrounding streets. These developments, which are expected to be completed in 2022, will promote the urban environment and enrich Entré. Furthermore, housing construction is planned in the neighboring areas of Kirseberg and Segevång, which will increase the demand for services and goods in Entré.

Rosengård Centrum fully let

Rosengård Centrum is today fully let. There is a large target group that is within walking and cycling distance and the center has a varied range of small and large shops that attract and are established as a natural meeting place. Rosengård Centrum is not characterized by having the large retail chains in place and the target group prioritises physical trade to a greater extent before e-commerce - something that has contributed to the high visitor statistics. During the year, Trianon entered into an agreement with Fastighets AB Hemmaplan for the sale of 50 percent of Rosengård Centrum. Through a joint venture, the two players will drive the development of Rosengård Centrum, Rosengårdsbiblioteket and building rights of approximately 60,000 sq.m. BTA. Construction will start on 129 new apartments in the autumn of 2022.

Trends in the housing market

Trianon constantly follows the current trends in the housing market in Malmö and the surrounding area. In 2021, the company saw a continued high demand for housing, although a certain slowdown in the demand for newly built, expensive apartments. Demand is particularly high for apartments with reasonable rents. Trianon has been able to

keep rents down by building with government investment support. Now that the investment support has been removed, Trianon will find new ways to pursue new production projects and at the same time offer reasonable rents.

Outcome of the new rental policy

As part of Trianon's social responsibility and an adaptation to market developments, Trianon introduced a new policy for housing rental at the turn of the year 2020/2021 with reduced income requirements and acceptance of more forms of employment such as hourly employment. The new policy has led to a broader target group with lower incomes having the opportunity to apply for housing.

Focus for 2022

In 2022, Trianon will focus on renting vacant premises, primarily in Uno 5 in Entré and Burlöv Center. This will be done through continued development of the properties and tenant adaptation to increase their attractiveness. For housing, Trianon will continue to work with several different communication channels to market vacant apartments, such as Boplats Syd, Trianon's website and social media channels to maintain the goal of zero vacancies.



Major contracts in 2021 with commercial tenants

Tenant	Area	Type of property	m ²	Length (years)
Willys	Burlöv Center	Retail	3,100	10
Malmö stad	Entré, Malmö	Community property	3,000	10
Hyllie Park Folkhögskola	Hyllie, Malmö	Community property	2,196	4
Statens servicecenter	Entré, Malmö	Community property	835	6
Sveriges BostadsrättsCentrum	Entré, Malmö	Community property	830	5
Region Skåne	Ljungbyhed	Community property	743	10
Experterna i Malmö AB	Hyllie, Malmö	Community property	735	10
Praktikertjänst	Kv Hanna, Burlöv	Community property	680	7
			12,119	

Praktikertjänst has signed an agreement in Kvarteret Hanna in Burlöv, moving in 2023. Illustration: Fojab.



VALUE-CREATING INVESTMENTS

Extended property portfolio and a record number of apartments renovated

In 2021, Trianon increased its property portfolio by almost 1,200 apartments through the acquisition of the property company Signatur Fastigheter and further acquisitions in Malmö, Limhamn and Svedala. In addition, Trianon bought several commercial properties in Malmö. Trianon carried out a number of energy efficiency projects during the year, including window replacements. In addition, facade renovations and conversions of commercial premises were made. In Trianon's apartment portfolio, the renovation potential amounts to 68 percent, which means great potential for value creation.

Close to the annual goal

In 2021, Trianon renovated 186 apartments, which is close to the annual target of 200. Most of the renovations were done in properties in Hermodsdal, Lindängen, Limhamn, central Malmö, Skurup and Svedala and renovations are only done in connection with relocation. The apartments were renovated according to Trianon's Basic Model or Plus Model. The basic model includes complete renovation, which also includes renovation of the kitchen and bathroom as well as installation of security doors. The Plus model also includes options such as parquet and tile floors, a stove with induction hob and a dishwasher. In Svedala, for example, the apartments were renovated according to the Plus model and in Skurup both models were used. Trianon also refurbished the 11 properties with 781 apartments that the company acquired in 2019. It is mainly repainting of stairwells, installation of new floors and preparation in and around the properties that are located in Hermodsdal and Nydala. In addition, six environmental houses were put into operation in the same areas for source sorting of waste. In Malmö city, the Concordia property on Stora Nygatan was completed with occupancy in the condominiums in May 2021. The renovation potential in Trianon's apartment portfolio is large and amounts to 68 percent.

Renovations and conversions

Trianon carried out renovations and conversions of premises for its residential and commercial properties. In the Häggen property at Värnhemstorget in Malmö, facade renovation and window replacements were carried out on the high-rise part. An empty room of 280 sqm was converted into an office for the bus company Nobina, which moved in in May. In the Delfinen property in central Malmö, a room was converted into a 180 sqm office and a 400 sqm leisure center for the city of Malmö.

Investments for sustainable energy use

In order to save energy, Trianon made several investments during the year. Among other things, replacement of electrical trunks, replacement of traditional lighting with LED and replacement of substations on properties in Slottstaden, Triangeln, City and at Limhamn were carried out. In addition, solar cells and carbon dioxide-absorbing roofing felt were installed at Rosengård Centrum. Trianon's goal is to save 10 percent of energy consumption during the period 2022–2024, which corresponds to SEK 7 million / year in savings for the company.

NKI survey

In 2021, Trianon conducted a customer survey with tenants in the areas Vårsången, Lindängen, Nydala and Hermodsdal in Malmö. A response rate of 56 percent of a total of about 2,000 recipients provided valuable feedback to Trianon. Examples of areas that were highlighted as possible improvements were security issues and the condition and standard of public spaces.

Focus for 2022

The goal of renovating 200 apartments annually remains and Trianon will also in 2022 continue with tenant adaptations of commercial premises. A key issue will be to rent out vacant premises in, among other places, the Entré properties and Burlöv Center. Furthermore, continued investments will be made in energy efficiency improvements to achieve the goal of 10 percent lower consumption over the next three years. These include replacement of lighting, heat recovery and installation of heat pumps and solar cells.





NEW PRODUCTION AND PROJECT PORTFOLIO

Great potential in the project portfolio

Malmö continues to be an attractive and expansive city. To keep pace with population growth, more than 20,000 new homes need to be built over the next ten years. Forecasts show that Malmö will be a half-million city in 2047. Trianon currently has over 1,300 homes in its project portfolio and in 2021 the company received the go-ahead to start construction on 500 new apartments in Malmö, but in the long term the potential for more homes is even greater.

The market in Malmö and the surrounding area is growing strongly. Having an extensive project portfolio with housing in different stages of planning is a stated strategy for the company. This creates the opportunity to bring new housing to the market while Trianon can achieve its financial goals. During the year, Trianon acquired 77 properties, thereby adding more and more development opportunities and building rights to its portfolio. The goal is to start construction of 1,300 apartments during the period 2022-2024.

Realize values in the project portfolio

With relatively few acquisition objects on the market, it is becoming increasingly important to expand the housing stock with new production. Trianon's project portfolio currently comprises just over 1,000 detailed new homes.

By working strategically and gradually developing the portfolio, it is possible to realize great values over time. Trianon therefore decided to strengthen its project development organization during the year. The reinforcements enable the handling of more and larger new production projects.

For the years 2022-2024, Trianon has set up a new one financial goals for the value-creating activities in the project portfolio. The annual investment gain from the project portfolio shall amount to at least SEK 100 million, which means annual investments of just over SEK 600 million, corresponding to a gain of approximately 15 percent. Through successive profit recognition related to invested resources and completion in each project, the value of the portfolio increases in step with development.

Construction starts in Malmö and surroundings

In 2021, Trianon received the go-ahead for the start of construction of 500 new homes in Malmö. In Rosengård Centrum, 129 new apartments are being built in direct connection to trade, service and the new library.

In addition, production of 389 youth apartments will also begin in Norra Sorgenfri, which is one of Malmö's largest urban development projects, where the old industrial area will now provide space for housing. Trianon has also initiated new production of homes in Sege Park and Hyllie in Malmö, Kvarteret Hanna in Burlövs municipality and Kvarteret Trädgårn in Svedala municipality in 2021. Approximately 700 new homes will be started in 2021-2022.

New production will primarily take place on behalf of Trianon, but the portfolio also includes projects that can be better suited for other owners and be other forms of housing than rental apartments. Examples of this are the youth apartments at Norra Sorgenfri in Malmö, where the first stage has been sold to Wilhem. The homes in the Silo properties in Limhamn will be developed into condominiums.

Cost effective and with reasonable rents

Trianon strives to be a community builder. This means that the company wants to contribute to producing housing that can be demanded based on different needs and not least by low- and middle-income earners. To keep construction costs down, Trianon is working to streamline the entire project and construction process, starting with the detailed planning work, which affects both the construction of the homes and the choice of contractor. In the work of contributing to sustainable urban development, it can also mean that Trianon invests in the development of community properties such as the library in Rosengård Centrum and Torghuset (Rolf 6) at Entré.

In recent years, Trianon has mainly built new homes with government investment support. The support was introduced to create more homes with reasonable rents with a fixed rent ceiling and thereby increase the demand for new production. In November 2021, the parliament decided to abolish the support. Trianon will probably build with the investment support for the approximately 200 apartments in Sege Park and Hyllievång in Malmö and Kvarteret Hanna in Burlöv, as applications have been submitted before the end of December.

Focus for 2022

Ahead of 2022, Trianon intends to continue working strategically with its project portfolio to clarify the potential. It is about making a screening of all projects, not least the new projects that have been added through the acquisition of Signatur Fastigheter, and structuring the portfolio to be able to handle increasing volumes in the long term.



Project portfolio

Project properties	Number apartments	Gross total area, m²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Project existing properties							
Entré - Rolf 6**	0	11,900	199	85	17	2021	2022
Total projects existing properties	0	11,900	199	85	17		
Project with current detailed plan							
Badmössan 1, Hyllie (premises and residentials)	73	5,500	150	31	8	2021	2023
Centralköket 1, Sege Park (residentials)	65	4,900	122	18	6	2021	2023
Centralköket 1, Sege Park ((tenant-owner homes)	11	1,600	49	4		2021	2023
Svedala 1:87 (residentials)	53	4,700	112	0	6	2021	2023
Kvarteret Hanna, Burlöv (premises, rental properties and tenant-owner homes)	111	15,400	432	12	16	2022	2024
Fjällrutan 1 (tenant-owner homes)	12	1,100	34	0	0	2022	2024
Norra Sorgenfri, phase 1*	253	14,000	410	34	24	2022	2025
Norra Sorgenfri, phase 2	135	8,000	270	19	11	2022	2025
Total projects with valid zoning plans	713	55,200	1,579	118	71		
Projects subject to zoning plans							
Björnen 6	50	4,500		1		2023	2025
Svedala 25:18	143	10,000		0		2023	2025
Svedala 22:8	41	4,100		1		2023	2025
Östergård 3	65	4,200		1		2023	2025
Husie	60	9,000				2023	2025
Macken 1	35	1,600		0		2024	2026
Stockholm Mjölkboden	46	2,800				2024	2026
Vallhunden	29	2,000				2024	2026
Alven	30	2,000				2024	2026
Spiralen 10	123	17,000		0		2025	
Total projects subject to zoning plans	622	57,200	0	3	0		
Total project portfolio	1,335	124,300	1,778	206	88		

Future potential zoning plans

Bunkeflostrand 155:3

*Norra Sorgenfri, phase 1 sold, with access when the property is completed.

**Office in accordance with zoning plan.

Joint venture	Number apartments	Gross total area, m²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Bojen 1 and Fendern 1 (Silos at Limhamn)	70	15,000				2024	2027
Rosengårds library	0	2,000	75	24	6	2020	2022
Rosengård Centrum, phase 1 South	54	5,400		2		2022	2024
Rosengård Centrum, phase 1 North	75	7,000		2		2023	2025
Tågarp 15:4, phase 1 (Burlöv Center)	525	48,000		3		2022	2025
Tågarp 15:4, phase 2 (Burlöv Center)	910	85,000		1			
Total	1,634	162,400	75	31	6		

Future potential zoning plans

Rosengård Centrum, phase 2 and 3

Tågarp 15:4 phase 3 (Burlöv Center)



Trianon's Sustainability Report 2021

THE SUSTAINABLE BUSINESS

A profitable combination of customer and societal benefit

As a committed property owner, there is a significant responsibility to handle both the opportunities and challenges that exist in the Malmö region. It is about creating sustainable properties based on the for-profit business, which in turn generates significant value for both customers and society. Trianon's committed sustainability work has proven to generate long-term, secure and good returns for the company's owners while leading to positive societal development and fulfillment of several of the global goals within the framework of Agenda 2030.



Long-term sustainability work

Social, economic and environmental sustainability are important parts of Trianon's responsibility as a property owner and property developer. Working actively and purposefully with sustainability contributes to both reduced business risks and increased business opportunities, and the company therefore works goal-oriented and long-term with sustainable development throughout the organization. Trianon's board updated the company's business plan in the autumn of 2021 and thus also updated the sustainability goals.

Well anchored in the global goals

The global goals in Agenda 2030, which are also referred to as SDGs (Sustainable Development Goals), show both the way for the company's work and offer a common language and framework. In 2021, Trianon has continuously followed up and evaluated the company's sustainability goals with the global goals as a common thread.

Goals that are particularly important for Trianon and directly linked to the company's assignments and business are reported in the following chapters.

Trianon's sustainability work

Since the screening of Trianon's sustainability work in 2019 in a so-called materiality analysis, the company has focused on both priority areas and areas where the work should be intensified. The company still focuses on social issues in accordance with both Trianon's business model and the wishes of several stakeholders, not least the owners.

A thorough sustainability work has been started in 2021 to make improvements in well-being and security in Lindängen and Hermodsäl in Malmö. By engaging both our own staff and the residents, we find out what the tenants think and on that basis we make improvements.

Climate and environmental issues are given more focus through the forward-looking goal of reducing energy consumption in the company's properties, see page 33. A new energy manager was hired during the year, which enables systematic work on the issues.

Trianon's sustainability goals 2022-2024

In November 2021, the Board decided on updated sustainability goals. In each chapter on pages 25-37, the outcome of the previous sustainability goals is reported.

Build more rental apartments with reasonable rents and renovate cost-effectively: (SDG 10, 11)

- Produce apartments with reasonable rent that can be demanded by low- and middle-income earners.
- Renovate 200 apartments per year, of which 150 according to Trianon's Basic Model to promote long-term living.

Reduce unemployment in residential areas 2022-2024: (SDG 8, 10)

- Via social clauses, make demands on Trianon's contractors that 20 unemployed people should come to work.
- Offer 6 people who live in the company's residential areas fixed-term / hourly employment.
- Create 100 summer jobs for young people living in Trianon's areas.

Reducing homelessness 2022-2024: (SDG 10, 11)

- Offer 60 of the company's terminated apartments to counteract homelessness.

Reduce energy consumption in our properties and increase the proportion of renewable energy sources: (SDG 7, 11, 13)

- Through targeted efforts, reduce energy consumption by 10 percent in kWh 2022-2024.*
- Install solar cells in existing stock corresponding to 100,000 kWh / year.

*The target refers to normal-year-adjusted kWh savings in properties owned as of December 31, 2021. The target pertains to properties that we intend to own and manage in the long term.



Business ethics

For Trianon, it is of the utmost importance to run the business responsibly and to work on the basis of business ethics principles. At the same time, there is a great awareness of the risks that exist in the industry with, among other things, illegal subletting, bribes, unfair working conditions and cheating in construction.

It is important for Trianon to ensure that the company's values permeate the business and are integrated into all collaborations, processes and routines. Trianon dissociates itself from all forms of irregularities and all suppliers are expected to comply with applicable laws and regulations as well as Trianon's policies and guidelines. The company does not have a separate anti-corruption policy but has included the central messages about anti-corruption in the codes of conduct. In 2021, Trianon has not had any anti-corruption cases.

Whistleblowing

Trianon as a workplace and company must be characterized by trust, respect and low prestige. Everyone we meet must be able to trust us, which means that both employees and suppliers must follow up the codes of conduct. Anyone who suspects or considers themselves to have suffered any irregularities or irregularities should first contact the nearest manager or responsible customer at Trianon. The company's whistleblower service also gives everyone an opportunity to anonymously report suspicions of irregularities or irregularities. In 2021, Trianon has not had any cases that caused whistleblowing.

How Trianon manages the sustainability work

The Trianon Board identifies how sustainability issues affect the company's risks and business opportunities. Trianon's business development manager is responsible for the company's overall sustainability work and the company's management team is responsible for managing and following up the sustainability work. In daily work and in contact with suppliers, business contacts and other stakeholders, there are a number of policies, guidelines and governing documents that set out Trianon's rules and approaches, the most important of which are:

- Business plan - business concept, goals, strategy and values
- The Board's rules of procedure and CEO instructions
- Finance policy
- Environmental policy
- Purchasing policy
- Policy against abusive discrimination
- Code of conduct for employees and suppliers
- Communication policy
- Risk policy
- Tax policy

Sustainable hybrid bond

In 2019, Trianon issued its first sustainable hybrid bond with a framework consisting of ten measurable sustainability goals that are directly linked to the global goals. Every year, the company reports the outcome in an investor report.

For a definition of the objectives and results of the sustainable hybrid bond, see pages 38-40 and trianon.se/hallbarhet.



Yalla Trappan opened its café in Lindängen in 2021.



Sustainability risks

This table shows Trianon's main sustainability risks, ie risks associated with the environment and climate, social responsibility and risks linked to the company's governance. In the risk section on pages 62-65, there is an account of how other risk factors can affect Trianon as a company.

Risk area	Description	Potential impact	Risk management
Environment and climate	Lack of environmental work and increasing energy use lead to emissions of air pollutants and greenhouse gases that affect the climate. Climate change contributes to physical risks, including rising water levels, increased rainfall and heat.	Deficiencies in environmental work can affect people and properties. Lack of work on environmental issues can affect Trianon's reputation and brand and lead to direct costs. The physical risks of climate change can have a negative effect on the company's properties and tenants' operations.	<ul style="list-style-type: none"> Investment in renewable energy sources. Prioritizes energy and heat efficiency in our properties. Maintains good knowledge of laws and regulations. Sets high demands on energy performance when we rebuild or new. In the case of new production, physical risks are managed in the detailed plan and through regulatory requirements. <p>Read more on pages 31-33</p>
Coworker	Employees are important assets that drive the business forward. One risk may be to fail with well-being, security, recruitment and development.	Dissatisfied employees, deficiencies in the psychosocial work environment, inadequate leadership and insufficient competence can lead to, among other things, increased costs, impaired performance, damaged brand and impaired profitability.	<ul style="list-style-type: none"> Long-term work and good leadership in order to increase employee well-being. A well-established common set of values. Market compensation. Conducted employee survey. Continuous work with Trianon's work environment. <p>Read more on pages 34-36</p>
Social conditions	Low employment rate, high relocation rate and experience of insecurity in the residential areas.	Low employment rates can contribute to exclusion among the tenants as well as anxiety and stress among tenants and employees, which can lead to a high relocation rate, increased number of vacancies and reduced profitability.	<ul style="list-style-type: none"> Actively work to create jobs in the company's socio-economically vulnerable areas. Renovate with reasonable rent increases. Flexible income requirements for tenants in the company's rental policy. Physical measures in the outdoor environment. <p>Read more on pages 28-30</p>
Anti-corruption	In the construction and real estate industry, there may be ethical risks in corruption, including illegal subletting, bribes, unfair working conditions and fraud in the construction industry. The risks may exist within Trianon and with contracted suppliers.	Corruption and irregularities can cause great harm to individuals, the brand and the company with financial losses as a result.	<ul style="list-style-type: none"> The company's certification scheme and purchasing policy together with a code of conduct for employees and suppliers must contribute to good control and business ethics. Training for Trianon's employees in the code of conduct. <p>Read more on pages 34-35</p>
Human Rights	There is a risk that our suppliers do not meet our requirements regarding human rights in terms of compensation, working conditions and the existence of forced labor.	Irregularities can harm individuals, the brand and the company with financial losses as a result.	<ul style="list-style-type: none"> Continuous dialogue is conducted with suppliers in procurements, renovation projects and new production. Trianon has a code of conduct for suppliers that describes the company's requirements for the supplier in terms of sustainable and responsible conditions. <p>Read more on pages 33-35</p>



HOUSING

Collaboration and commitment that makes a difference

A city consists of so much more than just the buildings and street spaces. What gives the city a soul are the people who live there and fill it with life. For Trianon, the interplay between them is important - that those who live in the city should feel comfortable in their homes, feel good, be able to support themselves and together contribute to a sustainable societal development that benefits everyone. An important part of the work is to contribute with security-creating measures and work to reduce unemployment.

Promoting sustainable urban development is part of Trianon's business concept. By building new properties with mixed forms of lease, the company contributes to increased integration and the opportunity for a housing career at different stages of life. Trianon makes targeted efforts and improvements in both existing residential areas and in new construction projects where the purpose is to reduce exclusion, create job opportunities and ensure access to safe and affordable housing.

Control and follow-up

The work with social sustainability is an integral part of both the administration, the rental and the business development and is led by the development manager. There is a great awareness of considering social aspects in most investment decisions and how social projects should be initiated. Ongoing lettings are governed by a lettings policy and management is governed by routines for upgrades and property management. Follow-up takes place through evaluation of the projects. Then various variables are measured such as succession rate, real estate economy and remaining residents.

A positive spiral

Trianon's social sustainability work is based on the principles that the efforts must contribute to increased security, employment and attractiveness, but also to Trianon's business. The company's theory is that social sustainability work leads to societal benefit and business benefit through the following positive spiral: When the employment rate increases and residential areas are upgraded, people's sense of exclusion decreases and the socio-economic situation stabilizes. It also leads to an improvement in the situation of children and young people, which in the long run means that the schools' results are raised. This in turn creates security, an improved perception of the area and a reduction in relocation.

Degree of relocation

12% (14)

Target: Relocation rate 10 percent. Aims to increase security and well-being. The relocation rate is based on relocations in Trianon's total portfolio in relation to the total number of apartments per 2021-12-31.



Thorough sustainability work - NKI survey in collaboration with AktivBo

In the autumn of 2021, an NKI survey was distributed to all 2,000 households in Lindängen and Hermodsdal as a first step to find out what the residents think of Trianon as a landlord, housing, physical and social environment. Both tenants and employees have been involved in the work that will generate both physical and social improvements in the areas. The work is conducted as a long-term project with internal involvement in management, property management, business development and communication. The project will be an incorporated part of the administration and aims to increase well-being, security and in the longer term also property values.

Job creation measures

To reduce unemployment, Trianon employs both its own tenants and others who are outside the labor market. The company also works with social clauses in procurements where service and construction contractors undertake to employ the unemployed who live in the company's areas for a fixed term. When more people come to work, the stability in the area increases and in the long run it leads to a number of positive effects such as better school results, reduced vandalism, safer areas and increased property value. Summer jobs in the residential areas are an appreciated investment that Trianon makes to contribute to increased security and meaningful leisure for young people in the areas.

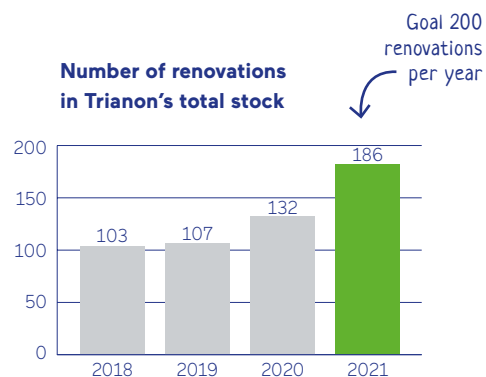
Rental criteria

Trianon's rental criteria are characterized by having flexible income requirements to rent an apartment. While several in the industry require permanent employment and a net income corresponding to 2 x the monthly rent, Trianon requires a net income corresponding to 1 x the monthly rent and allows different types of employment, such as hourly employment. Maintenance support is approved as income for 10% of the company's terminated apartments. The vacant apartments where income support is approved as income can be applied for at Boplat Syd.

Affordable housing - reduced inequality

All people should be able to afford to live well. One of Trianon's most important goals is to build more apartments with reasonable rent, so that more people can afford to move in. Another example of efforts to guarantee low rents is Trianon's cost-effective renovations. Trianon's renovations take place only when relocating and generate limited standard increases with a general increase of only 1,000 -2,000 kronor per month depending on apartment size. The annual goal is for 200 apartments to be renovated and in 2021 the outcome was 186.

Trianon has successfully built with the state investment support in order to keep production costs down and enable reasonable rents so that more people can demand a new tenancy. Now that the investment support is abolished in the future, the company will adapt the projects to continue to be able to offer newly produced apartments with reasonable rents. The company will build new properties with mixed forms of lease, which contributes to increased integration and the opportunity for a housing career in the various events of life. In 2021, Trianon started to build apartments in Sege park and Hyllie, which will probably be covered by the support. Wästbygg's project with apartments in Svedala that Trianon acquired during the year is also being built with the investment support.





Reduced homelessness

Trianon also aims to help reduce homelessness. To offer a housing solution to the homeless and also work to help them with long-term leases, Trianon is leaving vacant apartments in the city of Malmö. After one year, the goal is for the contract to be transferable to the tenant, which is a safe approach for both the individual and for Trianon. To date, 99 percent of such leases have been taken over by the tenant with excellent results for all parties.

Social and physical environment

Renovation and upgrading of the physical outdoor environment and common areas such as garages and stairwells - for example through good lighting and construction of green areas for recreation - increases the feeling of well-being of the residents. Upgrades are regularly made to both outdoor environment as common areas and more measures are planned ahead. The large investment in increased well-being and security in Lindängen and Hermodsäl, whose work started during the autumn, will result in a number of measures in the social environment.

Social activities

To increase social cohesion and a sense of security in southern and eastern Malmö, Trianon's staff participates in targeted initiatives and initiatives such as night walks and meeting places for children and young people. The efforts take place in work with other social actors, real estate companies, associations and businesses, rescue services, police and schools.

Sponsoring

Trianon actively sponsors organizations that work equally with children and young people, preferably in their own residential areas. The sponsorship is adapted to local conditions and the needs we see that a sponsorship collaboration can fill in our residential areas.

In 2021, sponsorship collaborations have been underway with Malbas, which has arranged new opportunities for basketball training in Hermodsäl, BK Olympic and FC Champions with football training in Lindängen, night hiking with Nattvandrarna in Lindängen and FC Rosengård which focuses on football and an inclusive society for children and young people.

Focus 2022

- Build homes that more people can afford to demand.
- Construction start Norra Sorgenfri, Burlöv and Rosengård
- Continue the sustainability work in Lindängen and Hermodsäl with customer surveys and action plans in order to increase well-being and security in the areas.
- Meet the objectives of the sustainable bond and develop this work, see pages 36-38.

Collaborations and projects

Stiftelsen Momentum

Stiftelsen Momentum Malmö is a non-profit foundation formed by Trianon's principal owner and the municipal housing company MKB. The foundation is a unique collaboration for the Malmö of the future with a focus on children and young people's growing up conditions and future opportunities. The foundation's goal is to contribute in the long term to a socially sustainable and safer Malmö. Children up to the age of 12 in the areas of Nydala, Hermodsäl, Lindängen and Rosengård are in focus and in 2021 there have been plenty of activities, including reading ambassadors, outdoor basketball, swimming school and art activities. The associations FC Champions and BK Olympic, which Trianon sponsors, are also active under the auspices of the Momentum Foundation.

Housing for everyone

Housing for All is a Vinnova-funded project that examines the conditions for a new financing model. The model will make it possible for households that do not have savings capital for the cash contribution, but who have the opportunity to pay interest and fees, to buy and own their home. In this way, more newly produced homes can also be made available to middle- and low-income earners. The project is a broad collaborative project between Trianon, PEAB, SEB, AB Grenska, the City of Malmö and Malmö University. The pilot for the project is Rosengård, where Trianon will build 129

apartments, half of which are condominiums and half rental apartments. A final report of the project will be published in 2022.

Sharing Cities Sweden

With funding from Vinnova, Trianon has worked together with the city of Malmö and 11 construction companies to find new business models for a sustainable sharing economy. The starting point for the project has been Sege Park, where Trianon will build 73 rental apartments. Within the project, a manned sharing hub will be established that will offer the opportunity for the residents to share more and own less. Within the project, there are plans for a mobility pool with electric cars, electric and box bikes. In 2021, a lease has been signed at Sege Park with IKEA, which is investing in a hub for recycling furniture.

Yalla Trappan

In the spring of 2020, Yalla Trappan and Trianon signed a rental and cooperation agreement for a café and restaurant business in Lindängen. The collaboration will get more women into employment, strengthen women's independence and health, but also contribute to increased security and service in the local area. Yalla Trappan opened its café business in Trianon's property on Munkhättégatan in Lindängen in the autumn of 2021 and work is underway to increase awareness of the business in the area.



SUSTAINABLE RESOURCE USE

Increased focus on reduced climate impact

Property owners and property managers have a great responsibility - but also a great opportunity - to make a difference when it comes to the impact on the environment and climate. For Trianon, it is a matter of course that social and environmental sustainability must go hand in hand and by finding sustainable and long-term solutions, value is created for both tenants, the environment and society. At the end of 2021, Trianon's board added a new sustainability goal to the company, which provides increased focus on the company's work with environmental sustainability.

Control and follow-up

Climate and the environment are an integral part of Trianon's sustainability strategy, and with the issue of the sustainable bond, the environmental goals have been further concretized. The Group-wide environmental policy allows clear control within the environmental area for the company.

The energy efficiency and water use in each property are evaluated regularly to identify further initiatives and which initiatives can lead to changed and improved behavior among the tenants. An energy manager has been hired for a more systematic work with the issues in this area.

New sustainability goal accelerates the work

In the autumn of 2021, Trianon's Board of Directors decided on updated financial targets and sustainability targets for the coming business plan period 2022-2024.

One of the new sustainability goals is for Trianon to reduce energy consumption by 10 percent during the business plan period. During the past year, initial work with surveys and inspections has taken place to prepare for the gripping initiatives that can, for example, be about recycling of exhaust air, window replacements, new district heating plants, new pumps and control and regulation equipment. The efforts can vary depending on the property's year of construction and standard.

More of Trianon's sustainability measures and targets can be found on pages 31-32, 35 and in the framework for the sustainable hybrid bond on pages 36-38.

Energy efficiency work with the residents in center

For Trianon, environmental work and energy efficiency are largely about making well-thought-out trade-offs and creating awareness of own responsibility among the residents.

Water-saving measures are implemented in the stock where appropriate. In all new production, individual measurement of hot water is installed, IMD, which is a good way to make residents aware of their own hot water consumption and inspire a climate-smarter lifestyle.

Renewable energy

Trianon chooses renewable electricity and has installed solar cells on several of the company's properties. At present, there are solar cells on the roofs in Lindängen, Sorgenfri, at Entré and Rosengård Centrum. In 2021, the latter will have both solar cells and new white roofing felt that is carbon dioxide-absorbent.

Trianon has previously invested in a 7,800 sqm solar cell park in Skåne's Södra Möinge, from where the company buys electricity from to supply Trianon's areas in southern and eastern Malmö.

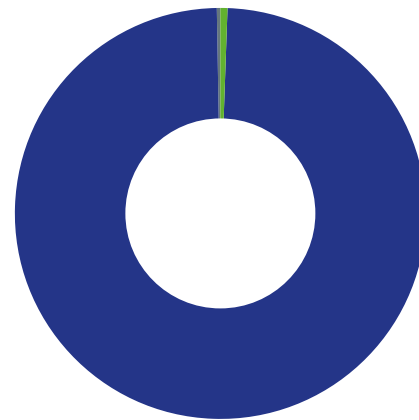


Carbon dioxide emissions

Trianon's climate impact is compiled according to the accounting standard Greenhouse Gas Protocol (GHG Protocol), which divides carbon dioxide emissions into scopes. We have previously only compiled Trianon's climate impact in Scope 1 and Scope 2, but now choose to also measure emissions in Scope 3.

- Scope 1 is direct emissions from self-controlled sources. For Trianon's part, it includes biogas for heating properties under Trianon's control, as well as fuel from service cars.
- Scope 2 is indirect emissions from purchased energy. For Trianon, this includes district heating consumption and electricity consumption under Trianon's control.
- Scope 3 is indirect emissions in addition to purchased energy over which the company has no direct control but which occur due to the company's operations. For Trianon, this includes business trips by air and by private car.

Carbon dioxide emissions 2021, tonnes of CO₂ equivalents



Scope 1 direct emissions

Biogas for heating 0.3 CO₂e
 Fuel from service cars 33.2 CO₂e

Scope 2 indirect emissions

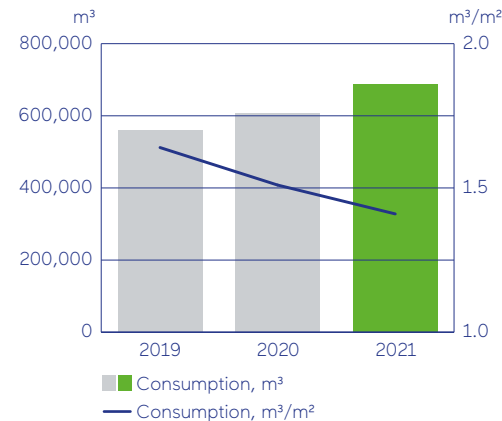
District heating 4,179.1 CO₂e
 Electricity 0 CO₂e

Scope 3

Category 6 - Business trips
 2.9 CO₂e

The calculation of carbon dioxide emissions from Trianon's cars is based on the annual mileage, other emissions are based on actual consumption. Emission factors for district heating and electricity come from the supplier's information, for cars and biogas they have been taken from the UK Government GHG Conversion Factors for Company Reporting.

Water consumption



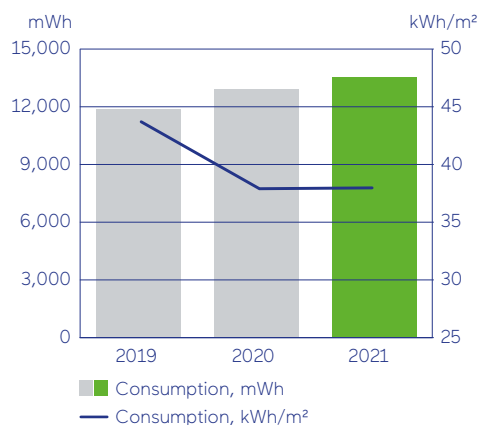
Water consumption includes all properties owned by Trianon as of December 31 and each year. Meter readings are done manually on each property and not per calendar year. The annual consumption per calendar year is thus estimated from the manual readings.



Energy consumption

The real estate sector accounts for a third of the total energy use in Sweden and a sixth of carbon dioxide emissions. Using less energy is thus of great importance for both the total energy consumption and for emissions of carbon dioxide and other greenhouse gases. In 2021, Trianon's total energy consumption of electricity, district heating and biogas was 164 kWh / m² (162).

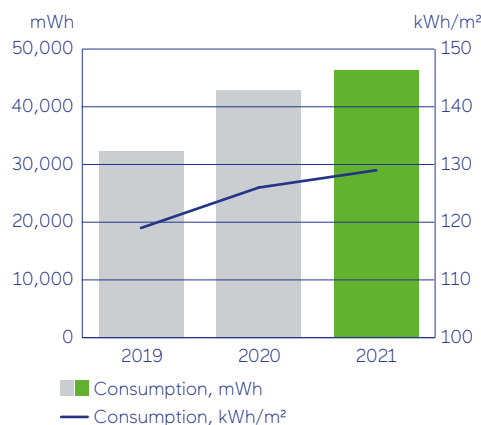
Electricity consumption



Objective: To reduce electricity consumption in existing stocks by 2 percent per square meter

The electricity consumption corresponds to the property electricity. The tenants' electricity consumption and the consumption for any unrented premises / housing are not included. Consumption includes properties owned throughout the respective calendar year. Properties acquired or sold during a calendar year are thus excluded from that year's values. Consumption per m² is calculated on the total property area for each calendar year, 271,856 m² for 2019, 341,196 m² for 2020 and 357,908 m² for 2021.

Heat consumption



Goal: Reduce heat consumption in existing stocks by 1 percent per square meter.

All but three of Trianon's properties are heated with district heating, the rest are heated with biogas. The heat consumption corresponds to the heating of all areas for included properties. Consumption includes properties owned throughout the respective calendar year. Properties acquired or sold during a calendar year are thus excluded from that year's values. Total consumption has increased due to that more properties have been acquired. Normal year-adjusted values have been used. Consumption per m² is calculated on the total property area for each calendar year, SEK 271,856 million for 2019, SEK 341,196 million for 2020 and SEK 357,908 million for 2021.

Focus 2022

- The position of energy manager has been appointed for an increased focus on energy and climate issues in the company.
- Intensified work to reduce energy consumption in Trianon's property portfolio in accordance with the new sustainability goal of reducing energy consumption by 10 percent 2022-2024.
- Additional investments to increase the share of renewable energy and the use of solar cells.
- Additional reporting in accordance with new legal requirements.
- In the case of new construction of rental apartments with investment support, Trianon shall achieve the energy support's energy bonus, which corresponds to 56 percent of the National Board of Housing, Building and Planning's building regulations (BBR) and current requirements regarding energy use.



THE PEOPLE WHO MAKE IT POSSIBLE

Employees and suppliers

Trianon is a value-driven company that attaches great importance to creating a sustainable business climate. The ambition is to be a safe and inclusive workplace that is characterized by trust, respect and low prestige. The acquisition of Signatur Fastigheter in the autumn of 2021 has meant that integration work has begun to welcome new employees to Trianon's organisation.

Control and follow-up

Trianon currently has about 90 employees and the work environment work is coordinated by the HR manager. The work takes place in accordance with Swedish law and the Swedish Work Environment Authority's regulations.

Governing policies for the organisation include:

- Code of conduct for employees
- Routine for discrimination cases
- Information policy
- IT policy
- Guidelines for telephony and email
- Guidelines for homework

A comprehensive personnel handbook in the form of a digital platform contains laws and specific rules as well as information on, for example, working hours, insurance, holidays and benefits.

With regard to Trianon's relationship with suppliers, higher demands are placed on working conditions and safety, which is described in the company's Code of Conduct for partners. Trianon also has rules on systematic reporting of damage to contractors, where each incident is followed up to prevent similar damage from happening again.

Follow-up takes place partly through regular meetings with suppliers and employees, and partly through an annual employee survey. Follow-ups in 2021 have to some extent taken place as video meetings.

Values and culture

Trianon's organization is fast-paced and flexible with short decision paths and strong entrepreneurial spirit. Great emphasis is placed on the employees' own responsibility and commitment. Basic values in Trianon that have previously been developed by the employees and the management in workshop format are the values Commitment, Innovation and Mod - areas that make up the employees' compass in different contexts.

Employee survey

Every year, an employee survey is conducted in collaboration with the occupational health service to measure how satisfied the employees are with their workplace. The 2021 survey showed that employees are happy in their workplace and with their tasks, that they are aware of what expectations there are and that they believe that the level of competence within the company is high. The team spirit is very good with the opportunity to get support from colleagues, employees and managers. The management has, due to individual cases of perceived violation in the organization, chosen to focus on dialogue with employees about abusive discrimination and work for an increased awareness of the importance of confirming, praising and showing appreciation.

Introductory program for new employees

Trianon has an introductory program for new employees who will give new employees a good overview of the company and understand the meaning of the company's values. As a new employee, you meet various key people in the company who talk about their area of responsibility. The program is an important part of early anchoring values and working methods and creating relationships.

Work environment and risk assessments

Work environment work is conducted systematically. In collaboration with occupational health care, efforts are continuously made to guarantee a good and safe working environment. In 2021, risk analyzes have been carried out in all areas as well as training initiatives for increased safety, security and health. These can be protective materials, fire protection equipment, medical equipment and skills in cardiopulmonary resuscitation. In the educations, which will continue in 2022, the importance of a continuous review of the work environment in the daily work is emphasized.



Restrictions in society

During the year, Trianon made adjustments in the workplace to follow the Public Health Agency's advice and recommendations. Only booked external visits have been received, restrictions on the number of external visitors have been introduced, viewings of apartments and premises have been partly handled with digital technology and lunch and coffee rooms have been adapted so that everyone can keep their distance. The company's major meetings with all employees, which usually take place quarterly, have been conducted digitally. As a guide for employees, the management has developed guidelines for homework.

Skills development

Trianon is an open and value-driven workplace that provides space for its employees to participate in development issues through their own responsibility. The company welcomes the employees' own ideas and sees development as positive. The individual employee's competence development is discussed and determined in consultation with the immediate manager. At the annual development discussions, an action plan is drawn up and there wishes and needs for training and courses are addressed. The company also offers internal career paths to be able to retain talented employees. Trianon actively encourages rotation and that employees are further developed by looking for new work areas.

Equality

Trianon's organisation is characterized by high gender equality as there is a relatively even distribution of female and male employees. In terms of

area distribution, however, there are efforts to be made. On the head office is predominantly female, while there is a predominantly male dominance among the caretakers. Trianon works in various ways to contribute to greater gender equality. For example, we try to recruit women as property managers and managers as well as men to administrative positions. See statistics on page 35.

Health

Health checks are carried out among the employees every two years. The control examines factors such as physical activity, lifestyle and mental well-being. The results are evaluated with the occupational health service and any measures are taken.

All employees are encouraged to exercise and movement. Trianon actively contributes to good health through a wellness contribution and joint activities.

The health rate has reached a certain increase during the year compared to the previous year.

Responsible supply chain

Trianon is very aware of the risks that exist in the human rights industry (for example, regarding fair compensation, working conditions and forced labor) and we care about everyone who works in the company's supply chain. To ensure that human rights are complied with, the company is careful to only work with established and serious partners who live up to current rules and requirements.

Continuous dialogues are conducted in procurement of materials, renovation projects and new production to ensure that suppliers can guarantee good working conditions, safety during construction and that none of their employees work without a contract.

The company's Code of Conduct for Suppliers regulates the importance of all goods and services purchased being produced and provided under sustainable and responsible conditions. The code has been updated in 2021 and will be communicated in 2022.

Focus 2022

- A follow-up training in security and conflict management is planned for the employees concerned.
- Physical staff meetings are planned to strengthen the community after the year of pandemic as several staff meetings have instead taken place digitally.
- Continued focus on implementation of policies.



The Gåsen 2 property in Limhamn.



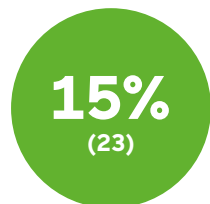
Average number of employees	2021	2020	2019	2018
Number of employees	82	69	59	46
women	34	28	24	22
men	48	41	35	24

Age %	2021	2020	2019	2018
up to 29 years	13	9	6	8
between 30-49 years	54	52	58	61
50 years or older	33	39	36	31

Number of employees 2021-12-31

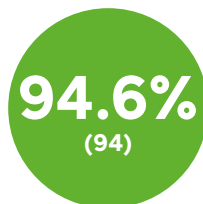


Employees living in the company's properties



Target 25%. As the number of employees increases, the percentage target is out of date, however, the outcome will continue to be reported.

Number of healthy employees



Total number of hours minus number of sick hours in relation to the number of hours worked during the year.

Number of women and men, all employees

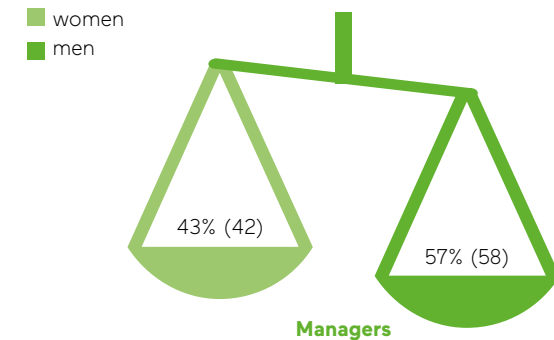


58% men (59)



42% women (41)

Number of women and men, managers



The auditor's report regarding the statutory sustainability report

To the Annual General Meeting of Fastighets AB Trianon (publ), org.nr 556183-0281.

Assignments and division of responsibilities

The Board is responsible for the sustainability report for the year 2021 on pages 25-36 and for having prepared it in accordance with the Annual Accounts Act.

The focus and scope of the review

Our review has taken place in accordance with FAR's recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International Standards on Auditing and

good auditing practice in Sweden. We believe that this review gives us sufficient basis for our statement.

Statement

A sustainability report has been prepared.

Malmö, March 25, 2022
Mazars AB

Anders Persson
Authorised Public Accountant

Rasmus Grahn
Authorised Public Accountant



EU taxonomy

The EU Taxonomy Regulation is a common classification system for environmentally sustainable economic activities, which aims to help investors identify and compare environmentally sustainable investments and a tool for achieving the EU's climate goals and the objectives of the EU's green growth strategy.

Trianon sees the need for the real estate industry's contribution in the transition to the EU's sustainable growth strategy and the goal of becoming the first climate-neutral continent by 2050.

Since Trianon's property portfolio largely consists of existing buildings, the company's board has in 2021 decided on a new sustainability target with energy savings of 10 percent 2022-2024. The new goal will mean an increased number of investments to reduce energy consumption in the properties.

Trianon's Taxonomy alignment

The reporting requirements currently only apply to companies with more than 500 employees. The requirements mean that these companies must include in their sustainability report information on how and to what extent the company's activities are associated with taxonomy - compatible activities. Companies that are not covered, including Trianon, can voluntarily choose to report their taxonomy compatibility.

The activities Trianon identified that are affected by the EU's taxonomy are the acquisition and ownership of buildings as well as the construction of new buildings and the renovation of existing buildings.

Scope and accounting

In accordance with the EU taxonomy regulation, Trianon assesses how much of the company's operations are covered by the taxonomy based on; Turnover, Expenses (OpEx) and Investments (CapEx).

Turnover

The reporting of sales corresponds to total rental income for the Group. Rental income is attributable to the economic activity, acquisition and ownership of buildings.

Expenses, OpEx

Reporting of the Group's property costs or operating costs refers to property costs directly attributable to properties such as ongoing maintenance, maintenance costs and repairs.

Investments, CapEx

Reporting of investments in existing properties, including conversions and extensions and construction of new buildings.

	In total, SEK million	Percentage covered by the EU taxonomy for sustainable activities,%	Proportion not covered by the EU taxonomy for sustainable activities,%
Turnover	618	100%	0%
Expenses	68	100%	0%
Investments	310	100%	0%



Trianon's Sustainable hybrid bond

The sustainable hybrid bond that we issued in 2019 has given us even greater opportunities to make both social and green investments in southern and eastern Malmö in the long term. In this way, we want to ensure that our business is good for our customers, for our investors, our shareholders and for society - locally and globally.

The result is reported in May each year in a separate investor report and here in the annual and sustainability report.



Job creation measures



* Includes employees of Trianon's associated companies.

Results May 2019-
31 Dec 2021

Goal 2024



5

Renovate with reasonable rent increases,
so that our tenants can afford to stay.480*
apartmentsGoal 2024
250
apartments

8

Leave vacant apartments in the city
of Malmö to contribute to reduced
homelessness.41**
apartmentsGoal 2024
100
apartments

9

Build new apartments with reasonable rent
so that low- and middle-income earners
can afford to move in.65*,***
apartmentsGoal 2024
500
apartments

6

Increase security in areas through both
physical and social security-creating
measures.12%
relocation rateGoal 2024
10%
relocation rate

7

Invest in children and young people
through collaborations with associations,
sports clubs, the city and more.

* Includes look-back period in the years 2017-2018.

** The city of Malmö does not demand as many apartments for social contracts. Trianon's new rental policy approves maintenance support as income for 10% of terminated apartments. These will be included in the future.

*** Planned construction starts in southern and eastern Malmö have been postponed due to delayed detailed plans.



Results May 2019-
31 Dec 2021



Green
buildings

10_a

Build new rental
apartments with the
label Miljöbyggnad Silver
or better with regard to
energy.

61

MWh
Annual saving of
energy compared
with new construction
requirements *

34

ton
Annual saving of
CO₂ compared with
new construction
requirements*

15

%
Lower energy
consumption
compared to
new construction
requirements *

7



11



13



Energy
efficiency

10_b

Increase energy efficiency
with energy savings of
25% or more.

61

MWh
Annual saving of
energy compared
with new construction
requirements *

178

MWh
Annual savings
of energy **

1,198

ton
Saving
of CO₂ **

7



13



Renewable
energy

10_c

Investments and
maintenance costs
for solar cells.

2.3

MW
Effect of solar cells

3,088

MWh
Electricity production
solar cells

1,090

tons
avoided CO₂
emissions through
electricity production
via own solar cells

7



13



* Refers to Trianon's new production project under the framework.

** The statistics refer to comparable property holdings 2018-2021. The percentage energy saving amounts to 1.5% in 2021.



THE TRIANON SHARE

Strong development in 2021

The Trianon share has been listed on Nasdaq Stockholm's main market since December 17, 2020, following a list change from First North Premier Growth Market where the company has been listed since June 21, 2017. In 2021, the share price rose by 74 percent (32), from SEK 137 (103.50) to SEK 238 (137.00). On the last trading day of the year 2021, the market capitalization amounted to SEK 9.0 billion (4.9). A total of 4.3 million shares (2.6) were traded at a value of SEK 839.6 M (306.4).

The Trianon share is traded in the Mid Cap segment with the short name (TRIAN B) and ISIN code (SE0009921471).

Share capital

As of December 31, 2021, there were a total of 39,251,490 shares (37,465,500) in the company, of which 1,521,118 A shares (1,521,118) and 37,730,372 B shares (35,944,382). The shares are denominated in SEK and each share has a quota value of SEK 2.50 per share. The share capital amounts to SEK 98.1 M (93.7). Each Class A share entitles the holder to one vote at the Annual General Meeting and each Class B share entitles the holder to one tenth of a vote at the Annual General Meeting. Each shareholder has the right to vote for all shares that the shareholder has in the company.

Non-cash issue

In July 2021, Trianon, with authorization from the Annual General Meeting, decided on a non-cash issue due to the acquisition of shares in Signatur Fastigheter. Through the issue, the number of B shares in Trianon has increased by 285,990 and the number of votes has increased by 28,599. The subscription price amounted to SEK 210 per share.

Directed share issue

In November 2021, Trianon, with the authorization of the Annual General Meeting, decided on a

directed new issue of 1,500,000 Series B shares. The subscription price amounted to SEK 265 per share, which added approximately SEK 398 million to Trianon before issue costs. The new share issue increases Trianon's financial readiness for continued expansion through value-creating investments in both new production and existing holdings, as well as for further acquisitions.

Dividend policy

The dividend shall in the long run amount to between 30 to 50 percent of the management profit less paid tax. During periods of strong growth, the dividend may be in the lower range.

Proposed dividend for the financial year 2021

For the financial year 2021, the Board proposes a dividend of SEK 2.00 per share (1.80).

Listed bonds

Trianon has two listed bond loans outstanding. In 2019, a subordinated sustainable bond loan with maturity of SEK 500 million was issued, which is listed on the Nasdaq Stockholm Sustainable Bond List. In 2021, unsecured corporate bonds totaling SEK 500 million were issued on the Nordic corporate bond market, which in 2021 were listed on Nasdaq Stockholm. For further information about the bond loans and terms, see financing on pages 45-46.

Share price development, SEK per share



Share split

The Board of Directors proposes to the Annual General Meeting to implement a share split with a condition of 4: 1.



The share's development

Decision date	Event	Change in the number of shares		Number of shares after the transaction			Share capital (SEK)	
		Class A shares	Class B shares	Class A shares	Class B shares	Total shares	Changes	Total
20 Jun 1991	New share issue	74,000	20,600	504,000	610,000	1,114,000	946,000	6,846,000
03 Jan 1992	Exchange of convertibles	37,000	0	541,000	630,600	1,171,600	370,000	7,216,000
29 Oct 2008	New share issue	1,082,000	342,000	1,623,000	972,600	2,595,600	14,240,000	21,456,000
17 May 2010	New share issue	168,391	54,221	1,791,391	1,026,821	2,818,212	2,226,120	23,682,120
03 June 2010	New share issue	1,621,700	50,000	3,413,091	1,076,821	4,489,912	21,217,000	44,899,120
09 June 2010	New share issue	682,618	215 364	4,095,709	1,292,185	5,387,894	8,979,820	53,878,940
29 June 2012	New share issue	0	1 001 992	4,095,709	2,294,177	6,389,886	10,019,920	63,898,860
16 April 2015	New share issue	409,571	229 418	4,505,280	2,523,595	7,028,875	6,389,890	70,288,750
03 April 2017	Share split (4:1)	0	0	18,021,120	10,094,380	28,115,500	0	70,288,750
03 April 2017	Reclassification	-16,500,002	16,500,002	1,521,118	26,594,382	28,115,500	0	70,288,750
21 June 2017	New share issue	0	6,250,000	1,521,118	32,844,382	34,365,500	15,625,000	85,913,750
27 Nov 2019	New share issue	0	2,100,000	1,521,118	34,944,382	36,465,500	5,250,000	91,163,750
08 July 2020	New share issue	0	1,000,000	1,521,118	35,944,382	37,465,500	2,500,000	93,663,750
03 Aug 2021	New non-cash issue	0	285,990	1,521,118	36,230,372	37,751,490	714,975	94,378,725
22 Nov 2021	New share issue	0	1,500,000	1 521 118	37,730,372	39,251,490	3,750,000	98,128,725
Total				1,521,118	37,730,372	39,251,490		98,128,725

Shareholders on 31 December 2021

The two largest owners in Trianon are Olof Andersson, privately and through companies, and Jan Barchan, through companies, with each of them representing around 26 percent of the Company's total shares and approximately 32 percent of the Company's total votes.

Key figures per share

	2021	2020	2019	2018	2017	2016
Number of outstanding shares, thousands	39,251.5	37,465.5	36,465.5	34,365.5	34,365.5	28,115.5
Average number of shares outstanding, thousands*	38,403.7	36,946.4	34,561.1	34,365.5	31,420.3	28,115.5
Equity per share, SEK	132.92	94.28	77.63	57.57	51.13	42.02
Equity per share, SEK**	122.41	82.33	67.27	57.57	51.13	42.02
Earnings per share, SEK*	13.67	13.24	8.55	7.44	10.15	14.29
Long-term net asset value per share, SEK	155.15	112.86	92.80	69.80	61.86	52.28
Long-term net asset value per share, SEK**	144.64	100.90	82.43	69.80	61.86	52.28

*Definition in accordance with IFRS

**After the deduction of equity attributable to the hybrid bond

Name	Total Holdings	Holdings %	Total Votes	Votes%
Olof Andersson privately and through companies	10,364,235	26.40%	1,686,894.9	31.86%
Briban Invest AB	10,350,763	26.37%	1,685,547.7	31.84%
AB Grenspecialisten	3,792,524	9.66%	379,252.4	7.16%
Länsförsäkringar Fastighetsfond	3,641,456	9.28%	364,145.6	6.88%
Mats Cederholm privately and through companies	908,985	2.32%	158,961.9	3.00%
SEB Sverigefond Småbolag	1,374,515	3.50%	137,451.5	2.60%
The Eklund Family privately and through companies	947,000	2.41%	94,700.0	1.79%
Verdipapirfondet Odin Eiendom	819,584	2.09%	81,958.4	1.55%
SEB Nanocap	505,475	1.29%	50,547.5	0.95%
Tredje AP-Fonden	486,103	1.24%	48,610.3	0.92%
Other shareholders	6,060,850	15.44%	606,085.0	11.45%
Total	39,251,490	100%	5,294,155	100%



Earnings capacity

The table to the right shows earning capacity on a twelve-month basis. It is important to note that the current earning capacity is not to be equated with a forecast for the coming 12 months. For example, the earning capacity does not include assessment of rent trends, vacancies, or changes in interest rates. Trianon's income statement is also affected by the trend in the value of the property portfolio as well as upcoming acquisitions and/or property sales. In addition, the income statement is also affected by changes in value in respect of derivatives. None of the foregoing factors have been taken into account in the current earning capacity.

Earning capacity is based on the contracted rental income of the property portfolio, estimated property expenses over a normal year and the expense of administration. Properties acquired during the period have been adjusted to full-year. Expenses of the interest-bearing liabilities have been based on the consolidated average level of interest including the effect of derivative instruments calculated on the net liability.

Actual earning capacity, 12 months

Group Companies SEK million	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020
Rental value	737.8	687.8	648.9	675.3	653.4
Vacancies*	-22.3	-24.3	-24.7	-27.1	-25.4
Contracted vacancies	-11.6	-8.5	-1.2	-2.5	-4.3
Reductions	-3.1	-2.2	-4.2	-5.6	-6.5
Other income	6.2	6.4			
Rental income	707.0	659.2	618.8	640.0	617.2
Property costs	-221.1	-196.9	-186.4	-190.9	-183.6
Property administration	-21.4	-21.4	-19.6	-19.2	-18.0
Operating surplus	464.5	440.9	412.8	430.0	415.6
Surplus ratio	66%	67%	67%	67%	67%
Central administration	-56.0	-56.0	-44.0	-44.0	-41.6
Profit/loss from participations in associates and joint ventures	20.2	20.4	10.6	4.3	4.3
Ground rent	-6.0	-5.5	-6.7	-7.0	-7.0
Financial income and expenses	-128.3	-116.9	-104.2	-118.0	-120.6
Profit from property management	294.4	282.8	268.5	265.3	250.7
Profit from property management attributable to:					
Parent shareholders	293.7	281.1	266.5	257.7	243.1
Holdings with a non-controlling interest	0.7	1.7	2.0	7.6	7.6

*Vacancies in the retail segment have been affected by the restrictions in society.



Current earning capacity of associates and joint ventures

The table below shows the earning capacity of associates and joint ventures on a twelve-month basis. It is important to note that the current earning capacity is not to be equated with a forecast for the coming 12 months. The table is presented as 100 percent of the earning capacity of the property, and Trianon's holding is shown in the table below. This has been calculated on the same principles as for Group companies.

Trianon, jointly with Wallfast, acquired the Burlöv Center property at the end of 2020, a major urban development project with a potential development of 1,000 residential units.

Rosengård Centrum has been owned since 1 September 2021 through a joint venture involving Trianon, Brunswick Real Estate and Bonnier Fastigheter. The joint venture will develop Rosengård Centrum with new retail units, new public sector/community services and new homes.

Actual earning capacity, 12 months

Associates and joint ventures SEK million	31 Dec 2021	30 Sep 2021
Rental value	154.0	152.0
Vacancies*	-25.4	-30.6
Contracted vacancies	-5.9	-1.5
Reductions	-6.6	-4.1
Rental income	116.1	115.9
Property costs	-44.0	-45.0
Property administration	-3.6	-3.7
Operating surplus	68.5	67.2
<i>Surplus ratio</i>	59%	58%
Central administration	-9.7	-8.6
Ground rent	-1.7	-1.7
Financial income and expenses	-16.8	-16.2
Profit from property management	40.3	40.8

* Vacancies in the retail segment have been affected by the restrictions in society.

Joint ventures

Property	Trianon's holding
Landshövdingen 1, Rosengård Centrum	50%
Tågarp 15:4, Burlöv Center	50%
Arlöv 22:189	50%
Svedala 8:16	50%
Bojen 1	50%
Fendern 1	50%



Financing

Trianon's operations to own, manage, develop and build properties are financed with equity, hybrid capital and external loans. Through a well-diversified property portfolio with strong cash flows and a high proportion of residential and community properties, a good supply of capital is ensured.

To strengthen the company's financial position for continued expansion, for value-creating investments in the existing portfolio and in new production, and to complete acquisitions, Trianon carried out two new issues during the year. In addition, the company has issued corporate bonds.

- Non-cash issue of SEK 60 million
- New share issue of SEK 398 million
- Unsecured corporate bonds of SEK 500 million

Financial policy

Trianon's financial policy is established by the Board and reviewed at least annually. The finance policy aims to ensure that Trianon's expansion targets and profitability targets can be achieved with a satisfactory level of risk regarding financing and interest rate exposure in accordance with the company's other financial targets. Trianon's financial risks mainly consist of liquidity risk, refinancing risk and interest rate risk, see description in the Board of Directors' report and Note 3.

Debts

The Group's interest-bearing liabilities amounted to SEK 6,866.5 million (5,546.2) at the end of the period, including bond loans of SEK 496.8 million (327.7). Granted overdraft facilities amounted to SEK 35 million (25), of which utilization amounted to SEK 0.0 million (0.0). The debt portfolio has increased due to investments in new construction projects, investments in existing properties and new borrowing on the acquisition of properties.

Owner loans amounted to SEK 0.0 million (26.8) at the end of the period. Of total interest-bearing liabilities of SEK 6,866.5 million (5,546.2), 91 percent were secured against mortgage deeds and 9 percent were unsecured. Convertible loans to staff amounted to SEK 11.4 million (11.4) at the end of the period. The convertible loan has an interest rate of 2.25 percent for three years and matures at the end of 2022.

Capital tied up

Trianon works with capital tied up at various maturities in accordance with Trianon's financial policy. Trianon strives for an even maturity structure regarding maturities and counterparties. The average capital tied-up period at the end of the period was 2.1 years (1.6). The goal, according to Trianon's finance policy, is for the Group's capital tied up to amount to 2 years.

Capital tied up 2021-12-31

Binding time	Amount, SEK million	Share %
2022	3,412	50%
2023	2,577	37%
2024	518	8%
After 2025	360	5%
Total	6,867	100%

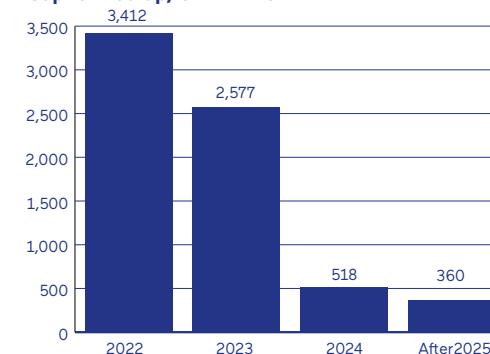
Average interest rate and fixed interest rate

Of total interest-bearing liabilities, 69 percent (65) have variable interest rates and 31 percent (35) fixed interest rates. Traditional interest rate swaps are used to reduce interest rate risk in accordance with Trianon's financial policy. At the end of the period, SEK 2,320 million (2,460) was hedged through interest rate swaps, which corresponds to a total of 34 percent (45) of total liabilities to credit institutions. The average fixed interest period was approximately 2.7 years (3.7) at the end of the period. The goal, according to Trianon's finance policy, is for the Group's fixed interest rate to be between two and four years. The average interest rate during the period was 1.9 percent (2.3) including swap rates and 1.4 percent (1.7) excluding swap rates. The loan-to-value ratio was 53.5 percent (55.7) compared with the financial target of not exceeding a loan-to-value ratio of 60 percent.

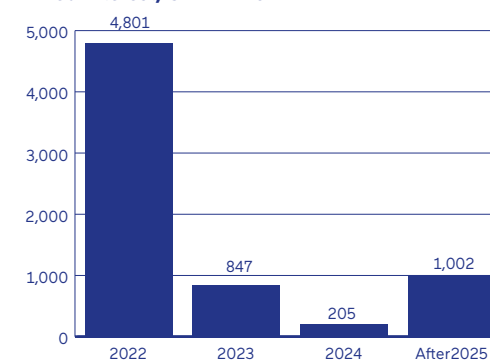
Fixed interest rate 2021-12-31

Binding time	Amount, SEK million	Share %
2022	4,801	70%
2023	847	12%
2024	205	3%
After 2025	1,002	15%
Total	6,855	100%

Capital tied up, SEK million



Fixed interest, SEK million





Hybrid bond 2019

A subordinated sustainable bond loan of SEK 400 million under a framework of SEK 500 million was issued in 2019, and, in 2020, an additional SEK 100 million was issued, which means that the framework is fully utilised. The bonds are listed on the Nasdaq Stockholm Sustainable Bond List. The hybrid bond is perpetual, with a variable interest rate of Stibor 3m + 7.0 percent, and is recognised as equity after the deduction of transaction expenses. The issue proceeds of the hybrid bonds are used in accordance with Trianon's sustainable framework, focusing on social and environmental sustainability. A separate report covering the use of the issue proceeds is annually posted on Trianon's website, www.trianon.se.

Corporate bonds 2021

In 2021, Trianon has issued unsecured corporate bonds totaling SEK 500 million in the Nordic corporate bond market, and thus the framework for the bond loan is fully utilized. An issue of SEK 250 million was made during February 2021 and was subsequently increased by SEK 100 million during July 2021 and by SEK 150 million during October 2021. The bonds are listed on Nasdaq Stockholm. The bonds have a variable interest rate of Stibor 3M + 2.75 percent and have a maturity date of 11 August 2023.

The proceeds from the bond loan will be used in the company's ongoing operations, as financing of new real estate projects and for repayment of existing debt.

Equity

Equity amounted to SEK 5,243.9 million (3,635.2), of which SEK 5,217.3 million (3,532.3) was settled to the parent company's shareholders. Equity attributable to the Parent Company's shareholders increased by the year's comprehensive income of SEK 1,305.0 million (519.7) and the new share issue after transaction costs SEK 447.0 million (111.9) and decreased by a dividend to Trianon's shareholders of SEK 67.4 million (0, 0). Dividends linked to the hybrid bond have reduced equity by SEK 35.3 million (29.9). Equity per share after deductions for equity attributable to hybrid bonds amounted to SEK 122.41 (82.33) per share and including equity attributable to hybrid bonds to SEK 132.92 (94.28) per share.

The equity / assets ratio was 38.6 percent (35.3) at the end of the period.

Non-cash issue 2021

In July 2021, Trianon, with the authorization of the Annual General Meeting, decided on a non-cash issue due to the acquisition of shares in Signatur Fastigheter. Through the issue, the number of Class B shares in Trianon increased by 285,990, while the number of votes increased by 28,599. The subscription price amounted to SEK 210 per share. The non-cash issue contributed SEK 60 million to equity.

Directed new issue

In November 2021, Trianon, with the authorization of the Annual General Meeting, decided on a directed new issue of 1,500,000 Series B shares. The subscription price amounted to SEK 265 per share, which added approximately SEK 398 million to Trianon before issue costs. The new share issue increases Trianon's financial preparedness for continued expansion through value-creating investments in both new production and existing stocks, as well as for further acquisitions.

Covenants

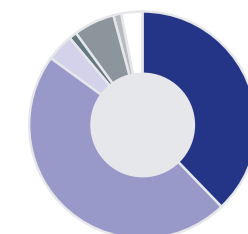
In framework agreements with the Group's financing banks, Trianon has undertaken to comply with the following covenants; the loan-to-value ratio shall not exceed 60 per cent, the interest coverage ratio shall not be less than 1.5 times and the equity / assets ratio shall not be less than 30 per cent. All covenants have been met both during the current and previous financial years.

Financial derivative instruments

Falls due, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2024	100	-0.3	0.4%
2025	350	2.5	0.4%
2027*	0	1.2	0.5%
2028	870	-61.7	1.8%
2029	700	-5.8	0.9%
2031	300	-6.8	1.2%
	2,320	-70.9	1.2%

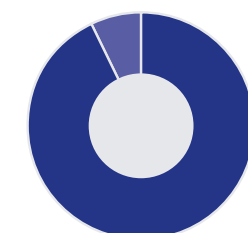
*Forward-started swap of SEK 100 million starting in 2024.

Capital structure



Equity	38%
Minority capital	0%
Bank loan	47%
Bond loans	4%
Derivative	1%
Deferred tax	6%
Leasing tax	1%
Other debts	3%

Interest-bearing liabilities



Bank loan	93%
Bond loans	7%
Convertible loans	0%*

* Convertible loans amount to SEK 11,4 million.



Financial policy	Target	Result 2021	Result 2020
Fixed interest period, year*	2-4	2.7	3.7
Capital tied up, year	2	2.1	1.6

*The fixed interest period is affected by both the share of interest rate swaps and the share of loans with fixed interest rates, which amounted to 31 percent at the end of the year.

Covenants*	Share of debt	Covenant	Result 2021	Result 2020
Interest coverage ratio, times	56%	>1.5	3.2	3.4
Interest coverage ratio, times	15%	>1.75	3.2	
Loan-to-value ratio, %	69%	<60	53.5	55.7
Loan-to-value ratio, %	15%	<65	53.5	
Equity/assets ratio, %	45%	>30	38.6	34.6

*For definitions see page 102.

Bond loan with final maturity 2023-08-11*	Terms	Result 2021
Frame, SEK million	500	500
Outstanding loans	500	500
Interest, %	2.75	2.75
Stibor 3M+2,75% without stibor floor		
Loan-to-value ratio	<60	53.5
Interest coverage ratio	1.5	3.2

* The bond terms contain a change of ownership clause. For complete bond terms, please refer to Trianon's website.





Valuation

Trianon's properties are valued at fair value in accordance with IFRS. The value of the properties is based on external or internal property valuations. External valuations are made at least annually of all properties with the exception of project properties. Project properties are externally valued as they have a degree of completion that is high enough to enable a reliable valuation. Until then, the properties are valued at acquisition value. The project profit for the project is then calculated and recorded in relation to the degree of completion.

External valuations in 2021 have been performed by authorized property valuers via Forum Fastighetsekonomi, Bryggan Fastighetsekonomi, Croisette Real Estate Partner and Newsec Advice. At the end of the period, 81 percent of the total property value was externally valued. The properties from Signatur Fastigheter, some acquired properties during December 2021 and any smaller project property of lower value have been valued internally.

Value changes

The properties' market value on 31 December 2021 to SEK 12,665.5 million (9,462.3). Investments in existing properties amounted to SEK 309.8 M (159.6) for the period. The investments mainly relate to tenant adaptations of premises, upgrades in the apartment stock and property improvement measures with increased

operating net as a result. Investments in properties via companies amounted to SEK 2,693.6 M (592.0). Investments in new investment properties amounted to SEK 50.1 million (421.1).

The value changes for the year amounted to SEK 1,311.2 M (406.2) excluding deferred tax. The average required return was 3.9 percent (4.6) on December 31, 2021. For further information on returns per segment, see page 112, Note 16.

Valuation method

Analysis of each property's status, rental and market situation has been made in connection with valuation. The valuation has been performed as the main method through a so-called cash flow calculation of each property, which means a present value calculation of estimated time operating net and investments. For the calculation of future cash flows, the market and the future development of the surrounding area, the properties' market conditions and market position, market rental conditions and operating and maintenance costs in similar properties compared with the company's properties have been taken into account. In addition, there is the present value of an estimated market value at the end of the calculation period. The calculation period used varies between five to twenty years depending on the property. Comparisons and analyzes have also been made of completed purchases of properties in each submarket.

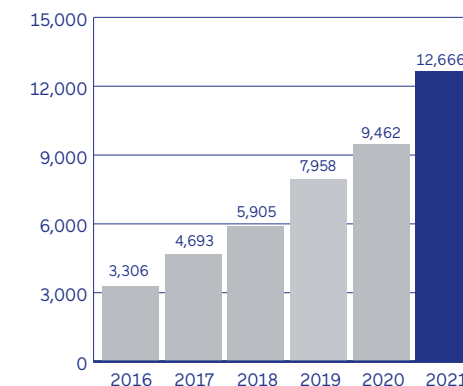
Valuation assumptions

The following assumptions and assessments have been used in the external valuation as of December 31, 2021:

- Inflation has been assumed to be 2.0% annually during the calculation period.
- Rental development has mainly been assumed to follow inflation or, where applicable, indexation.
- The discount rate and required rate of return are based on analyzes of completed transactions as well as individual assessments regarding risk level, probable buyers and the property's market position.
- Yield requirements range from 2.0% to 6.5%.

Unplanned building rights or unoccupied building rights have not been valued. Building rights and potential building rights have not been valued on existing properties except for the Rolf 6 property, where a building right value is taken into account in the project calculation as the project for the property is now realized. For more information about Trianon's building rights, see project description in the Development section.

Fair value of investment properties, SEK million





Corporate governance report

Principles for corporate governance

Fastighets AB Trianon (publ) is a Swedish public limited company based in Malmö. The company's B shares are listed on Nasdaq Stockholm. The company shall build, buy, manage and sell real estate and other compatible activities.

The governance of Trianon is based on the company's articles of association, Swedish law, internal rules and regulations and Nasdaq's regulations for issuers. Trianon complies with the Swedish Code of Corporate Governance (the "Code"). Trianon deviates from clause 4.2 of the Code when a deputy board member has been appointed in accordance with what is stated under the heading Annual General Meeting 2021 in this document. The principal owners consider this procedure to be expedient to prepare succession and ensure long-term continuity in the board.

Shareholders and shares

The company's share capital amounted to SEK 98,128,725 as of December 31, 2021, divided into a total of 39,251,490 shares, of which 1,521,118 A shares and 37,730,372 B shares. The A share entitles to 1 vote and the B share to 1/10 vote, meaning a total number of votes of 5,144,155. The market capitalization on December 31, 2021 was SEK 4,924 million.

In July 2021, Trianon, with the authorization of the Annual General Meeting, decided on a non-cash issue due to the acquisition of shares in Signatur Fastigheter. Through the issue, the number of B shares in Trianon has increased by 285,990 and the number of votes has increased by 28,599. The subscription price amounted to SEK 210 per share.

In November 2021, Trianon, with the authorization of the Annual General Meeting, decided on a new issue of 1.5 million new B shares. The issue was made at a price of SEK 265 per share and entailed a dilution of approximately 3.8 percent of the company's total number of shares.

The share capital increased in 2021 by a total of SEK 4,464,975.

The two largest owners in the company are Olof Andersson privately and through companies and Jan Barchan via companies, each of which represents approximately 26 percent of the company's total shares and approximately 32 percent of the company's total votes. More information about the company's ownership structure can be found on page 42.

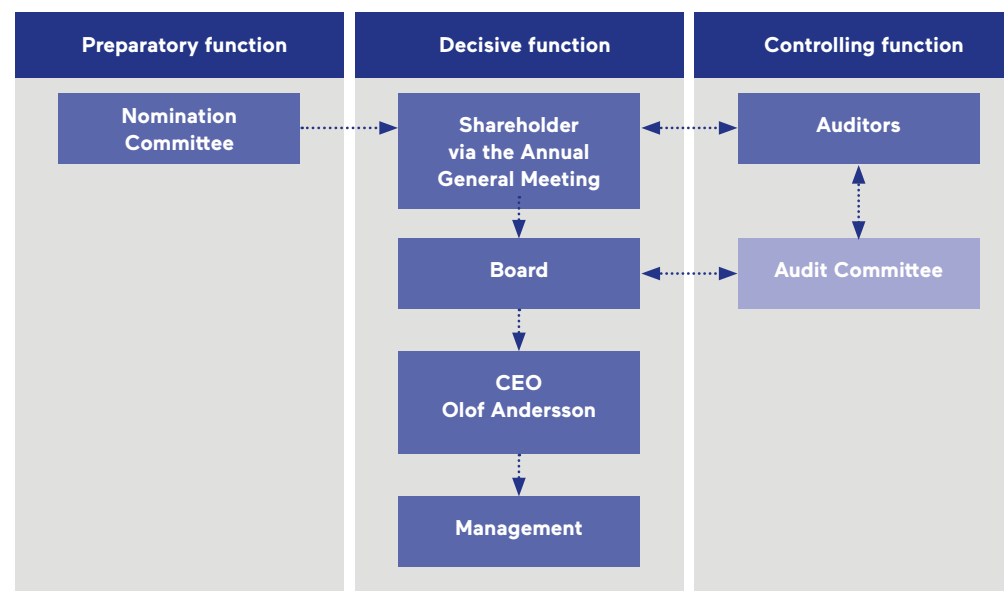
Annual General Meeting

Trianon's Annual General Meeting will take place on May 12, 2022. The Annual General Meeting is Trianon's highest decision-making body and shareholders exercise their voting rights on key issues, such as approving income statements and balance sheets, disposing of the company's results, granting discharge to the Board members and CEO, election of board members and auditor as well as remuneration to the board and auditor. The Annual General Meeting shall be held within six months from the end of the financial year. In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened.

According to the company's articles of association, notice of the Annual General Meeting is given by advertising in Post- och Inrikes Tidningar and by keeping the notice available on the company's website. That a summons has been issued shall at the same time be announced in Dagens Industri.

Control structure

Responsibility for the governance, management and control of Trianon's operations is divided between the Board of Directors, the CEO and the company management. It is the shareholders via the AGM who ultimately make decisions about the company's governance.



Important external regulations

- Swedish Companies Act
- Nasdaq Stockholm's regulations for issuers
- Swedish code of corporate governance
- IFRS standard
- EU market abuse regulation

Important internal regulations

- Articles of association
- The Board's Rules of Procedure
- CEO instruction
- Communication policy, Insider policy, Finance policy, Tax policy and Codes of conduct
- Processes for internal control and risk management
- Other control instruments, policy documents, manuals and recommendations



The right to participate in the Annual General Meeting

Shareholders who wish to participate in the negotiations at the Annual General Meeting must be entered in the share register kept by Euroclear Sweden five weekdays before the meeting, and register with the company for participation in the Annual General Meeting no later than the day specified in the notice convening the meeting. Shareholders may attend Annual General Meetings in person or by proxy and may also be assisted by a maximum of two people. Shareholders are entitled to vote for all shares held by the shareholder.

Initiatives from shareholders

Shareholders who wish to have a matter considered at the Annual General Meeting must send a written request to this effect to the Board. The request must be received by the Board in good time before the Annual General Meeting, in accordance with what is announced on the company's website in connection with the time and place for the Annual General Meeting.

Nomination Committee

At the company's Annual General Meeting on May 4, 2021, it was decided that the Chairman of the Board, based on ownership at the end of September 2021, shall convene a Nomination Committee consisting of the Chairman of the Board and a representative for each of the three largest shareholders in the company. If any of the three largest shareholders chooses to waive their right to appoint a member of the Nomination Committee, the right passes to the shareholder who, after these shareholders, has the largest shareholding. The Nomination Committee shall remain until the next Nomination Committee has been appointed. The Nomination Committee shall perform what is incumbent on the Nomination Committee in accordance with the Swedish Code of Corporate Governance.

The Nomination Committee will be constituted and convened in good time before the 2022 Annual General Meeting and its proposals will be

presented in the notice convening the Annual General Meeting and on the company's website.

Annual General Meeting 2021

The Annual General Meeting was held in the company on May 4, 2021. Due to the pandemic, the meeting was conducted by advance voting with the support of temporary statutory rules. The shareholders thus participated by advance vote and 89 percent of the votes were represented. The AGM made decisions in the matters that come before the AGM in accordance with the Articles of Association. The accounts for 2020 were approved by the AGM and the board members and the CEO was granted discharge from liability for the 2020 financial year.

- Re-election of the board members Boris Lennerhov, Olof Andersson, Axel Barchan, Viktoria Bergman, Jens Ismunden and Elin Thott.
- New election of board member Richard Hultin.
- Re-election of deputy board member Sofie Karlsryd, daughter of Olof Andersson (Olof Andersson Förvaltnings AB). The company's main owners believe that this is an appropriate way to prepare the succession on the company's board and a way to ensure long-term continuity in the board's work. Sofie took over as CEO of the associated company Burlöv Center Fastighets AB in May 2021.
- The Board's remuneration shall amount to a total of SEK 1,125,000 (1,000,000), of which the Chairman of the Board shall receive SEK 300,000 (250,000) and other members who are not employees of the company shall receive SEK 150,000 (125,000) each and that deputy board members shall receive SEK 75,000 (62,500) each.
- Fees for work in the audit committee shall be paid in a total of SEK 120,000, of which SEK 60,000 to the chairman and SEK 30,000 each to other members.
- Decision on dividend of SEK 1.80 per share for the financial year 2020.
- Principles for the appointment of a nomination committee as above.

- Re-election of Mazars AB, with Anders Persson as principal auditor and election of Rasmus Grahn as new auditor (personal co-auditor of Anders Persson).
- Decision to approve the Board's remuneration report.
- Resolution on amendment of the Articles of Association due to amendments to the law.
- Issue authorization 10 percent of the total number of shares in the company.

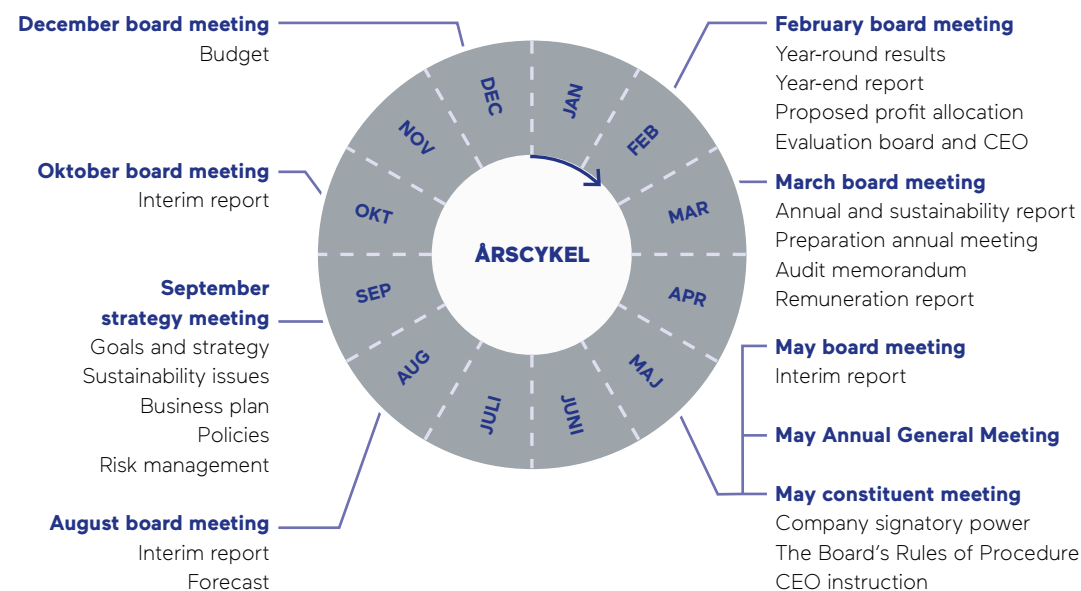
Board

The board is responsible for the company's administration and organization. This entails responsibility for, among other things, setting goals and strategies, ensuring routines and systems for evaluating set goals and identifying how sustainability issues affect the company's risks and opportunities. In addition, the board must continuously evaluate the company's results and financial position and evaluate the operational management. The Board is also responsible for ensuring that the annual report and interim reports

are prepared in a timely manner. The Board also appoints the company's CEO.

The Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's Articles of Association, the Board, insofar as it is elected by the Annual General Meeting, shall consist of a minimum of three members and a maximum of ten members, with a maximum of three deputies. The Board shall, in accordance with the Code, be characterized by versatility and breadth regarding the members' competence, experience and background.

The Board follows a written rules of procedure that are revised annually and adopted at the statutory Board meeting every year. The rules of procedure regulate, among other things, board practice, functions and the distribution of work between the board members and the CEO, as





well as financial reporting. In connection with the statutory Board meeting, the Board also approves the instructions for the CEO.

The Board meets according to an annually established schedule. In addition to these board meetings, additional board meetings may be convened to address issues that may not be referred to an ordinary board meeting. In addition to the board meetings, the chairman of the board and the CEO have an ongoing dialogue regarding the management of the company.

Committee

The Board has an audit committee consisting of two Board members, together with the Chairman of the Board. The purpose of the audit committee is to increase the quality of the company's and the group's audit, strengthen the contact between the board and the company's auditor and increase the quality and strengthen supervision and control over the company's financial risk exposure, risk management and financial reporting.

The company's auditors have participated in three committee meetings, one board meeting and had an individual meeting with the board without the participation of company management.

The Audit Committee conducted five meetings in 2021.

The Board has decided not to establish a special remuneration committee, but instead that the Board in its entirety shall fulfill the tasks that such a committee shall have in accordance with the Code.

The Board's work 2021

In 2021, the Board consisted of six members and two deputies until the Annual General Meeting on May 4, 2021, and thereafter of seven members and one deputy.

In January 2021, Boris Lennerhov, board member and vice chairman of the company's board, was

appointed new chairman of the board until the time of the next annual general meeting. The Board held 20 recorded Board meetings during the year. The focus at the meetings during the year has been acquisitions and divestments of properties, financing issues and the establishment of interim reports and forecasts, the establishment of new financial targets and sustainability targets, as well as organizational issues. At the statutory board meeting held after the Annual General Meeting, a decision was made on signatory power of the company.

Decisions were made regarding the Board's rules of procedure as well as CEO instructions that were established at the meeting. The board was evaluated in February 2022 and was then reported to the Nomination Committee. The board evaluation follows the guidelines for the board evaluation in the code.

Board remunerations are shown in the table below. During the year, board member Richard Hultin, via company, received consulting fees of SEK 0.6 million for management services performed to partly owned companies in the group and board member Elin Thott, via company received SEK 0.06 million for legal advice in connection with acquisitions. No additional compensation in addition to board fees and fees for committee work has been paid.



From the left: Boris Lennerhov, Sofie Karlsryd, Jens Ismunden, Viktoria Bergman, Richard Hultin, Olof Andersson, Elin Thott and Axel Barchan.

Board 2021	Function	Elected	Remuneration	Independent **	Independent ***	Board meetings	Audit committee meetings
Boris Lennerhov	Chairman of the board	2017*	360,000	Yes	Yes	20/20	5/5
Olof Andersson	Board member and CEO	2006	0	No	No	20/20	5/5
Axel Barchan	Board member	2020	180,000	Yes	No	20/20	5/5
Viktoria Bergman	Board member	2017	180,000	Yes	Yes	20/20	5/5
Richard Hultin	Board member May-Dec	2021	75,000	Yes	Yes	15/15	
Jens Ismunden	Board member	2020	150,000	Yes	Yes	19/20	
Elin Thott	Board member	2017	150,000	Yes	Yes	20/20	
Sofie Karlsryd	Deputy board member	2010	75,000	No	No	14/20****	
Ebba Leijonhufvud	Deputy board member, Jan-May	2017	31,250	Yes	No	4/5****	

* Member since 2017, chairman 2021.

** Independent in relation to the company and the company management.

*** Independent in relation to the company's major owners.

**** Adjunct or as a personal deputy.



Management

The Group's management consists of the CEO, the company's Deputy CEO and CFO, head of business development, head of transactions and heads of property management. The CEO is subordinate to the Board and is responsible for the company's day-to-day management and the day-to-day operation of the Group's operations. The division of work between the Board and the CEO is stated in the rules of procedure for the Board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from management prior to board meetings and is the presenter of the material at board meetings.

The CEO shall keep the Board continuously informed of the development of the company's operations, the development of sales, the company's earnings and financial position, cash and credit situation, major business events and any other event, event or circumstance that may be assumed to be significant to the company's shareholders.

Remuneration and terms of employment for the CEO and other senior executives

Trianon shall offer market-based remuneration levels and terms of employment that enable it to be able to recruit and retain senior executives with high competence and capacity to achieve set goals. Remuneration to the CEO and other senior executives may consist of a fixed salary, pension benefits and other benefits.

Remuneration to the CEO is stated in Note 7 to the annual report (Average number of employees, personnel costs, pensions and other).

According to the CEO's employment agreement, a notice period of twelve months applies in the event of termination by the company. If the CEO resigns, the notice period is six months. In addition to salary during the notice period, the CEO is also entitled to severance pay of six monthly salaries in the event of termination by the company. According to the employment agreement for the Deputy CEO / CFO, a mutual notice period of six months applies. The respective employment agreements for the CEO and the Deputy CEO / CFO contain customary non-compete clauses that cover a

period of twelve months after the termination of employment. Trianon has followed the guidelines decided by the 2020 Annual General Meeting. Remuneration report has been available on the company's website since 2021.

Organisation

The company is still in an expansive phase, which means that the organization is growing in line with this. At the end of the year, the number of employees was 89, of which 41 were women.

The property management organization has been divided into the following management areas with responsible heads of administration:
Malmö city, west and surroundings
Malmö Hermodsdal and Lindängen

The business development manager is responsible for new production, rental housing, sustainability work and the development properties Rosengård Centrum and Entré.

The CFO is responsible for accounting, finance function, HR, communication and investor relations.

Internal control

The Board has the overall responsibility for the internal control of the financial reporting. The purpose of internal control regarding financial reporting is to ensure that the financial reports are reliable and prepared in accordance with good accounting practice and otherwise comply with applicable laws and regulations.

Trianon applies the COSO framework, which is an internationally recognized and accepted framework for describing the company's control structure. COSO describes the internal control as divided into five components: control environment, risk assessment, control activities, information and communication and follow-up.

Control - Internal control is based on divisions of responsibilities and divisions of work through the Board's rules of procedure, instructions for the committees, the CEO and the financial reporting, code of conduct and policies.

Risk assessment - Identification, assessment and management of risks are central both to the process for the overall risk analysis and to the identification of significant processes linked to internal control for financial reporting.



Control activities - Controls must be linked to each identified risk until the risk is considered eliminated or reduced to an acceptable level.

Information and communication - Relevant information must be communicated in the right way, to the right recipient and at the right time. The management group's monthly meetings will be used as a forum for communication and dissemination of information.

Control and follow-up - The system for internal control and risk management must be followed up continuously and aims to ensure that the system is maintained, that changes take place when necessary and to evaluate changes in working methods.

To ensure internal control, the Board has, from an overall perspective, established policy documents, which are revised and adopted annually.

Based on these, the CEO is responsible for designing internal processes and instructions.

During the year, the Board revised or adopted the following governing documents and policies:

- The Board's Rules of Procedure
- CEO instruction
- Business plan
- Communication policy
- Finance policy
- Code of conduct, employees
- Code of conduct, suppliers
- Information security policy

During the year, management revised or established the following policies:

- Guidelines for IR work
- Guidelines for homework

Audit

The auditor shall examine the company's annual report and accounts as well as the board's and the CEO's management of the company. After each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting.

According to the company's articles of association, the company must have a minimum of one and a maximum of two auditors with a maximum of two deputy auditors. The company's auditor is Mazars AB with Anders Persson as principal auditor and Rasmus Grahn as personal co-auditor of Anders Persson. The total remuneration to the company's auditors is shown in Note 8, page 85.

Other corporate governance documents such as the Articles of Association are available on the company's website, www.trianon.se.

THE AUDITOR'S REPORT REGARDING THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of Fastighets AB Trianon (publ), corporate identity number 556183-0281.

Assignments and division of responsibilities

The Board of Directors is responsible for the corporate governance report for the year 2021 on pages 49-53 and for having prepared it in accordance with the Annual Accounts Act.

The focus and scope of the review

Our audit was performed in accordance with FAR's recommendation RevR 16 Auditor's audit of the corporate governance report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statements.

Statement

A corporate governance report has been prepared. Information in accordance with ch. 6 Section 6, second paragraph, items 2-6 of the Annual Accounts Act and Chapter 7 Section 31, second paragraph, of the same Act is compatible with the annual accounts and the consolidated accounts and is in accordance with the Annual Accounts Act.

Malmö, March 25, 2022
Mazars AB

Anders Persson

Authorised Public Accountant

Rasmus Grahn

Authorised Public Accountant



Board of directors



BORIS LENNERHOV

Born 1955. Chairman of the Board since 2021. Board member since 2017.

Independent of the company and management. Independent to main owner.

Other current positions: Chairman of the Board of Gekås AB, Casmé AB, Vesterhavsgruppen AB, Hembergs AB. Board member of Boris L Konsult AB, Non-profit association Hallands Travsällskap.

Previous positions: Chairman of the Board, board member, CEO of Gekås AB and other assignments in the Group.

Shareholding in the company: 27,640 shares privately and via companies.



OLOF ANDERSSON

Born 1965. President and board member since 2006.

Depending on the company and management. Depending on the main owner.

Other current positions: Board member and CEO of Olof Andersson Förvaltnings AB. Board member of Copenhagen Malmö Port AB, Sydsvenska Hem AB, Förvaltnings AB Norra Vallgatan, Anbace Invest AB. Deputy board member of Frukthandlarn På Limhamn AB.

Previous positions: Chairman of the Board and CEO of Sydgrönt AB. Board member of Malmö Cityfastigheter AB, Malmö Citysamverkan AB and the På Limhamn economic association.

Shareholding in the company: 722,746 A shares and 10,364,235 shares, privately and via Olof Andersson Förvaltnings AB.



AXEL BARCHAN

Born 1993. Board member since 2020.

Independent of the company and management. Depending on the main owner.

Education: Bachelor of Economics at Lund University.

Other current positions: Board member and active in Brihan Invest AB. Board member of Utvecklings AB Laburnum and Nok9 AB.

Previous positions: Investment banking, Carnegie.

Shareholding in the company: 28,900 shares.



VIKTORIA BERGMAN

Born 1965. Board member since 2017.

Independent of the company and management. Independent to main owner.

Education: Communication Executives Program, Stockholm School of Economics. Berghs School of Communication.

Other current positions: Chairman of the Board of Galber AB. Board member of Vattenfall AB and Cinis Fertilizer AB and vice chairman of WaterAid Sweden.

Previous positions: Communications and Sustainability Director and member of Group Management E.ON Nordic. Communications Director and member of Group Management The Trelleborg Group. Various positions in Falcon Breweries / Unilever and the Cerealia Group. Deputy board member of Fastighets AB Nötskrikan.

Shareholding in the company: 5,000 shares.

**RICHARD HULTIN**

Born 1956. Board member since 2021.

Independent of the company and management. Independent to main owner.

Education: Master of Science in Engineering, Roads and Water at Lund University. Other current positions: Board member of At Work Sweden AB, IW Service AB, SMT Malmö Partner Holding AB and Burlöv Center Fastighets AB.

Previous positions: CEO of Skanska Öresund AB, Deputy CEO of Skanska AB and various positions in the Skanska Group.

Shareholding in the company: 1,330 shares

**JENS ISMUNDEN**

Born 1976. Board member since 2020.

Independent of the company and management. Independent to main owner.

Education: Master's degree in business administration at Lund University. Other current positions: Senior Advisor in RoosGruppen AB. Board member of Lunar A / S.

Previous positions: CIO / Investment Manager at AB Grenspecialisten and Chief Dealer, Danske Bank Markets.

Shareholding in the company: 2,100 shares.

**ELIN THOTT**

Born 1972. Board member since 2017.

Independent of the company and management. Independent to main owner.

Education: Jur. bachelor, Lund University.

Other current positions: Board member and partner in Advokatbyrån Sigeman & Co AB. Board member of FPTK Arena AB, Non-profit association Fair Play Tennis Club.

Previous positions: None.

Shareholding in the company: 0 shares.

**SOFIE KARLSRYD**

Born 1986. Deputy board member since 2010.

Depending on the company and management. Depending on the main owner.

Education: Bachelor's degree in Public Health Science, Malmö University.

Other current positions: CEO Burlöv Center Fastighets AB, Chairman of the Board of Olof Andersson Förvaltnings Aktiebolag. Previous positions: Property Manager at Wihlborgs Fastigheter AB. Board member of Eurocorp AB and deputy board member of NJF Fastigheter AB.

Shareholding in the company: 8,983 shares.



Group management



OLOF ANDERSSON

Born 1965. President since 2010 and board member since 2006.

Depending on the company and management. Depending on the main owner.

Other current positions: Board member and CEO of Olof Andersson Förvaltnings AB. Board member of Copenhagen Malmö Port AB, Sydsvenska Hem AB, Förvaltnings AB Norra Vallgatan, Anbace Invest AB. Deputy board member of Frukthandlarn På Limhamn AB.

Previous positions: Chairman of the Board and CEO of Sydgrönt AB. Board member of Malmö Cityfastigheter AB, Malmö Citysamverkan AB and the På Limhamn economic association.

Shareholding in the company: 722,746 A shares and 10,364,235 shares, privately and via Olof Andersson Förvaltnings AB.



JONAS KARLSRYD

Born 1985. Head of transactions since 2021.

Education: Real estate business, Malmö University.

Other current positions: Chairman of the Board of SJK Invest AB

Previous positions: Business controller, Fastighets AB Trianon Manager, Fastighets AB Trianon

Shareholding in the company: 18,870 shares.

Convertibles: SEK 200,000.



GERT TERNSTRÖM

Born 1962. Head of property management since 2019. Responsible for Hermodsäl and Lindängen in Malmö.

Education: 4 years construction engineering high school

Previous positions: Market Area Manager Kungsleden Fastighets AB, Malmö

Shareholding in the company: 0 shares.

Convertibles: SEK 500,000.



MARI-LOUISE HEDBYS

Born 1964. Chief Financial Officer since 2012. Deputy CEO since 2015.

Education: Degree in Economics, Lund University.

Other current positions: Board member of Mahema Invest AB. Mari-Louise Hedby's also holds a number of assignments within the Trianon Group.

Previous positions: Business Controller Finnlines and other CFO assignments.

Shareholding in the company: 37,300 shares.

Convertibles: SEK 1,250,000.



ANNA HEIDE

Born 1970. Business development manager since 2017. Responsible for sustainability, market, rental, new production, Entrance and Rosengård Centrum.

Education: Degree in Economics, Lund University.

Other current positions: Board member of Fastighetsägarna Syd, board member of FC Rosengård

Previous positions: Various positions within MKB Fastighets AB, most recently as CSR manager.

Shareholding in the company: 20,605 shares.

Convertibles: SEK 1,000,000.



LARS ÅKEVALL

Born 1963. Head of property management since 2013. Responsible for City, Väster, Limhamn, Oxie and Slottsstaden in Malmö and the surrounding area.

Education: Degree in Economics, Lund University.

Previous positions: CEO Eurocorp AB and Head of Administration MKB Fastighets AB.

Shareholding in the company: 70,000 shares.

Convertibles: SEK 1,500,000.



Administration Report

The Board of Directors and the CEO of Fastighets AB Trianon (publ) ("Trianon" or "The Company"), corporate ID number 556183-0281, Registered Office in Malmö, Sweden, hereby submit the Annual Report and Consolidated Financial Statements for the financial year 1 January-31 December 2021. The Annual Report has been drawn up in SEK million. Numerical information in parenthesis refers to the preceding year.

The Operation

Trianon is an entrepreneurial property company which owns, manages, develops and builds both residential and commercial premises in Malmö and its environs. The Company is committed to providing sustainable accommodation and fully accepts its social responsibilities.

Trianon's property portfolio consists of residential, retail, office and public sector/community properties situated in Malmö and in the Municipalities of Svedala, Burlöv and Skurup. With the acquisition of Signatur Fastigheter, Trianon also owns properties in Trelleborg, Lund, Landskrona, Eslöv, Bjuv, Klippan, Helsingborg, Hässleholm, Osby, Vimmerby and Stockholm. Trianon consolidates a total of 153 properties, and is part-owner of an additional 6 properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 487,800 m², excluding around 3,000 garage and parking spaces. The value of the properties totalled SEK 12.7 billion at the close of the reporting period. 85 percent of the total value of the properties consists of residential and public sector/community properties and 15 percent to retail and office.

Trianon's B shares were listed for the first time in 2017 on the Nasdaq First North Premier Growth Market with symbol TRIAN B. Since 17 December 2020, the B shares have been listed on Nasdaq Stockholm. Trianon has two bonds listed on Nasdaq Stockholm, one debenture issued in 2021 and a sustainable hybrid bond with both a green and a social framework, issued in 2019.

At the year-end, the Group consisted of 148 companies, 3 joint ventures and 2 associates. The Parent owns 7 properties, and other properties are owned via subsidiaries.

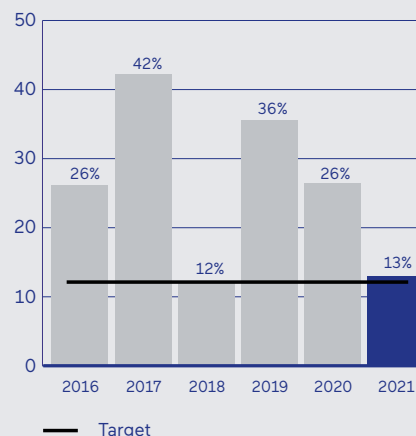
Financial objectives

Now that the target of 80 percent residential and public sector/community properties has been achieved, on 9 November 2021, the Board of Directors adopted updated financial targets for 2022-2024.

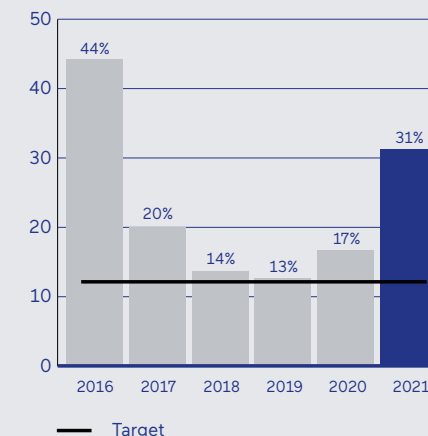
- The profit from property management shall increase by 12 % annually (unchanged).
- The return on equity shall exceed 12 % over an economic cycle (unchanged).
- The loan-to-value ratio shall not exceed 60 % (unchanged).
- The interest coverage rate shall exceed 1.75 times (new, previous target 1.5 times).
- Annual investment income from the project portfolio shall be at least SEK 100 million (new).

For financial year 2021, the profit from property management rose by 13 percent (26). The return on equity amounted to 31 percent (17), the loan-to-value ratio to 53.5 percent (55.7) and the interest coverage rate till 3.2 times (3.4).

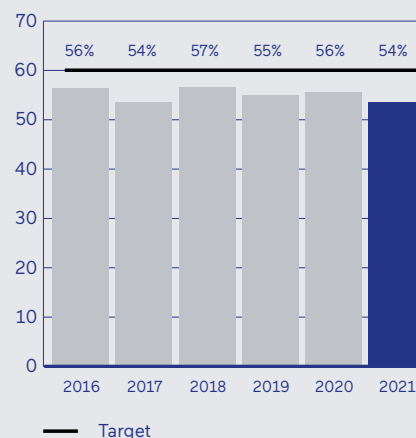
Increase in profit from property management, %



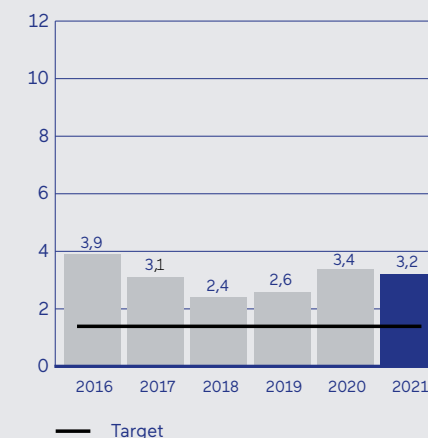
Average return on equity, %



Loan-to-value ratio, %



Interest coverage ratio, times





Parent

The Parent reported net sales of SEK 64.1 million (61.1). The increase is attributable to increased letting in existing properties. The Parent owns 7 properties, and the rental income from these constitutes 95 percent (99) of total revenue. The operating loss was SEK -27.7 million (-32.3). The change in the value of derivatives amounted to SEK 1.8 million (8.8), and was due to changes in the value of market interest rates. The change in the value of derivatives does not affect cash flow, and the value of the derivative at the end of its term is always zero. Tax on the profit for the period amounted to SEK -23.3 million (-0.6), of which SEK -13.3 million (0.0) relates to the adjustment of deferred tax from previous years and to tax attributable to the preceding year of SEK -2.9 million (0.0).

Organisation

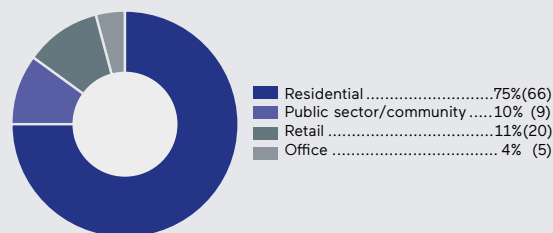
Trianon's organisation consists of Group-wide functions as well as the management organisation and other administrative personnel. The management organisation is divided into local management offices in Lindängen, Hermodsdal, Limhamn, Rosengård, Entré and in central Malmö. Management is carried out through Trianon's own personnel, such as property managers, property technicians and caretakers. Trianon recruits from its own residential areas, and 12 (16) of the 82 (69) of the average number of employees live in Trianon properties. In the event of major property acquisitions, Trianon's own organisation is supplemented through the purchase of local management services. Project management services are hired for major renovation projects and new construction projects. Central functions such as letting, customer service, administration, and finance are carried out for all Group companies from Trianon's Head Office. Trianon had a total average number of 82 (69) employees during the

financial year, of whom 34 were women (28) and 48 were men (41). With the acquisition of Signatur Fastigheter, the number of employees increased by 14.

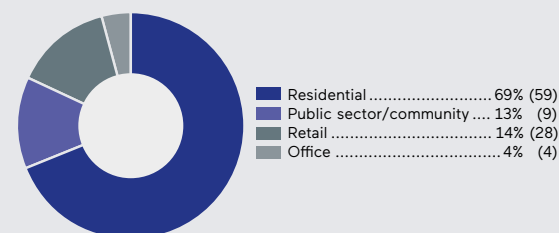
Property portfolio

Trianon's property holdings are located in Malmö and the surrounding area, and consist of residential properties, public sector/community properties, retail properties and offices. The properties are situated in Malmö and in the Municipalities of Svedala, Burlöv and Skurup. With the acquisition of Signatur Fastigheter, Trianon also owns properties in Trelleborg, Lund, Landskrona, Eslöv, Bjuv, Klippan, Helsingborg, Hässleholm, Osby, Vimmerby and Stockholm. The property portfolio consists of 153 properties with a total rentable area of 487,800 m², excluding around 3,000 garage and parking spaces. At the end of the financial year, Trianon had a total of around 5,000 apartments in its portfolio. The total rental value amounted to SEK 737.8 million (653.4), and the economic occupancy rate to 95.0 percent (94.5) at the end of the period. The economic occupancy rate grew due to increased letting. As at 31 December 2021, the market value of the property portfolio was SEK 12,665.5 million (9,462.3). The proportion per category in relation to the market value of the properties as at 31 December 2021 was as follows; residential 75 percent (66), public sector/community 10 percent (9), retail 11 percent (20) and office 4 percent (5). The residential proportion increased as a result of the acquisition of residential properties during the financial year. The proportion of retail properties fell due to the sale of Rosengård Centrum to a joint venture, as well as the conversion of a retail property to a public sector/community property. During 2021, rental bad debts (actual and anticipated) amounted to 0.6 percent (0.8) of total rental income.

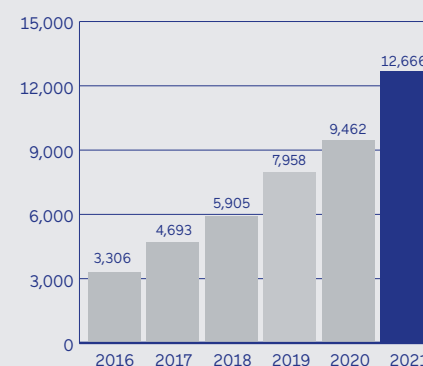
Property value per segment



Rental value per segment



Fair value of investment properties, SEK million





Financing and financial position

Trianon's business of owning, managing, developing and building properties is financed both through equity and through external loans. The well-diversified property portfolio with strong cash flows and a high proportion of residential properties, ensures a good supply of capital. Equity increased by SEK 398 million before transaction costs through a new issue of 1.5 million shares in November 2021. In addition, equity rose by SEK 60 million during the year through a non-cash issue in connection with the acquisition of Signatur Fastigheter.

Equity amounted to SEK 5,243.9 million (3,635.2), of which SEK 5,217.3 million (3,532.3) was attributable to shareholders in the Parent. The equity attributable to the Parent's shareholders increased by the comprehensive income for the year of SEK 1,305.0 million (519.7) and also by SEK 447.0 million (111.9) million attributable to new issues after transaction costs. The dividend during 2021 was SEK -67.4 million (0.0). The dividend on the hybrid bonds reduced equity by SEK -35.2 million (-29.9) during the financial year. The acquisition of non-controlling interests increased equity by SEK 35.7 million (0.0). The equity/assets ratio was 38.6 percent (35.3) at the end of the period.

In 2019, Trianon issued a sustainable hybrid bond totalling SEK 500 million, which is recorded as equity. The hybrid bond, which is perpetual, is listed on the Nasdaq Stockholm Sustainable Bond List, and carries a variable interest rate of Stibor 3m + 7.0 percent.

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 6,866.6 million (5,546.2). Bank overdraft facilities granted amounted to SEK 35 million (25) of which SEK 0 million (0) was utilised. Interest-bearing liabilities include a bond loan of SEK 496.8 million (327.7)

recognised net after the deduction of transaction expenses. A bond loan of SEK 328 million was repaid during the quarter, and was replaced by bank financing at a significantly lower interest rate. The unsecured bond loan was issued in February at an amount of SEK 250 million, under a total framework of SEK 500 million. The term is 2.5 years, at a variable interest rate of Stibor 3m + 2.75 percent, without a Stibor floor, and the loan is listed on Nasdaq Stockholm. An additional SEK 100 million was issued during the second quarter, and the remaining SEK 150 million during the fourth quarter of 2021. Accordingly, the entire framework of SEK 500 million has been utilised.

Convertible loans to staff totalled SEK 11.4 million (11.4) at the end of the period. The convertible loan carries an interest rate of 2.25 percent over a three-year period, and expires at the end of 2022.

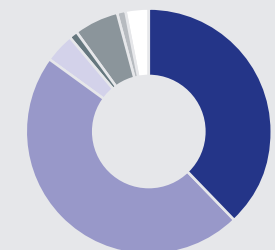
Trianon works with various debt maturities in accordance with Trianon's finance policy. The average debt maturity period was around 2.1 years (1.6). The target under Trianon's finance policy is that the Group's average debt maturity period should be at least 2 years. After the end of the year, short-term loans of SEK 1,055 million were extended with terms between one and three years, which has increased the average debt maturity period further.

Interest rate hedging to reduce interest rate risk is carried out through interest rate swaps. At the end of the period, SEK 2,320 million was hedged through interest rate swaps. Derivative liabilities amounted to SEK 70.9 million (167.3) at the end of the period. The change in the market value of derivative instruments does not affect cash flow, and on the final maturity date of the derivatives, the value is zero. Trianon's interest-bearing liabilities run with both fixed and variable inter-

est. At the end of the period, the proportion of interest-bearing liabilities at fixed interest was 33 percent, and the proportion at variable interest was 67 percent. The average interest rate for the period including swap rates amounted to 1.9 percent (2.3), and excluding swap rates to 1.4 percent (1.7). The average fixed interest term was around 2.7 years (3.7). The target under Trianon's finance policy is that the Group's fixed-interest term should be between two and four years.

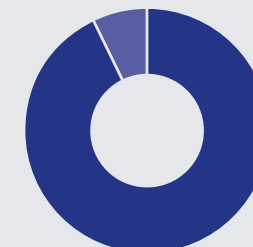
The loan-to-value ratio was SEK 53.5 percent (55.7). Calculated on total assets, the loan-to-value ratio is about 50 percent.

Capital structure



Equity	38%
Minority capital	0%
Bank loan	47%
Bond loans	4%
Derivative	1%
Deferred tax	6%
Leasing tax	1%
Other debts	3%

Interest-bearing liabilities



Bank loan	93%
Bond loans	7%
Convertible loans	0%*

* Convertible loans amount to SEK 11.4 million.



Cash flow

The cash flow from operating activities for the period before changes in operating receivables and operating liabilities totalled SEK 212.8 million (196.5). Investing activities affected cash flow by a total of SEK -956.4 million (-1,039.5). Investments in existing properties, property acquisitions and new construction projects during the year amounted to SEK -359.9 million (-599.2), acquisitions of investment properties via subsidiaries to SEK -868.1 million (-382.7) and acquisitions of associates to SEK -292.6 million (0.0). This was financed by SEK 261.7 million (178.5) from operating activities and borrowings of SEK 1,424.1 million (908.0). Amortisation of loans totalled SEK -132.6 million (-125.6). New share issues during the financial year had a positive impact on cash flow of SEK 387.0 million (111.9). Dividend on the hybrid bond amounted to SEK -35.2 million (-29.9). Dividends to the Company's shareholders and non-controlling interests reduced cash flow by SEK -68.4 million (-0.7). The total cash flow for the year was SEK -192.7 million (102.4). Cash and cash equivalents at the end of the period totalled SEK 87.4 (280.1) million.

Profit/loss

The profit for the period totalled SEK 1,310.5 (537.5) million of which SEK 1,305.0 (519.7) million is attributable to the Parent's shareholders, equivalent to earnings per share for the period of SEK 33.64 (13.24) before dilution and SEK 33.57 (13.23) after dilution. Return on equity was 31 percent (17).

Rental income grew by 12 percent and amounted to SEK 618.1 million (553.2). The increase is primarily attributable to acquired properties and letting, but it was also affected by property sold during the year. Net rentals for the period amounted to SEK 5.5 million (8.5). The rental value amounted to SEK 737.8 million (653.4). The economic occupancy rate was 95.0 percent (94.5).

Net sales amounted to SEK -227.6 million (-187.3). The increase is due in particular to acquired properties. Operating costs were affected by the usual seasonal variations in respect of electricity and heating costs, the greatest impact of which is felt during the first and last quarters. The high price of electricity in the region has had a negative impact on property costs compared with the preceding year. The renovation work on apartments continued, with 186 (132) apartments being renovated during the period. The renovation of apartments is being carried out in connection with turnover in the residential portfolio, and the target is to renovate 200 apartments per year. The operating surplus increased by 7 percent to SEK 396.0 million (368.5). The operating surplus was 64 percent (67).

Profit including changes in value and tax in associates and joint ventures was SEK 288.3 million (307.5). Central administrative expenses amounted to SEK -55.5 million (-52.9). Central administration was charged with SEK 3.7 million (4.4) attributable to actual and anticipated bad debts. With the acquisition of Signatur Fastigheter, the organisation has expanded by 14 people. The total average number of employees was 82 (69) of whom 50 (34) were white-collar staff.

Financial expense for the period amounted to SEK -90.2 million (-85.7). The average interest rate for the period, including swap rates, was 1.9 percent (2.3). Financial expense rose as a result of increased borrowing in connection with acquisitions of investment properties and investments in new construction projects. Financial expense was charged with SEK -6.4 million (-6.4) in respect of interest expense for rights of access (site-leasemarks). This item is recognised separately in the consolidated statement of comprehensive income.

The profit from property management for the year grew by 13 percent to SEK 253.1 million (224.2), of which the profit from property management from participations in associates amounted to SEK 6.5 million (0.5).

Changes in the value of investment properties amounted to SEK 1,311.2 million (406.2). The changes in value are due to the renovation of apartments in the residential portfolio, the signing of new contracts in the commercial portfolio, value-generating apartment renovations and changes in value particularly in the residential portfolio. At the end of the period, 81 percent of the total property value was valued externally. The properties acquired from Signatur Fastigheter, some properties newly acquired in December 2021 and a small project property of minor value were valued internally. The yield on the full property portfolio was 3.9 percent (4.6), and the yield on residential properties was 3.6 percent (4.2). Construction rights and potential construction rights have not been valued on existing properties apart from the property at Rolf 6, where a construction rights value is included in the project costing, since the project for the property is now being realised.

The change in the value of derivative instruments for the period amounted to SEK 66.5 million (-62.3). In addition, the value of the derivative fell through the payment of swap interest of SEK -30.0 million (-28.4). The change in the value of derivatives does not affect cash flow, and the value of the derivative at the end of its term is always zero.

Reported tax for the period amounted to SEK -355.5 million (-113.9). Deferred tax attributable to changes in the value of investment properties, as well as a temporary difference on investment properties, amounted to SEK -342.8 (-120.5), changes in the value of derivative instruments to SEK -19.7 million (6.9), tax in respect of untaxed reserves in subsidiaries to SEK -1.0 million (-1.1), and changes to deferred tax assets to SEK 20.3 million (4.8). Cash flow for the period totalled SEK -9.3 million (-4.1). Tax attributable to the preceding year amounted to SEK -3.0 million (0.0).

Sustainability

Social, financial and environmental sustainability are essential components of Trianon's responsibility as a property owner and property developer. Our proactive and purposeful commitment to sustainability both reduces business risks and expands business opportunities. Accordingly, the Company takes a goal-oriented and long-term approach to sustainable development throughout the organisation. Trianon's Board updated the Company's business plan in autumn 2021 and, in doing so, also updated the sustainability targets.

The global goals in Agenda 2030 set out the direction of the Company's work and also offer a common language and framework. During 2021, Trianon continuously monitored and evaluated the Company's sustainability targets with the global goals as a common thread.

A far-reaching sustainability initiative was launched in 2021 with the aim of improving well-being and security at Lindängen and Hermodsdal in Malmö. By involving both our own personnel and the residents, we will find out what the tenants think, and make improvements on that basis. We have increased the focus on climate and environmental issues through the forward-looking goal of reducing energy consumption in the Company's properties.

The Head of Business Development is responsible for Trianon's overall approach to sustainability, and has been a member of Trianon's Management Team since 2017. For more information on Trianon's commitment to sustainability, please see the Sustainability Report 2021 on pages 25-36.



Significant events during and after the financial year

Issues

To strengthen the Company's financial position for future expansion, value-generating investments in the current portfolio and in new construction, as well as to carry out acquisitions, Trianon implemented two new issues during the year. The acquisition of Signatur Fastigheter was financed partly through a non-cash issue of around SEK 60 million. In addition, there was a further new issue of around SEK 398 million to increase the Company's financial preparedness for continued expansion and to implement acquisitions in accordance with the business plan and the updated financial targets.

Issue of corporate bonds

During the year, Trianon issued debentures of SEK 500 million to finance new property projects and operating activities. Consequently, the framework for the bond loan is fully utilised. The bond loan is listed on Nasdaq Stockholm.

Transactions

- Trianon continued to be very active in the property market in Malmö and the surrounding area, carrying out both acquisitions and divestments during the year.
- Signatur Fastigheter AB (publ), which is listed on the First North Growth Market, was acquired in 2021. This is Trianon's largest acquisition to date, with a property value of SEK 1.5 billion. The acquisition added 800 apartments along with a number of public sector/community properties, to the portfolio, particularly in Malmö and the surrounding area.

- Trianon also acquired 174 apartments in the best location in central Malmö.
- Extensive acquisitions grew the portfolio by 1,200 residential units during the year. The Company acquired a total of 124,300 m², of which 86 percent were residential and public sector/community properties. Properties equivalent to 40,400 m² were sold.
- The larger sales included 50 percent of the Rosengård Centrum property (now a joint venture company owned with Brunswick Real Estate and Bonnier Fastigheter) and the commercial part of Multihuset in Limhamn.
- Acquisitions of residential units:
 - Malmö City: 174
 - Municipality of Svedala: 261
 - Signatur Properties: 800
 - Non-controlling participations: 258

Projects

- During the year, the Company was given the green light to start construction of over 500 residential units in Malmö, comprising 129 apartments in Rosengård and 389 apartments for young people in Norra Sorgenfri. Occupancy is planned for 2024 and 2025 respectively.
- Start of construction of 73 apartments in Hyllie and 65 apartments in Sege Park. It is probable that all of these will be built with investment aid to ensure reasonable rent levels.
- In addition, Trianon added several development properties to the portfolio during the year, including for conversion to residential use and for the development of construction rights.

- A total of 55,200 m² are in development properties with approved zoning plan, and 57,200 m² are under consideration for zoning. In total, there are 124,300 m² gross total area of potential construction rights.
- The project portfolio currently holds just over 1,300 potential residential units in various stages of planning.
- During the year, the Concordia 14 tenant-owner housing project of 8 apartments in central Malmö was completed and sold.

Letting

- Net lettings remain strong throughout the portfolio and in all property segments.
- Demand in the region remains strong, and Trianon saw a positive trend of net lettings which amounted to SEK 5.5 million, with newly-signed contracts for SEK 39 million.
- Vacancies in the Company's residential properties amounted to 0 percent. Trianon also signed a number of long leases with commercial tenants and public sector/community players. These include Malmö City High School and Adult Education Administration, the National Government Service Centre in Entré and the medical care company, Praktikertjänst, in the Hanna district of Burlöv. In Burlöv, Trianon and Wallfast also leased to Willys and Normal in Burlöv Center.



RISKS AND RISK MANAGEMENT

Trianon's operation is subject to various types of risks which may affect Trianon's results, cash flow and financial position.

By highlighting the risks, Trianon can take various steps to limit them through the implementation of an active strategy and various procedures in the operation.

The major risks are divided into four areas:

- **External risks** – risks affected by external factors and events.
- **Strategic risks** - includes risks which may prevent Trianon from achieving the Company's vision and goals.
- **Operational risks** - risks related to the efficiency and management of resources in the Company.
- **Legal risks** - includes risks linked to laws, ordinances and regulations.
- **Financial risks** – risks in Trianon's financing.

Trianon has also identified sustainability risks, linked with the environment and climate, employees, social conditions and corruption, see page 27.

The most important risks and uncertainty factors for Trianon's operation are described below.

Risk areas	Description	Exposure	Risk management
External risks			
Information security	Gradually, as digitalisation is increasing in the world and in people's everyday lives, there is increased vulnerability and the risk that information security will be jeopardised.	For a company such as Trianon, where the tools are primarily digital, there is always a risk of threats, incidents and hacking.	Guidelines for information security have been drawn up to increase knowledge and understanding of threats, incidents and risks linked to information assets.
Strategic risks			
Political decisions	Political decisions such as restrictions on investment aid may impede the Company's continued progress.	For new construction, in certain cases Trianon builds with investment aid, which makes the project profitable and makes it possible to offer affordable housing.	Trianon takes an active role in debates, and has participated in national dialogues on construction with the aim of influencing the opportunity to build affordable and sustainable housing. Applications have been submitted for investment aid for a number of projects with construction start in 2021-2022.
Environmental risks	According to Boverket [the Swedish National Board of Housing, Building and Planning], properties are responsible for approximately 40 percent of Sweden's energy use, for electricity and heating. Accordingly, we need to reduce our energy requirements by optimising the operation of our existing properties and setting high standards for energy performance when we renovate or build new.	Inadequate environmental focus and increasing energy usage lead to emissions of air contaminants and of greenhouse gases which impact the climate. This, in turn, may affect people and properties. Any inadequacy in our approach to environmental issues could affect Trianon's reputation and brand, and also lead to direct costs.	<ul style="list-style-type: none"> • Investment in renewable energy. • Prioritise the efficiency of energy and heating in our properties. • Maintain a sufficient knowledge of laws and ordinances. <p>For more information, see the Sustainability Report on pages 25-36.</p>





Risk areas	Description	Exposure	Risk management
Operational risks			
Changed rental income, rental trends and rent setting.	<p>Trianon's revenue consists largely of rental income affected by the occupancy rate of the properties on the premises, the rent level and the ability of the tenants to fulfil their payment obligations under their contracts.</p> <p>The rental trend for commercial premises is dependent on the economic cycle and is primarily affected by factors such as demand, type of premises, layout, standard and location. Rent setting for residential units is partly subject to statutory regulation.</p>	<p>Trianon considers that the risk of lower rental income attributable to residential units as low, since there is a continuing shortage of housing in Malmö and the surrounding area. The risk of lower lease income from the commercial premises portfolio is higher than in the residential portfolio, but is limited by the structure of contracts for premises included in the portfolio, as well as on geographical location.</p> <p>The average remaining lease time until expiry weighted by contracted lease income (WAULT) for the lease of premises was 4 years. For more information, see contract value per year in Note 4.</p>	<p>80 percent of Trianon's 5,000 residential units are let at an average rent of less than SEK 1,600 per m² per year. The demand for affordable housing is expected to remain high in future, and the Malmö Region is expected to see a substantial increase in population. A proactive approach to the social environment and job creation to increase well-being and stability reduces risks in the residential segment. Vacancies in commercial premises are mostly in the Entré properties. Otherwise, vacancies in the portfolio of commercial premises are low. The retail segment fell from 20 to 11 percent through transactions and conversions during 2021.</p>
Changed operating costs and maintenance costs	<p>Increased operating and maintenance costs can have a negative impact. Operating costs consist mainly of the costs of heating and electricity, cleaning and water. Heating costs are subject to seasonal variations, and the costs rise during the winter.</p> <p>In consequence of the provisions of leases and regulatory requirements, Trianon is obliged to maintain the standard of the buildings and the residential units.</p>	<p>A number of goods and services can be purchased only from a few players, which may mean that Trianon would be forced to accept the prevailing price levels in the absence of alternatives. There is a risk that it may not be possible to offset any cost increases through corresponding increases in rents. Unforeseen and extensive renovation requirements may significantly increase maintenance costs. Trianon's maintenance costs amount to 19 percent of total property costs.</p>	<p>Trianon is an active manager of its properties and constantly evaluates improvements to increase income and reduce operating costs, and also evaluates measures to increase energy efficiency. In procurements, we aim for central agreements to keep property costs down. Our five-year maintenance plans are intended to reduce the risk of unforeseen and extensive renovation requirements.</p>
Project-related risks	<p>One part of Trianon's operation consists firstly of new construction and secondly of adapting the existing property portfolio to meet the wishes of tenants through renovation and modernisation, as well as adaptations to suit tenants. Large property adapting projects are associated with expensive investments, and there is no guarantee that the cost of these investments may be offset through increased rents or reduced costs.</p>	<p>Investment costs and project costs may be higher than expected, as a result, for example, of delays and unforeseen events. In the event that Trianon may not be compensated for such increased expenses or income shortfalls, there could be a negative impact on Trianon's operation, financial position and results.</p>	<p>For new construction, Trianon enters into a memorandum of understanding with the contractor on a target price. This gives an incentive to meet the target price and creates transparent cost control in the project, and this has proved effective in staying on budget in new construction. For investments in adapting commercial premises, the Company is compensated in many cases by an investment supplement in the lease.</p>
Retaining and recruiting competent staff	<p>It is important to Trianon to succeed in retaining and continuing to motivate its staff, as well as in recruiting qualified personnel in the future. In the event that the Company is unable to retain or recruit senior executives and other key personnel, this would have a negative impact on the Company's operation, financial position and results.</p>	<p>Trianon runs its operation through its own employees, and, as the Company grows, additional staff are employed in various areas. Trianon's future progress is largely dependent on the competence, experience and ability of its management, key personnel and other staff.</p>	<p>Trianon strives constantly to improve its attractiveness as an employer through a range of measures. During 2021, the regular large staff meetings were replaced by internal digital staff meetings and regular information activities. The Company offers internal career paths to retain talented employees, as well as encouraging job rotation and staff development.</p>



Risk areas	Description	Exposure	Risk management
Legal risks			
Risks in connection with property transactions	The acquisition of properties is an essential element in our operation, and the condition for acquisitions is that the supply in the market corresponds to expectations and investment capacity in respect of location and expected return. The availability of and demand for properties and construction rights, competition, planning, local regulations and access to financing can limit opportunities to carry out acquisitions on beneficial terms.	The acquisition of properties is subject to risks linked to the acquired property, such as the risk of incorrect assumptions on the future return on the asset, the risk of shortage of tenants or unforeseen expenses for dealing with environmental requirements. Property transactions can also generate significant transaction costs which it may not be possible to compensate for.	In the event of an acquisition, technical, environmental, legal and taxation investigations are carried out on the properties and the status of the companies. These are carried out using both internal and external resources, in the form of independent external consultants.
Financial risks			
Changes in market interest rates	<p>Interest rate risk refers to the risk that a change in market interest rates may have a negative impact on the Group's results and cash flows. The major part of Trianon's financing is through borrowings from credit institutions and the non-current liabilities run with fixed or variable interest.</p> <p>Interest rate risk refers to the risk that a change in market interest rates may have a negative impact on the Group's results and cash flows. Market interest rates are affected primarily by the expected inflation rate and short-term interest rates are affected primarily by the Swedish Central Bank's repo rate.</p>	<p>Interest expense is affected mainly by:</p> <ul style="list-style-type: none"> • current market interest rates • the margins of the credit institutions • fixed-interest strategy <p>A change in the market interest rate of one percentage point would involve an increase/decrease of around SEK 22 million on that part of the liability which is not covered by interest rate swaps and fixed-interest loans.</p> <p>The market interest rates may also affect derivative liabilities.</p> <p>Interest rate derivatives are recognised at fair value in the balance sheet. As the market interest rates change, a theoretical surplus value or undervalue arises, which does not affect cash flows. If the market interest rates are reduced, the market value of the interest rate derivative will fall, which would have a negative effect on profit or loss.</p>	<p>Trianon's finance policy sets targets for interest-rate exposure for the Group's loan portfolio. The target is that the average fixed interest period should be 2-4 years.</p> <p>Interest rates are hedged through interest rate swaps.</p> <p>At the end of the financial year, the fixed interest period was 2.7 years (3.7).</p> <p>The proportion of loans at fixed interest was 34 percent. For further information, see Note 3.</p>
Financing	Refinancing risk is the risk that it will not be possible to refinance a loan or other financial obligation which falls due for payment, or the risk that refinancing must be arranged in an unfavourable market situation on disadvantageous interest-rate terms.	Trianon's financing is mainly through bank loans with property mortgages as security. There is a risk that further financing will not be obtained, that existing loans will be cancelled or that new loans can be obtained only on terms which are less favourable. There are agreements with lenders on particular commitments such as interest coverage ratio, loan-to-value ratio and equity/assets ratio. All terms and conditions were fulfilled during the financial year.	<p>Trianon's finance policy sets targets for average debt maturity period for the Group's loan portfolio. The average debt maturity period should be 2 years.</p> <p>The loan portfolio is allocated over various average debt maturity periods and our aim is to have an even maturity structure among lenders. The average debt maturity period was approximately 2.1 years.</p> <p>A liquidity reserve must be available at all times.</p>



Risk areas	Description	Exposure	Risk management
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Financial risks

<p>The value of Trianon's properties</p>	<p>Both property deterioration and market-specific deterioration may lead to a reduction in the value of the properties. All of Trianon's properties are classified as investment properties and are recognised at fair value. Fair value is determined by assessing the market value of each individual property. The value of the properties is affected by a number of factors, including both property-specific factors such as:</p> <ul style="list-style-type: none"> • vacancy rate, • rent level, • contract length, • operating costs, <p>and market-specific factors such as:</p> <ul style="list-style-type: none"> • required return, • imputed interest rates from comparable transactions on the property market. 	<p>Property valuations are an estimate of the price which an investor would be willing to pay for the property at a given time. The valuation is based on accepted models and assumptions. The market value of the property can only be secured in a transaction between two independent parties. The uncertainty interval is normally +/- 5-10 percent. A change in property value of +/- 5 percent affects Trianon's property value by +/- 633 million.</p> <p>See the table for the sensitivity analysis. The various parameters are affected individually by various assumptions and these do not normally all work in the same direction. The vacancy rate refers only to commercial premises, since the Company considers that the risk of vacancies in residential properties is low.</p> <p>Sensitivity analysis on property value</p> <table> <tr> <th></th><th>+/- per cent</th><th colspan="2">Impact on property value, SEK million</th></tr> <tr> <td>Required property yield</td><td>+/- 0.5 %</td><td>-1,546</td><td>2,046</td></tr> <tr> <td>Rental income</td><td>+/- 1.0 %</td><td>194</td><td>-194</td></tr> <tr> <td>Operating costs,</td><td>+/- 1.0 %</td><td>-60</td><td>-60</td></tr> <tr> <td>Vacancy rate (commercial)</td><td>+/- 1.0 %</td><td>-62</td><td>62</td></tr> </table>		+/- per cent	Impact on property value, SEK million		Required property yield	+/- 0.5 %	-1,546	2,046	Rental income	+/- 1.0 %	194	-194	Operating costs,	+/- 1.0 %	-60	-60	Vacancy rate (commercial)	+/- 1.0 %	-62	62	<p>External valuations are carried out in the properties at least once a year, and internal valuations are made on at least a quarterly basis. Trianon has a sound knowledge of the property market in Malmö and the surrounding area. The properties are developed on a regular basis both to increase income and reduce costs. Social initiatives in residential areas contribute to increased stability and security, and also add to the attractiveness of residential areas, and this has a positive impact on property values.</p> <p>For further information, see Note 16.</p> <p>Trianon's Board has adopted a tax policy with guidelines for tax management. Trianon will carefully monitor any issues concerning changes in legislation, and will act openly and transparently towards the authorities on tax matters. External tax experts will be used if necessary. Transactions which involve aggressive tax planning and which do not have a commercial justification shall not be carried out.</p>
	+/- per cent	Impact on property value, SEK million																					
Required property yield	+/- 0.5 %	-1,546	2,046																				
Rental income	+/- 1.0 %	194	-194																				
Operating costs,	+/- 1.0 %	-60	-60																				
Vacancy rate (commercial)	+/- 1.0 %	-62	62																				
<p>Tax legislation</p>	<p>Views on the size and incidence of corporate taxation, value-added tax and property taxation, as well as other central government and local authority taxes and allowances vary significantly between political parties, and corporate taxation legislation is often subject to review. Changes in tax legislation may affect the conditions for Trianon's operations to a significant extent.</p>	<p>Rules on limiting interest-rate deductions may mean that there is no right of full deduction for interest expense. On the other hand, the increased additional depreciation deduction for newly built apartment blocks benefits new construction. Overall, for Trianon the new tax rules mean that the taxable profit will increase in the long term and that the loss carryforward will be settled more quickly.</p>																					

Expected future trends

Trianon's financial target of increasing the profit from property management by 12 percent annually means that Trianon's growth trend will continue. Combined with a target for return on equity of 12 percent over an economic cycle, this demonstrates that Trianon will continue to grow while maintaining profitability. Along with a target loan-to-value ratio of a maximum of 60 percent and an interest coverage rate of at least 1.75 times, shows that growth will continue with manageable risk. To reach its financial targets, Trianon has a well-conceived strategic plan focusing on Malmö

and the surrounding area. With its positive view of 2022, Trianon is confident of achieving its financial targets by a comfortable margin. This will be done through active letting, value-generating investments in the existing portfolio, new construction and acquisitions.

Shares and ownership

The company has a total of 39,251,490 shares, divided into 1,521,118 Class A shares and 37,730,372 Class B shares. Each A share is entitled to 1 vote and each B share to 1/10 vote. Accordingly, the total number of votes is 5,294,155. The

share capital amounted to SEK 98,128,725, and the quota value per share is SEK 2.50. The Annual General Meeting 2021 authorised new issues of a maximum of 10 percent of the total number of shares in the Company after take-up. The share capital increased:

- on 3 August 2021 by SEK 714,975 through an issue of 285,990 new B shares, at a price of SEK 210 per share.
- on 22 November 2021 by SEK 3,750,000 through an issue of 1,500,000 new B shares at a price of SEK 265 per share.

The issues involve a dilution of around 5 percent

of the Company's total number of shares. After the issue, there is an unutilised authorisation for the issue of 2 million new shares before the next Annual General Meeting. Trianon's B shares were listed on the Nasdaq First North Premier Growth Market on 21 June 2017 at an offering price of SEK 48 per share. Since 17 December 2020, Trianon's B shares have been listed on Nasdaq Stockholm, Mid Cap. The closing price on 31 December 2021 was SEK 238 per share. The Company's total market capitalisation was SEK 9.0 billion on 31 December 2021. The two largest owners in Trianon are Jan Barchan, through companies, and



Olof Andersson, privately and through companies, each of them representing around 26 percent of the Company's total shares and approximately 32 percent of the Company's total votes. Other shareholders represent around 47 percent of the capital and 36 percent of the votes.

The Board of Directors proposes that the Annual General Meeting approve a share split so that each existing share is divided into 4 shares of the same share class, i.e. a 4:1 share split.

Share information:
Ticker symbol: TRIAN B
ISIN code: SE0009921471

The Board of Directors

Under the Articles of Association, Trianon's Board of Directors shall consist of a minimum of three and a maximum of ten members, with a maximum of three deputies. At the Annual General Meeting 2021, the Chairman of the Board, Boris Lennerhov, was re-elected. Olof Andersson, Axel Barchan, Viktoria Bergman, Jens Ismunden and Elin Thott were re-elected as members of the Board. Richard Hultin was elected as a new member of the Board. Sofie Karlsryd was re-elected as a deputy member of the Board. No member of the Board has the right to remuneration on the termination of their appointment. The remuneration paid to the Board of Directors for 2021 is set out in Note 7.

Corporate Governance Report

There is a separate Corporate Governance Report on pages 49-53.

Guidelines and remuneration of senior executives

"Senior executives" refers to the Executive Management Team. There is a presentation of the members on page 56. The full Board of Directors excluding the CEO draws up the principles for the remuneration and terms and conditions of employment for the Executive Management Team, and approves the remuneration and terms and conditions of employment of the CEO. The Annual General Meeting 2021 approved the following guidelines for remuneration and other terms and conditions of employment: Remuneration shall be on market terms and may consist of the following elements: fixed cash salary, retirement benefits and other benefits. In addition, the General Meeting may, for example, – and independent of these guidelines – approve share and share-related remuneration. The fixed salary shall take account of the individual's areas of responsibility and experience.

Retirement benefits, including health insurance, for the CEO shall be defined-contribution. The pension premiums for defined-contribution pensions shall amount to a maximum of 35 percent of the annual cash salary. There will be the option, after negotiation, to convert fixed salary to pension provision. The CEO will have the right to a company car.

Retirement benefits, including health insurance, for other senior executives shall be defined-contribution unless the executive concerned is covered by a defined-benefit pension under mandatory collective agreement provisions. The pension premiums for defined-contribution pensions shall amount to a maximum of 35 percent of the annual cash salary. Other benefits may include life insurance and health insurance. Premiums and other expenses relating to such benefits may amount in total to a maximum of 5 percent of the

annual cash salary. The Board of Directors checks annually that the adopted guidelines for remuneration are being complied with, and are presented to the Annual General Meeting in a remuneration report. The guidelines for 2022 proposed by the Board to the Annual General Meeting are the same as in 2021.

Proposed appropriation of profits

The Parent's non-restricted equity is at the disposal of the Annual General Meeting. Fastighets AB Trianon's dividend policy is that dividends shall, in the long term, amount to 30 to 50 percent of the consolidated profit from property management less tax paid. During periods of strong growth, the dividend may be at the lower end of the range. Accordingly, the Board of Directors and the CEO propose that a dividend of SEK 2.00 per share be paid to the shareholders, which is equivalent to 31 percent of the profit from property management less tax paid and that the balance of non-restricted equity be carried forward.

In view of the dividend proposed by the Board, the Board and the CEO hereby submit the following statement in accordance with Chap. 18 § 4 of the Swedish Companies Act (2005:551). The proposed dividend stems from the 2021 Annual Report, which was laid before the Annual General Meeting for approval on 12 May 2022, and takes account of the Company's investment and liquidity requirements. The equity/assets ratio after the dividend is regarded as satisfactory given that the operations of the Parent and the Group remain profitable. The Parent's and the Group's access to cash and cash equivalents is expected to remain strong. In the Board's judgement, the proposed dividend will not prevent the Company, and other member companies in the Group, from fulfilling their obligations in both the short and long terms, nor from implementing necessary investments. Accordingly, the proposed dividend

can be justified under the provisions of Chap. 17 § 3 clauses 2–3 of the Swedish Companies Act (the precautionary rule).

The following profit is at the disposal of the General Meeting (SEK):

Profit carried forward	SEK 340,968,472
Share premium reserve	SEK 1,267,857,794
Net profit for the period	SEK 306,638,993
	SEK 1,915,465,259

The Board of Directors proposes that the profit carried forward be appropriated as follows:

dividend to the shareholders (39,251,490 shares at SEK 2.00)	SEK 78,502,980
carried forward	SEK 1,836,962,279
	SEK 1,915,465,259



Multi-year overview

Trianon presents certain financial measures in its Annual Report which are not defined under IFRS. Trianon considers that these targets give more valuable supplementary information to investors and the Company's Management Team, since they facilitate the evaluation of the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. Consequently, these measures should not be seen as a replacement for measures defined under IFRS. In the following table, measures are presented which are not defined under IFRS, unless otherwise stated. In addition, definitions of these measures are given on pages 102.

The following financial targets were set by the Board of Directors on 9 November 2021. The three first targets are unchanged, and the target for the interest coverage ratio has been raised. The target relating to project profits is new for the period 2022-2024:

- The profit from property management shall increase by 12 % annually
- Return on equity shall exceed 12 % over an economic cycle
- The loan-to-value ratio shall not exceed 60 %
- The interest coverage rate shall exceed 1.75 times
- Annual investment income from the project portfolio shall be at least SEK 100 million

Financial

	2021	2020	2019	2018	2017	2016
Return on equity, %	31.3 %	16.7 %	12.7 %	13.6 %	20.0 %	44.2 %
Interest coverage ratio, times	3.2	3.4	2.6	2.4	3.1	3.9
Equity/assets ratio, %	38.6 %	35.3 %	34.6 %	34.2 %	37.2 %	34.0 %
Average interest rate, %	1.9 %	2.3 %	2.4 %	2.6 %	2.1 %	2.0 %
Profit from property management, SEK million	253.1	224.2	177.3	130.8	116.6	82.0
Increase in profit from property management over the corresponding period of the preceding year, %	12.9 %	26.4 %	35.6 %	12.2 %	42.2 %	26.2 %
Profit before tax, SEK million	1,666.0	651.4	387.6	306.7	431.8	503.5
Comprehensive income for the period, SEK million	1,310.5	537.4	307.1	267.0	340.2	401.9
Comprehensive income for the period attributable to Parent's shareholders, SEK million	1,305.0	519.7	309.6	255.8	318.9	401.9
Equity, SEK million	5,243.9	3,635.2	2,916.8	2,064.3	1,810.6	1,181.5
Equity attributable to Parent's shareholders, SEK million	5,217.3	3,532.3	2,830.9	1,978.4	1,757.2	1,181.5
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	4,804.8	3,084.5	2,452.9	1,978.4	1,757.2	1,181.5
Long-term net worth, SEK million	6,090.0	4,228.2	3,384.0	2,398.8	2,126.0	1,469.8
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	5,677.5	3,780.4	3,006.0	2,398.8	2,126.0	1,469.8
Total assets, SEK million	13,581.2	10,303.1	8,420.0	6,040.5	4,861.0	3,479.0

Share-related

	2021	2020	2019	2018	2017	2016
Number of outstanding shares, thousand*	39,251.5	37,465.5	36,465.5	34,365.5	34,365.5	28,115.5
Average number of outstanding shares, thousand*	37,748.2	36,946.4	34,561.1	34,365.5	31,420.3	28,115.5
Equity per share, SEK	132.92	94.28	77.63	57.57	51.13	42.02
Equity per share, SEK**	122.41	82.33	67.27	57.57	51.13	42.02
Earnings per share, SEK*	33.64	13.24	8.55	7.44	10.15	14.29
Long-term net worth per share, SEK	155.15	112.86	92.80	69.80	61.86	52.28
Long-term net worth per share, SEK**	144.64	100.90	82.43	69.80	61.86	52.28

*Definition in accordance with IFRS

**After the deduction of equity attributable to the hybrid bond

Property-related

	2021	2020	2019	2018	2017	2016
Rental income, SEK million	618.1	553.2	446.4	344.5	261.7	174.4
Operating surplus, SEK million	396.0	368.5	285.5	212.6	163.5	111.6
Rental value, SEK million	737.8	653.4	557.8	437.9	365.6	231.0
Economic occupancy rate, %	95.0 %	94.5 %	93.5 %	89.2 %	85.0 %	96.0 %
Surplus ratio, %	64.1 %	66.6 %	64.0 %	61.7 %	62.5 %	64.0 %
Loan-to-value ratio, %	53.5 %	55.7 %	55.1 %	56.6 %	53.6 %	56.4 %
Proportion of residential and public sector/ community properties, %	85 %	75 %	75 %	69 %	66 %	-
Rentable area excluding garage, thousand m ²	488	402	341	272	223	158



Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	2021	2020	2019	2018	2017	2016
Rental income	618.1	553.2	446.4	344.5	261.7	174.4
Other income	5.5	2.6	6.7	3.6	2.5	1.7
Property costs	-227.6	-187.3	-167.6	-135.5	-100.7	-64.5
Net operating income	396.0	368.5	285.5	212.6	163.5	111.6
Surplus ratio, %	64.1 %	66.6 %	64.0 %	61.7 %	62.5 %	64.0 %
Equity	5,243.9	3,635.2	2,916.8	2,064.3	1,810.6	1,181.5
Total assets	13,581.2	10,303.1	8,420.0	6,040.5	4,861.0	3,479.0
Equity/assets ratio, %	38.6 %	35.3 %	34.6 %	34.2 %	37.2 %	34.0 %
Interest-bearing liabilities, non-current	3,454.2	4,059.6	850.1	1,814.7	1,657.3	1,848.3
Interest-bearing liabilities, current	3,412.4	1,486.6	3,714.9	1,553.1	900.3	32.3
Bank overdraft facility	0.0	0.0	0.0	5.1	0.0	8.4
Cash and cash equivalents	-87.4	-280.1	-177.7	-30.0	-44.1	-23.2
Interest-bearing net debt	6,779.1	5,266.1	4,387.3	3,342.9	2,513.5	1,865.8
Investment properties	12,665.5	9,462.3	7,958.4	5,904.9	4,692.9	3,306.1
Loan-to-value ratio, %	53.5 %	55.7 %	55.1 %	56.6 %	53.6 %	56.4 %
Profit/loss before tax	1,666.0	651.4	387.6	306.7	431.8	503.5
Add-back of changes in the value of investment properties and derivatives	-1,377.7	-343.9	-210.4	-171.1	-308.3	-376.8
Add-back of interest expense	90.2	85.7	66.6	49.1	23.2	13.8
Adjusted profit/loss before tax	378.5	393.2	243.8	184.7	146.7	140.5
Financial expenses	-90.2	-85.7	-66.6	-49.1	-23.2	-13.8
Interest expense, derivatives	-30.0	-28.4	-27.4	-28.4	-24.0	-22.5
Total interest expense including interest expense for derivatives	-120.2	-114.1	-94.0	-77.5	-47.2	-36.3
Interest coverage ratio, times	3.2	3.4	2.6	2.4	3.1	3.9

All amounts are denominated in SEK million unless otherwise stated.	2021	2020	2019	2018	2017	2016
Profit for the period attributable to the Parent's shareholders	1,305.0	519.7	309.6	255.8	318.9	401.9
Calculated annual rate	1,305.0	519.7	309.6	255.8	318.9	401.9
Average equity attributable to the Parent's shareholders	4,172.8	3,103.1	2,440.3	1,886.4	1,593.4	908.4
Return on equity, %	31.3 %	16.7 %	12.7 %	13.6 %	20.0 %	44.2 %
Equity attributable to Parent's shareholders	5,217.3	3,532.3	2,830.9	1,978.4	1,757.2	1,181.5
Add-back of deferred tax	857.3	586.8	467.3	372.9	324.7	232.4
Add-back of derivative liability	70.9	166.5	133.5	79.0	67.0	78.3
Add-back of deferred tax asset	-55.5	-57.4	-47.7	-31.5	-22.9	-22.4
Long-term net worth	6,090.0	4,228.2	3,384.0	2,398.8	2,126.0	1,469.8
Deduction of equity attributable to hybrid bonds	-412.5	-447.8	-378.0	0.0	0.0	0.0
Long-term net worth after the deduction of equity attributable to hybrid bonds	5,677.5	3,780.4	3,006.0	2,398.8	2,126.0	1,469.8



Consolidated Income Statement

Consolidated statement of comprehensive income

SEK million	Note	2021	2020
	1-3, 30-35		
Rental income	4	618.1	553.2
Other income	5	5.5	2.6
Total Income		623.6	555.8
Property costs	6	-227.6	-187.3
Net operating income		396.0	368.5
Central administration	7-8	-55.5	-52.9
Profit/loss from participations in associates and joint ventures	9	41.7	83.8
<i>of which profit from property management</i>		6.5	0.5
Financial income	10	2.7	0.2
Interest expense right of access (site-leasehold rights)	11	-6.4	-6.4
Financial expenses	12	-90.2	-85.7
Profit including changes in value and tax in associates and joint ventures		288.3	307.5
Profit from property management		253.1	224.2
Change in value, investment properties	16	1,311.2	406.2
Changes in value of derivatives	23	66.5	-62.3
Profit/loss before tax		1,666.0	651.4
Tax on profit/loss for the year	14	-355.5	-113.9
Net profit for the period		1,310.5	537.5
Other comprehensive income		0.0	0.0
Total comprehensive income for the year		1,310.5	537.5

SEK million	Note	2021	2020
Comprehensive income for the year attributable to:			
The Parent's shareholders		1,305.0	519.7
Holdings with a non-controlling interest		5.5	17.7
Profit for the year attributable to the Parent's shareholders SEK per share before dilution*	15	33.64	13.24
Profit for the year attributable to the Parent's shareholders SEK per share after dilution**		33.57	13.23
Average number of outstanding shares before dilution, thousand*		37,748.2	36,946.4
Average number of outstanding shares after dilution, thousand*		37,835.4	36,993.3

* The average number of shares is a weighted average for the period taking into account the new issue of 1,000,000 shares on 8 July 2020, and the new issue of 285,990 shares on 3 August 2021, as well as the new issue of 1,500,000 shares on 22 November 2021.

** Dilution in respect of the 3-year convertible loan which falls due in 2022.



The consolidated balance sheet

SEK million	Note	31 Decem- ber 2021	31 Decem- ber 2020
	1-3, 29-35		
ASSETS			
<i>Property, plant and equipment</i>			
Investment properties	16	12,665.5	9,462.3
Right of access (site-leasehold rights)	11	163.6	194.2
Property, plant and equipment	17	7.3	1.2
Total property, plant and equipment		12,836.4	9,657.7
<i>Financial assets</i>			
Participations in associates and joint ventures	19	244.1	93.5
Receivables, associates and joint ventures	32	161.7	136.5
Other long-term receivables		17.1	1.7
Total financial assets		422.9	231.7
Deferred tax assets	24	55.5	57.4
Total fixed assets		13,314.8	9,946.8
<i>Current assets</i>			
Accounts receivable	3	14.3	14.2
Current tax asset		0.5	0.1
Receivables, associates and joint ventures		107.5	0.0
Other receivables		32.5	24.3
Accrued cost and prepaid income	20	24.2	37.6
		179.0	76.2
Cash and cash equivalents		87.4	280.1
Total current assets		266.4	356.3
TOTAL ASSETS		13,581.2	10,303.1

SEK million	Note	31 Decem- ber 2021	31 Decem- ber 2020
	1-3, 29-35		
EQUITY AND LIABILITIES			
<i>Equity</i>	21		
Share capital		98.1	93.7
Capital contribution/Hybrid bond		412.5	447.8
Other contributed capital		1,305.6	863.0
Profit brought forward including net profit for the year		3,401.1	2,127.8
Average equity attributable to Parent's shareholders		5,217.3	3,532.3
Holdings with a non-controlling interest		26.6	102.9
Total equity		5,243.9	3,635.2
<i>Non-current liabilities</i>	26, 27		
Interest-bearing liabilities	22, 23	3,454.2	4,059.6
Other non-current liabilities	28	48.1	0.0
Lease liabilities	11	163.6	194.2
Derivative instruments	23	70.9	166.5
Deferred tax liabilities	24	857.3	586.8
Total non-current liabilities		4,594.1	5,007.1
<i>Current liabilities</i>			
Interest-bearing liabilities	22, 23	3,412.4	1,486.6
Accounts payable		74.3	43.0
Derivative instruments	23	0.0	0.8
Current tax liability		15.8	18.0
Sales to associates and joint ventures		107.5	0.0
Other liabilities		26.3	19.1
Accrued costs and prepaid income	25	106.9	93.3
Total current liabilities		3,743.2	1,660.8
TOTAL EQUITY AND LIABILITIES		13,581.2	10,303.1



Consolidated statement of changes in equity

SEK million	Share capital	Capital contribution/ Hybrid bond	Other contributed capital	Profit brought forward including net profit for the year	Equity attributable to Parent's shareholders	Equity attributable to holdings without control	Equity at the end of the year	Total
Opening equity 1 January 2020	91.1	378.0	753.5	1,608.2	2,830.9	85.9		2,916.8
Net profit for the period				519.7	519.7	17.7		537.5
Other comprehensive income					0.0			0.0
Total comprehensive income for the year				519.7	519.7	17.7		537.5
New issue	2.5		109.4*		111.9			111.9
Issue of hybrid bond		99.7**			99.7			99.7
Dividend, hybrid bond		-29.9			-29.9			-29.9
Dividend shares				0.0	0.0	-0.7		-0.7
Total transactions with owners recognised directly against equity	2.5	69.8	109.4	0.0	181.7	-0.7		181.0
Closing equity 31 December 2020	93.7	447.8	863.0	2,127.8	3,532.3	102.9		3,635.2
Opening equity 1 January 2020	93.7	447.8	863.0	2,127.8	3,532.3	102.9		3,635.2
Net profit for the period				1,305.0	1,305.0	5.5		1,310.5
Other comprehensive income					0.0			0.0
Total comprehensive income for the year				1,305.0	1,305.0			1,310.5
New issue	4.4		442.6 ***		447.0			447.0
Dividend, hybrid bond		-35.3			-35.3			-35.3
Dividend shares				-67.4	-67.4	-1.0		-68.4
Non-controlling interests acquired				35.7	35.7	-80.9		-45.2
Total transactions with owners recognised directly against equity	4.4	-35.3	442.6	-31.7	380.0	-81.9		298.1
Closing equity 31 December 2021	98.1	412.5	1,305.6	3,401.1	5,217.3	26.6		5,243.9

* Of which transaction costs SEK 3.1 million.

*** Of which transaction costs SEK 0.3 million.

*** Of which transaction costs SEK 10.5 million.



Consolidated statement of cash flows

SEK million	Note	2021	2020
Cash flow from operating activities	29		
Net operating income		396.0	368.5
Central administration		-55.5	-52.9
Net financial income/expense paid		-126.0	-120.4
Items not affecting cash flow		1.3	1.3
Income tax paid		-3.0	0.0
Cash flow from operating activities before changes in operating receivables and operating liabilities		212.8	196.5
Changes from operating receivables and operating liabilities			
Changes in operating receivables		22.5	-27.9
Changes in operating liabilities		26.4	9.9
Cash flow from operating activities		261.7	178.5
Investing activities			
Investment in investment properties		-359.9	-599.2
Acquisitions of investment properties via subsidiaries		-868.1	-382.7
Acquisition of associates		-292.6	0.0
Sale of investment property via subsidiary		221.9	0.0
Sales of subsidiary to associates and joint ventures		364.9	59.1
Investment receivables, associates and joint ventures		-22.6	-116.7
Cash flow from investing activities		-956.4	-1,039.5

SEK million	Note	2021	2020
Financing activities			
Loans raised		1,424.1	908.0
Amortisation of loans		-132.6	-125.6
Repayment of other loans and deposits		-660.0	0.0
Acquisition of shares from non-controlling interest		-413.0	0.0
Issues		387.0	111.9
Hybrid bond		0.0	99.7
Dividend, hybrid bond		-35.2	-29.9
Dividends paid		-68.4	-0.7
Cash flow from financing activities		501.9	963.4
Cash flow for the year		-192.7	102.4
Cash and cash equivalents at start of the year		280.1	177.7
Cash and cash equivalents at end of the year		87.4	280.1



The Parent's Financial Statements

The Parent's income statement

SEK million	Note	2021	2020
<i>Operating income</i>			
Net sales	4	64.1	61.1
Profit/loss from participations in associates	9	0.0	1.6
Other operating income	5	3.2	0.2
Total operating income		67.3	62.9
<i>Operating expenses</i>			
Property costs	6	-27.5	-28.5
Other external costs	8	-16.2	-20.1
Personnel costs	7	-11.6	-7.9
Depreciation of property, plant and equipment		-39.7	-38.7
Total operating expense		-95.0	-95.2
Operating profit		-27.7	-32.3
<i>Financial items</i>			
Profit/loss from participations in Group companies		334.1	0.0
Profit/loss from participations in associates and joint ventures	9	-16.5	-3.6
Interest income and similar profit/loss items	10	50.6	31.8
Interest expense and similar profit/loss items	12	-50.9	-53.8
Changes in value of derivatives	23	1.8	8.8
Total financial items		319.1	-16.9
Profit/loss after financial items		291.3	-49.2
Appropriations	13	38.5	49.4
Profit/loss before tax		329.8	0.2
Tax on profit/loss for the year	14	-23.3	-0.6
Net profit for the period		306.5	-0.4

Statement of comprehensive income for the Parent

SEK million	Note	2021	2020
Net profit for the period		306.5	-0.4
Other comprehensive income		0.0	0.0
Total other comprehensive income		0.0	0.0
Comprehensive income for the year		306.5	-0.4



The Parent's balance sheet

SEK million	Note	31 December 2021	31 December 2020
ASSETS	30		
<i>Non-current assets</i>			
<i>Property, plant and equipment</i>			
Land and buildings	16	696.9	636.9
Equipment, tools, fixtures and fittings	17	0.4	0.3
Total property, plant and equipment		697.2	637.2
<i>Financial assets</i>			
Participations in Group companies	18	1,426.5	707.0
Receivables from Group companies	32	1,672.3	1,508.4
Participations in associates and joint ventures	19	116.5	2.2
Receivables from associates and joint ventures	30	161.7	136.5
Deferred tax assets	24	23.5	29.2
Other long-term receivables		1.6	1.6
Total financial assets		3,402.1	2,385.0
Total fixed assets		4,099.3	3,022.2
<i>Current assets</i>			
<i>Current receivables</i>			
Accounts receivable	3	6.2	3.8
Other receivables		71.7	8.4
Other receivables, associates and joint ventures		107.5	0.0
Accrued cost and prepaid income	20	14.3	10.5
Total current assets		199.7	22.8
Cash and bank balances		14.9	235.9
Total current assets		214.6	258.7
TOTAL ASSETS		4,313.9	3,280.9

SEK million	Note	31 December 2021	31 December 2020
EQUITY AND LIABILITIES	30		
<i>Equity</i>	21		
<i>Restricted equity</i>			
Share capital		98.1	93.7
Revaluation reserve		9.9	9.9
Statutory reserve		21.4	21.4
Total restricted equity		129.6	125.1
<i>Non-restricted equity</i>			
Share premium reserve		1,267.9	825.2
Profit carried forward		340.9	444.1
Net profit for the period		306.5	-0.4
Total non-restricted equity		1,915.3	1,268.9
Total equity		2,044.8	1,394.0
<i>Provisions</i>			
Deferred taxes	24	25.8	10.7
<i>Non-current liabilities</i>	26, 27		
Bond loan	22	496.8	327.7
Liabilities to credit institutions	22, 23	410.5	286.0
Other non-current liabilities	22	0.0	11.4
Derivative instruments	23	70.9	165.9
Liabilities to group companies	22, 23	1,042.0	869.0
Total non-current liabilities		2,020.2	1,660.0
<i>Current liabilities</i>			
Liabilities to credit institutions	22, 23	40.3	179.3
Accounts payable		35.5	12.4
Derivative instruments	23	0.0	0.8
Other liabilities		18.7	9.3
Other liabilities, associates and joint ventures		107.5	0.0
Accrued costs and prepaid income	25	21.1	14.4
Total current liabilities		223.1	216.2
TOTAL EQUITY AND LIABILITIES		4,313.9	3,280.9



The Parent's statement of changes in equity

SEK million	Restricted equity			Non-restricted equity			Total
	Share capital	Revaluation reserve	Statutory reserve	Share premium reserve	Profit brought forward	Net profit for the period	
Opening equity 1 January 2020	91.2	10.0	21.4	715.8	316.3	58.0	1,212.7
New share issue	2.5			109.4*			111.9
Hybrid bond					99.7**		99.7
Dividend, hybrid bond					-29.9		-29.9
Appropriation of profit of preceding year					58.0	-58.0	0.0
Switch between non-restricted and restricted		-0.1			0.0		-0.1
Net profit for the period						-0.4	-0.4
Closing equity 31 December 2020	93.7	9.9	21.4	825.2	444.1	-0.4	1,394.0
Opening equity 1 January 2021	93.7	9.9	21.4	825.2	444.1	-0.4	1,394.0
New share issue	4.4			442.6***			447.0
Dividend, hybrid bond					-35.3		-35.3
Appropriation of profit of preceding year					-0.4	0.4	0.0
Dividend					-67.4		-67.4
Switch between non-restricted and restricted		0.1			0.0		-0.1
Net profit for the period						306.5	306.5
Closing equity 31 December 2021	98.1	9.9	21.4	1,267.9	340.9	306.5	2,044.8

* Of which transaction costs SEK 3.1 million.

** Of which transaction costs SEK 0.3 million.

*** Of which transaction costs SEK 10.5 million.



The Parent's statement of cash flows

SEK million	Note	2021	2020
Cash flow from operating activities	29		
Operating profit		-27.7	-32.3
Adjustments for items not included in cash flow		39.7	36.1
Interest received		1.0	1.3
Interest paid		-50.6	-53.7
Income tax paid		-2.5	0.0
Cash flow from operating activities before changes in operating receivables and operating liabilities		-40.1	-48.6
Changes from operating receivables and operating liabilities			
Changes in operating receivables		-177.9	-13.9
Changes in operating liabilities		131.3	5.1
Cash flow from operating activities		-86.7	-57.4
Investing activities			
Acquisition of investment properties		-99.0	-35.6
Acquisition of shares in subsidiaries		-711.9	0.0
Sale of subsidiary		551.9	0.0
Acquisition of participations in associates and joint ventures		-292.0	0.0
Change in other non-current receivables		0.0	0.2
Investment receivables, associates and joint ventures		-22.9	-121.0
Additional receivables, Group balances		-173.4	-344.1
Cash flow from investing activities		-747.3	-500.4

SEK million	Note	2021	2020
Financing activities			
New share issue		386.9	111.9
Hybrid bond		0.0	99.7
Dividend, hybrid bond		-35.3	-29.9
Loans raised		711.2	18.0
Repayment of loans		-546.0	0.0
Amortisation of loans		-10.5	-30.5
Additional liabilities, Group balances		173.0	453.6
Dividend received		1.0	0.8
Dividends paid		-67.4	0.0
Cash flow from financing activities		612.9	623.6
Cash flow for the year		-221.1	65.8
Cash and cash equivalents at start of the year		235.9	170.0
Cash and cash equivalents at end of the year		14.9	235.9



Notes

Note 1 General information

Fastighets AB Trianon (publ) is a public limited company registered in Sweden. The Company's registered office is in Malmö. Since 21 June 2017, Trianon's B shares have been listed on the Nasdaq First North Premier Growth Market. Since 17 December 2020, the B shares have been listed on Nasdaq Stockholm, Mid Cap segment.

The Company has two bonds listed on Nasdaq Stockholm, of which one is a sustainable hybrid bond listed on the Sustainable Bond List.

Fastighets AB Trianon's business is to own, manage, develop and build residential and commercial premises in Malmö and the surrounding area. The Consolidated Financial Statements for financial year 2021 were approved by the Board of Directors on 25 March 2022, and a proposal that they be adopted will be laid before the Annual General Meeting on 12 May 2022.

NOTE 2 Accounting policies

ACCOUNTING AND VALUATION POLICIES

The financial statements have been drawn up using accounting policies which follow from International Financial Reporting Standards (IFRS) as adopted by the EU, and their interpretation (IFRIC).

Furthermore, the Group applies the Swedish Financial Reporting Board's (RFR) recommendation RFR 1 Supplementary Accounting Rules for Groups, which sets out the additions, over and above the information required under the provisions of the Swedish Annual Accounts Act (1995:1554).

The Parent applies the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 2 (Financial reports in legal entities) and statements from the Swedish Financial Reporting Board. The Parent's accounting conforms to the Group's accounting policies with the exception of what is stated below in the section on the Parent's accounting policies.

New standards, amendments and interpretations of existing standards which came into force during the financial year.

The new and amended standards approved by the EU, as well as the interpretation statements from the IFRS Interpretations Committee is not currently considered to affect the Company's results or financial position to any significant extent.

New standards, amendments and interpretations of existing standards which have not been applied in advance.

On the preparation of the Annual Report, as at 31 December 2021, there are standards and interpretations which have been announced but have not yet come into force. None of these revised or new standards are considered to have any significant impact on the Company's financial statements.

Fundamentals for the preparation of the financial statements

The Parent's functional currency is the Swedish Krona, which is also the Group's presentation currency. All amounts are in SEK million unless otherwise stated. Rounding has been applied to certain amounts, and this may mean that the tables and calculations do not always add up.

In the annual report, items have been valued at cost, apart from the valuation of investment properties and certain financial instruments for which valuation is at fair value.

Important estimates and assumptions for accounting purposes

The preparation of financial statements in accordance with generally-accepted accounting principles requires the Executive Management Team to make judgements and assumptions which affect the values and information contained in the financial statements. Actual outcomes may differ from these judgements. The areas in which estimates an assumption could involve a risk of adjustments of the recognised values for assets and liabilities in future financial years are, in particular, the valuation of investment properties. The judgements made here may have a significant impact on the Group's results and financial position. Valuation requires a judgement of

future cash flow and the determination of the discount factor (required return). The assumptions and judgements made are set out in Note 16.

Important accounting policies applied

The accounting policies set out below have been applied consistently to all periods presented in the Consolidated Financial Statements.

Segment accounting

An operating segment is a part of a Group which carries on operations from which it can generate income and incur costs, and for which independent financial information is available. The Group's operations are divided into operating segments which are monitored by the Executive Management Team. The segments are residential, public sector/community, retail and office. The Executive Management Team monitors rental income, operating costs, net operating profit, surplus ratio and fair value. For further information, please see Note 33.

Consolidated Financial Statements

Subsidiaries are all companies (including structured companies, over which the Group has control. The Group controls a company when it is exposed to or has the right to return from its holding in the company, and is able to affect the return through its influence in the company. Subsidiaries are included in the Consolidated Financial Statements from and including the date on which control is transferred to the Group. They are excluded from the Consolidated Financial Statements from and including the date on which control ceases. Only that part of the subsidiary's equity which is accrued after the date on which control is obtained is included in consolidated equity.

Acquisitions can be classified either as business combinations or as asset acquisitions. The classification of an acquisition as a business combination or an asset acquisition is based on an individual assessment which must be made on each individual transaction.

Asset acquisitions

When an operation is acquired, a judgement is made on how the acquisition is to be treated in the financial statements on the basis of the following criteria: the presence of employees and the complexity of internal

processes. In addition, the number of operations and the presence of agreements with various degrees of complexity. A high presence of these criteria means that the acquisition is classified as a business combination, and a low presence as an asset acquisition. As an alternative to this assessment, the Group may decide to make use of a concentration test. Trianon decided to apply this test after 1 January 2020. This test means that Trianon makes a simplified judgement as to whether substantially all of the fair value of the gross assets acquired must be concentrated in a single identifiable asset (a property) or group of similar identifiable assets (properties). In the event that the test shows that, in all material respects, all of the fair value is attributable to a single identifiable asset (a property) or a group of similar assets (properties), Trianon judges that the acquisition shall be classified as an asset acquisition.

During the current financial year, all acquisitions have been classified as asset acquisitions.

An important difference in accounting for asset acquisitions, as against business combinations, is that any deferred tax attributable to the surplus value of the property is not recognised in the balance sheet without any rebate reducing the cost of the property (i.e. acquisition expenditure including directly attributable expenditure as well as any deducted rebate for deferred tax). This means that changes in value will be affected by the tax rebate during subsequent valuations. The full deferred tax is recognised in temporary differences which arise after the acquisition. Acquired investment properties are recognised on the subsequent reporting date at fair value, which may differ from cost.

Business combinations

The acquisition method is used for accounting for the Group's business combinations. The acquisition method means that the acquisition of a subsidiary is treated as a transaction through which the Parent indirectly acquires the assets and liabilities of the subsidiary. The consideration for the acquisition of a subsidiary consists of the fair value of the assets and liabilities transferred and the shares issued by the Group. The consideration also includes the fair value of all assets or liabilities following from an agreement on contingent consideration. Contingent consideration is recognised at fair value on



the acquisition date. In the event that the contingent consideration is classified as an equity instrument, no revaluation and settlement is made within equity. For other contingent considerations, these are revalued on each reporting date and the changes are recognised in profit or loss for the year.

Acquisition-related costs are recognised as an expense when they arise. Identifiable acquired assets and assumed liabilities in a business combination are valued initially at fair value on the acquisition date. For each acquisition, the Group determines whether all holdings without control of the acquired company are recognised at fair value or at the holding's proportional share of the net assets of the acquired company.

The fair value of identifiable assets and liabilities in the acquired business is established at the acquisition date. These fair values also include the participations in assets and liabilities attributable to any non-controlling holding in the acquired operation. Identifiable assets and liabilities also include assets, liabilities and provisions including obligations and claims from outside parties which are not recognised in the balance sheet of the acquired business. The difference between the cost of the acquisition and the acquired share of the net assets of the acquired business are classified as goodwill, and recognised as an intangible asset in the balance sheet. If the amount is less than the fair value of the assets of the acquired subsidiary, the difference is recognised in the statement of comprehensive income.

Other consolidation principles

Intra-Group transactions and balance sheet items, as well as unrealised gains and losses on transactions between Group companies are eliminated. The accounting policies for subsidiaries shall be changed, where appropriate, to guarantee a consistent application of the Group's policies. From and including the acquisition date, the income, costs, identifiable assets and liabilities of the acquired subsidiary are included in the Consolidated Financial Statements, along with any goodwill arising.

Appropriations and untaxed reserves

Tax legislation in Sweden gives the option of deferring tax payments through a provision to untaxed reserves in the balance sheet via the appropriations item in the income statement. The rules in the legislation relating to depreciation enable depreciation over and above depreciation according to plan. Appropriations and untaxed reserves are not, however, recognised in the Consolidated Financial Statements. In the consolidated balance sheet, the untaxed reserves are divided into deferred tax liability and equity. Equity is then eliminated so that only equity accrued after the acquisition date remains. In the consolidated balance sheet, provisions to our winding up of untaxed reserves are divided between deferred tax and net profit for the year.

Associates

Associates are all companies in which the Group has influence but not control, which generally applies to shareholdings which comprise between 20 percent and 50 percent of the votes. Holdings in associates are recognised in accordance with the equity method. In applying the equity method, the investment is valued initially at cost, and the carrying amount is then increased or decreased to take account of the Group's participation in the associate's profit or loss after the acquisition date. The Group's carrying amount for holdings in associates includes surplus value identified on the acquisition. If the share of ownership in an associate is reduced, but the investment continues to be an associate, only a proportional amount of the profit or loss which was previously recognised in other comprehensive income is reclassified to profit or loss.

If the Group's share of losses in an associate exceeds the holding in that associate, the Group does not recognise any additional losses unless the Group has assumed obligations on the company's behalf. The Group's share of profit/loss and other comprehensive income in an associate is included in the consolidated profit or loss and other comprehensive income. Where unrealised losses are eliminated, the underlying asset is subjected to an impairment test. An assessment is also made on each reporting date as to whether there is an impairment need for the investment. If this is the case, the impairment amount is calculated as equivalent to the difference between the recoverable amount and the carrying amount.

Joint arrangements

Companies in which Trianon has a long-term shareholder involvement, and, jointly with one or more partners, has control, are divided into joint ventures or joint operations depending on whether the Group has a direct right to assets and liabilities (joint operation) or not (joint venture). The assessment is based on the structure of the investment, the legal form and contractual agreements, as well as other factors and circumstances. Joint ventures are recognised in consolidated profit or loss and balance sheets in accordance with the equity method, which means that Trianon's share of the profit/loss is recognised annually in the consolidated statement of comprehensive income. The value of the shares with the participation in profit/loss is recognised in the balance sheet, along with any dividends.

Changes in the shareholding any subsidiary without change in control

Transactions with shareholders without a controlling interest which do not lead to loss of control are recognised as equity transactions, i.e. as transactions with shareholders in their role as shareholders. In the event of an acquisition from a shareholder without control, the difference between the fair value of the consideration paid and the proportion of the carrying amount of the subsidiary's net assets acquired is recognised and equity. Profits and losses on sales to shareholders without control are also recognised in equity.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. The statement of cash flows includes only transactions which lead to payment inwards or outwards. Cash and cash equivalents in the statement of cash flows are consistent with the definition of cash and cash equivalents in the balance sheet.

INCOME

Rental income

The Group is the lessor in respect of all leases for premises and residential units, as well as garage and parking spaces. All leases are classified as operating leases, which means that the rental income is recognised as income in profit or loss on a straight-line basis over the period of the lease.

Rental income is recognised only when the significant risks and rewards have been transferred to the counterparty. Rental income including supplements is notified in advance, and the rent is accrued on a straight-line basis so that only that part of the rent which accrues to the period is recognised as income. The income is recognised at the fair value of what has been received or is expected to be received with a deduction for rebates and vacant areas. In the event that the lease provides for reduced rent over a certain period, this is accrued on a straight-line basis over the relevant contract period. Compensation paid by tenants in connection with early departure is recognised as income when the contractual relationship with the tenant ceases and no obligations remain, which is normally when the tenant moves out.

Rental income and rent rebates are recognised on a straight-line basis on profit or loss based on the terms and conditions of the rental agreements. Rents paid in advance are recognised as pre-paid rental income. In the event that a tenant is granted a reduced rent for a certain period and higher rent during another period, this is accrued under the respective excess rent on a straight-line basis over the term of the lease unless the rent reduction is not dependent on successive occupancy or similar. Income from early redemption of a lease is recognised as income in the period in which the payment is received, in the event that no additional performance is required on Trianon's part.

Income from compensation in respect of tenant adaptations may be invoiced on one occasion or the equivalent income in the form increased rent over all or parts of the rental period. Irrespective of payment method, the income for this constitutes one rent and is recognised as a rental income in accordance with IFRS 16.

The rent notifications also include supplements such as electricity, heating and property tax. An analysis has been carried out on income recognition on the basis of IFRS 15 Revenue from Contracts with Customers in which Trianon investigated the delimitation between income recognition under IFRS 16 Leases and IFRS 15 Revenue from Contract with Customers.

An assessment has been made that the proportion of services constitutes an insignificant part and, accordingly, there is no separation of income for services for recognition under IFRS 15. This income is recognised in accordance with IFRS 16, which means that the income for services is accrued on the same principles as rental income. It is our judgement that this does not lead to significant differences in amount or date for how the income has been recognised under IFRS 15. Invoiced property tax is recognised as income in the period to which it refers.

Other income

Other income consists of income from the early termination of leases, income from property management by associates and other income such as insurance income etc. Other income is recognised in the period to which it refers.

Income from property sales

Profits and losses from property sales are normally recognised on the completion date.

State aid

State aid is an action taken by the state with the aim of providing a financial benefit which fulfil certain criteria. Government grants are provided in the form of sick pay cost and which subsidies for individual companies in the Group. Sick pay costs are received annually and recognised as income on the same date. Which subsidies are received monthly and recognised as income in the period to which they refer. Aid for rent reductions for certain tenants of premises has been recognised in the period in which the rent should have been received. Investment aid for investments in investment properties reduce the cost of property, plant and equipment.

OPERATING COSTS

Leases

On the date on which a new lease is signed, a right of access asset is recognised along with a lease liability in the balance sheet. Cost consists of the discounted remaining lease charges for non-cancellable lease periods. Possible extension periods are included if the Group is reasonably sure that these will be utilised. The Company's marginal loan interest rate is used in discounting. This is currently between 3.25 and 3.35 percent. The lease may be changed during the period of the lease, at which the lease liability and the right of access asset are revalued. Lease charges are divided between amortising the lease liability and the payment of interest. The Group's significant leases consist of site-leasehold contracts. Given that current leases are site-leasehold in which the period of use is considered to be perpetual, the lease charge is recognised in its entirety as an interest expense. The Company applies the relief rules in respect of leases in which the underlying asset has a low value, as well as to short-term leases. These leases are recognised as an expense in the period in which the use takes place.



Property costs

Property costs consist of costs such as operation, care, letting, property tax, administration and maintenance of the property holding.

Central administration

Central administration consists of costs for group-wide functions, as well as the ownership of the Group's subsidiaries. Bad debts are also included in central administration.

Remuneration of employees

All pension plans in Trianon are recognised as defined-contribution. For defined-contribution pension plans, the Company pays fees to public sector or private sector administered pension insurance plans on a mandatory, collectively agreed or voluntary basis. Trianon has no additional payment obligations when the fees have been paid in full. The fees are recognised as personnel costs when they fall due for payment. Pre-paid fees are recognised as an asset insofar as cash repayments or reductions in future payments may benefit Trianon. A cost for remuneration in connection with the termination of personnel is only recognised if the Company is demonstrably obligated by a formally detailed plan, without realistic possibility of withdrawal, to terminate employment before the normal retirement date. When remuneration is offered to encourage voluntary early retirement/voluntary redundancy, a cost is recognised if it is probable that the offer will be accepted, and the number of employees who will accept the offer can be estimated reliably.

PROFIT/LOSS FROM PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

Consists of the Group's share of the profit/loss of companies which are classified as associates and joint ventures in accordance with the definition above. The profit/loss from associates and joint ventures which holds investment properties include changes in the fair value of the property holding.

FINANCIAL INCOME AND EXPENSE

Interest income is accrued over its term. Dividends on shares are recognised when the shareholder's right to receive payment is considered to be assured.

Both interest income and interest expense are recognised in accordance with the effective interest method.

Loan expenses directly attributable to major new construction projects are capitalised during the construction period. Mortgages taken out in connection with new construction are not recognised as an expense but are capitalised as a property investment.

Changes in value in respect of derivative instruments which are used in financing activities are recognised as changes in value under a separate heading in profit or loss.

INCOME TAXES

The recognition of income tax includes current tax as well as deferred tax. Income taxes are recognised in the net profit for the year unless the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity.

Deferred tax is calculated using the balance sheet method on all significant temporary differences. A temporary difference arises when the carrying amount of an asset or liability differs from the tax value.

The valuation of deferred tax is based on how the carrying amounts of the underlying assets or liabilities are expected to be realised or settled. The carrying amount of the Group's investment properties is considered to be realised through sale at the end of use. The tax rate on the profit is that which would apply to a direct sale of the property which is recognised in the consolidated report of financial position irrespective of whether the Group would structure the sale via the sale of a subsidiary, which could involve a different tax rate. The deferred taxes is then calculated on the basis of the respective temporary differences and the tax consequences arising from recovery through sale.

Deferred tax is calculated using the tax rate in force or announced on the reporting date and which is expected to apply when the deferred tax asset concerned is realised or when the deferred tax liability is settled. A tax rate of 20.6 percent is used in calculating deferred tax.

Deferred tax assets are recognised insofar as it is probable that a future surplus will arise against which the temporary differences can be utilised. Deferred tax assets and tax liabilities are offset when they are attributable to income tax which is charged by the same authority and when the Group intends to settle the tax at a net amount.

INVESTMENT PROPERTIES

The Group's properties are held for the purpose of generating rental income and appreciation in value. All of Trianon's properties are classified as investment properties. Investment properties are recognised at fair value on the reporting date. Fair value is determined by assessing the market value of each individual valuation item. The evaluation model is based on a long-term valuation of the yield on the basis of the current value of future payment flows with individual required returns per property depending on the analysis of transactions carried out and the market position of the property.

The Group's policy is to value all properties at fair value through independent external valuers who hold recognised and relevant qualifications. Forum Fastighetsekonomi AB, Croisette Real Estate Partner, Malmöbryggan Fastighetsekonomi AB and Newsec Advice AB have been engaged as external valuers. All of these are independent consulting companies with registered valuers. Valuations were carried out no later than in December 2021. At the end of the financial year, 81 percent of the total property value was valued externally. The properties acquired from Signatur Fastigheter, some properties newly acquired in

December 2021 and a small project property of minor value were valued internally.

Construction rights and potential construction rights have not been valued on existing properties apart from the property at Rolf 6, where a construction rights value is included in the project costing, since the project for the property is now being realised. Construction rights which have not gone through the planning process or construction rights not yet taken into possession have not been valued.

Investment properties in associates or joint ventures are valued in a corresponding manner.

For further information on the valuation of investment properties, see Note 16.

Additional expenditure is added to the carrying amount only if it is probable that future financial benefits linked to the asset will accrue to the Company, and the cost can be estimated reliably. All other additional expenditure is recognised as an expense in the period in which it arises. Repairs are recognised as an expense when the expenditure arises. The decisive factor in judging when an additional expenditure is added to the carrying amount is if the expenditure refers to the replacement of identified components, or parts thereof, at which such expenditure is capitalised. In the event that a new component is produced, the expenditure is added to the carrying amount. Loan expenditure directly attributable to the purchase, construction or production of substantial new construction, extension or renovation of an asset, and which takes a significant amount of time to complete for the intended use or sale is included in the cost of the asset. Capitalisation of loan expenses is carried out on condition that it is probable that they will lead to future financial benefits and that the costs can be established reliably.

PROPERTY, PLANT AND EQUIPMENT

Property plant and equipment is recognised as an asset in the balance sheet if it is probable that future financial benefits will flow to Trianon and that the cost of the asset can be estimated reliably. Property, plant and equipment, both owned and leased, are recognised in the Group at cost after the deduction of accumulated depreciation and any impairment. Cost includes the consideration as well as expenses directly attributable to the asset.

Additional expenditure is added to the carrying amount only if it is probable that future financial benefits linked to the asset will accrue to the Company, and the cost can be estimated reliably. All other additional expenditure is recognised as an expense in the period in which it arises. Any underappreciated carrying amount on replaceable components, or parts of components, is discarded and recognised as an expense in connection with replacement.

Repairs are recognised as an expense continuously. Depreciation is applied on a straight-line basis over the estimated useful life of the asset from and including the year in which the asset is capitalised. Depreciation according to plan is based on the original cost less estimated residual value. Impairment is applied if the

recoverable amount is less than the carrying amount. The residual values, useful lives and depreciation method of the assets are reviewed at the end of each financial year and adjusted forwards if necessary at the end of each reporting period.

The useful life and residual value are assessed on each reporting date and adjusted if necessary. Depreciation is based on the following useful lives:

- Equipment, tools, fixtures and fittings; 5 years

Impairment of property, plant and equipment

Impairment is applied when the carrying amount exceeds the recoverable amount. An assessment is made for each individual asset. Impairment is recognised over profit or loss. The recoverable amount is the higher of the fair value less selling expenses and its value in use. In calculating value in use, estimated future cash flows are discounted to present value using a discount rate before tax which reflects current market judgements of the time value of money and the risks associated with the asset.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party in accordance with the contractual terms and conditions of the instrument. Rent receivables and accounts receivable are recognised in the balance sheet when an invoice has been sent and the Company's right to payment is unconditional and control has been transferred to the customer. Liabilities are recognised when the counterparty has performed and a contractual obligation exists to pay, even if an invoice has not yet been received. Accounts payable are recognised when an invoice is received.

Financial instruments which are recognised in the balance sheet include the assets' holding of cash and cash equivalents, accounts receivable, current investments and other receivables. Recognition of the Group's financial liabilities consists primarily of interest-bearing liabilities, interest derivatives recognised at fair value via profit or loss and other accounts payable, as well as current liabilities. The Group does not apply any hedge accounting.

A financial asset is removed from the balance sheet (in whole or in part) when the rights in the contract have been realised or has expired, or when the Group no longer has control over the asset. The same applies to a part of a financial asset. Financial liability is removed from the balance sheet (in whole or in part) when the obligation in the contract has been fulfilled or otherwise extinguished. The same applies to a part of a financial liability. A replacement of a debt instrument between an existing borrower and lender on terms which are essentially different shall be recognised as an extinguishing of the old financial liability and the recognition of a new financial liability. Correspondingly, a significant modification of the terms and conditions of a financial liability or part of a financial liability (irrespective of whether it is attributable to financial difficulties on the part of the borrower or not) is recognised as an extinguishing of the original



financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) which has been extinguished or transferred to another party and a replacement which has been paid, including transferred assets which are not cash or assumed liabilities, is recognised in profit or loss.

If a company buys back a part of a financial liability, the company shall allocate the former carrying amount of the financial liability into one part which continues to be recognised and another part which is deleted from the statement of financial position on the basis of the relative fair values of these parts on the buy-back date. The difference between (a) the carrying amount which is allocated to that part which has been deleted from the statement of financial position and (b) the amount paid, including transferred assets which are not cash or assumed liabilities, for that part which has been deleted from the statement of financial position, is recognised in profit or loss. A financial asset and the financial liability are recognised net in the balance sheet when there is a legal right to offset the carrying amounts and the intention is either to settle the net amount or to realise the asset at the same time as a liability is settled. On each reporting occasion, the company evaluates whether there are objective indications that a financial asset or group of financial assets are in need of impairment. Profits and losses from deleting from the balance sheet, as well as modifications, are recognised in profit or loss.

Classification and valuation

Trianon's policies for classifying and valuing financial assets are based on an assessment of both the Company's business model for the administration of financial assets and the characteristics of the contractual cash flows from the financial asset. The classification of financial assets which are debt instruments is based on the Group's business model for the administration of assets and the nature of the asset's contractual cash flows. At present, Trianon only has financial assets which are classified in accordance with the business model for collecting the contractual cash flows.

All financial assets are valued at amortised cost.

Financial assets which are held in accordance with the business model which is intended to hold assets for the purpose of collecting contractual payments during the term of the instrument are managed for the purpose of realising the cash flows by collecting contractual payments during the term of the instrument. These assets are valued at amortised cost.

Financial assets classified at amortised cost are valued initially at fair value with the addition of transaction costs. Accounts payable and lease receivables are recognised initially at the invoiced amount. After the first reporting occasion, the assets are valued using the effective interest method. Financial assets classified at amortised cost are held in accordance with the business model for collecting contractual cash flows which are solely pay-

ments of capital amounts and interest on the outstanding capital amount. Assets covered by a loss provision for anticipated bad debts.

Anticipated bad debts reflect the current value of all shortfalls in cash flows attributable to default either for the next 12 months or for the expected remaining term of the financial instrument, depending on the asset class and the credit deterioration since the first reporting occasion. Anticipated bad debts reflect an objective, probability-weighted outcome which takes account of multiple scenarios based on reasonable and verifiable forecasts.

Various methods are used to value anticipated bad debts. The method used for accounts receivable, contract assets and rent receivables is based on historical bad debts combined with forward-looking factors (such as a deterioration in the economy, increased activity in the construction and letting operation as well as a greater proportion of older apartments in the property portfolio), in accordance with the loss-share method (simplified method). A loss provision is recognised, in the simplified model, for the expected remaining term of the receivable or asset, which is expected to be less than one year for all these receivables. The Group's customers are a homogeneous group with similar risk profiles. Accordingly, the credit risk is assessed collectively for all customers. Any larger individual receivables are assessed per counterparty. The Group writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been concluded.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and other short-term investments with the due date within three months of the acquisition date. Bank overdraft facilities (if utilised) are recognised as borrowing among current liabilities. Cash and cash equivalents are covered by the requirements for a loss provision for anticipated bad debts.

Financial liabilities

Financial liabilities are classified at amortised cost with the exception of derivatives. Financial liabilities recognised at amortised cost are valued initially at fair value including transaction costs. After the first reporting occasion, they are valued using the effective interest method. Non-current liabilities have an expected term of longer than 1 year, while current liabilities have a term shorter than 1 year. All borrowing (liabilities to credit institutions and bond loans), as well as other financial liabilities such as accounts payable, are included in this category.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the reporting date.

Trianon has recognised a convertible debenture for several years. The fair value of the liability component of a convertible debenture is calculated using a discount rate which consists of the market interest rate for a liability with the same terms and conditions but without the right to convert to shares. The amount is recognised as a liability

at amortised cost until the liability is converted or expires. The conversion right is recognised initially as the difference between fair value of the whole of the collective financial instrument and the fair value of the liability part. Since the contract interest rate for the convertible is assessed as the market rate, no difference has arisen which would have any effect on equity.

Derivatives

Under IFRS, derivatives are recognised initially at fair value, meaning that transaction costs are charged to profit or loss for the period. Interest income from interest rate swaps must be separated from interest income using the effective interest method, and must be presented separately in profit or loss. After the initial recognition, the derivative instrument is recognised at fair value, and changes in the value of derivative instruments, both freestanding and embedded, are recognised in the consolidated statement of financial position. Interest rate swaps which hedge cash flow risk in interest payments on liabilities are valued at the net of the accrued receivable at variable interest and the accrued liability in respect of fixed interest. The difference is recognised as interest expense or interest income respectively.

If a derivative constitutes a financial asset, Trianon will remove the derivative from the balance sheet when the contractual rights to the cash flows from the financial assets cease or if Trianon transfers the derivative. If a derivative constitutes a financial liability, Trianon will remove the derivative from the balance sheet when the obligations in the contract are fulfilled, cancelled or extinguished. All derivatives held by Trianon are recognised as liabilities.

In Trianon's case, interest rate swap contracts which are classified at fair value via profit or loss were acquired to hedge the risks of interest rate exposure to which the Group is exposed. In accordance with the IFRS valuation hierarchy, the fair value of a derivative is valued in accordance with level 2. This level means that the valuation is based on inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly. In Trianon's case, this consists of market valuations from the banks. The derivative contract allows the netting of obligations towards the same counterparty. The Group does not apply hedge accounting. Derivatives are classified at fair value via profit or loss.

Amortised cost

Amortised cost is calculated using the effective interest method, which means that any premium or discount directly attributable to income or expense is accrued over the term of the contract using estimated effective interest. Effective interest is the interest rate which gives the cost of the instrument as a result of calculating the present value of future cash flows.

Equity

Ordinary shares are classified as equity. Transaction costs which can be directly attributed to the issue of new shares or options are recognised, net after tax, and

equity as a deduction from the issue proceeds. For the past several years, the Group has recognised a hybrid bond with a perpetual term as part of equity. The interest rate paid to the holders of the bond is recognised, in consequence of this, as a dividend directly and equity. The hybrid bonds are recognised as equity since they run with a perpetual term, repayment is decided by the Annual General Meeting and the hybrid bonds are subordinated to all liabilities and debt instruments in the event of any liquidation.

Earnings per share

Earnings per share before dilution are calculated by dividing:

- the profit attributable to the Parent's shareholders, excluding a dividend attributable to hybrid bonds
- by a weighted average number of outstanding ordinary shares during the period, adjusted for the bonus issue element of ordinary shares issued during the year and excluding bought-back shares which are held as the Company's own shares by the Parent.

In calculating earnings per share after dilution, the amount used for calculating earnings per share before dilution is adjusted to take account of:

- The effect of interest on the convertible debenture, and
- the weighted average of the number of ordinary shares that will be added if all potential ordinary shares, which give rise to dilution effect, are converted to shares.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised in the balance sheet when the Group has an existing legal or constructive obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the effect of when in time payment takes place is significant, provision is calculated by discounting the expected future cash flow at an interest rate before tax which reflects current market judgements of the time value of money and, if appropriate, the risks associated with a liability. Provisions are reviewed on each reporting occasion.

A contingent liability is recognised when there is a possible commitment arising from events which have occurred and this occurrence can be confirmed only by uncertain future events. Contingent liabilities are also recognised when there is a commitment which is not recognised as a liability provision since it is not probable that an outflow of resources will be required or if it cannot be estimated reliably.



THE PARENT'S ACCOUNTING POLICIES

The Parent has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the additional information in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Financial reports in legal entities, which means that the Parent in the Annual Report applies all EU-approved IFRS and statements for legal entities as far as this is possible within the framework of the Swedish Annual Accounts Act and taking account of the relationship between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRS which are to be made.

Differences between the accounting policies of the Group and the Parent

The most significant differences between the accounting policies of the Group and the Parent are set out below.

Classification and presentation forms

The Parent's income statement and balance sheet are laid out in accordance with the schematics in the Swedish Annual Accounts Act. The difference in comparison with IAS 1, Presentation of Financial Statements, which is applied in laying out the Consolidated Financial Statements, is primarily in the recognition of financial income and expense, as well as equity.

Subsidiaries

Participations in subsidiaries are recognised in the Parent in accordance with the cost method. This means that transaction costs are included in the carrying amount of the holding in the subsidiary. The carrying amount is reviewed annually against the subsidiaries' Group value, the recoverable amount. In the event that the carrying amount exceeds the recoverable amount, impairment will be applied and charged to profit or loss. Where a previous impairment is no longer justified, it is reversed. Dividends received are recognised as income. Impairment testing of the carrying amount is carried out after the dividend has been received.

Income

The Parent's net sales consist of rental income from operating leases and follow the same accounting policies as the Group, with the exception of the requirement to distinguish between lease and non-lease components.

Property, plant and equipment

Property, plant and equipment in the Parent is recognised at cost after the deduction of accumulated depreciation and any impairment in the same way as for the Group, but with the addition of any appreciation in value. Property, plant and equipment are depreciated by 20 percent per year. In the event that the carrying amount of an asset exceeds its estimated recoverable amount, the asset is immediately impaired to its recoverable amount.

Financial guarantees

The Parent's financial guarantee agreements consist mainly of sureties provided on behalf of subsidiaries. Financial guarantees mean that the Company has an obligation to compensate the holder of a debt instrument for losses that the holder incurs due to a specific debtor failing to pay on the due date in accordance with the contractual terms and conditions. For the recognition of financial guarantee agreements, the Parent applies RFR 2 p 72 which involves a relief compared with the rules in IFRS 9 in respect of financial guarantee agreements and behalf of subsidiaries and associates. The Parent recognises financial guarantee agreements as a provision in the balance sheet when the Company has an obligation for which payment will probably be necessary to settle the obligation.

Financial instruments

In view of the relationship between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 are not applied in the Parent as a legal entity. The Parent applies the cost method in accordance with the Swedish Annual Accounts Act. The policies relating to initial recognition and derecognition from the balance sheet do not differ from the Consolidated Financial Statements.

Consequently, non-current financial assets financial assets in the Parent are valued at cost (with a deduction for any impairment and with the addition of any appreciation in value) and current financial assets at the lower of cost or net sales value on the reporting date, applying impairment for anticipated bad debts in accordance with IFRS 9 in respect of assets which are debt instruments. For other financial assets, impairment is based on market values.

The Parent applies the same method as the Group for calculating expected bad debts on intra-Group receivables based on the probability of default, expected loss and exposure in the event of default. The Parent's assessments in accordance with the above-mentioned method, taking account of other known information and forward-looking factors assess anticipated bad debts as not being significant and, accordingly, no provision has been recognised. The Parent's receivables from the subsidiary are subordinated to receivables from external lenders.

Non-current financial liabilities are recognised at amortised cost. Expenditure which is directly attributable to the raising of a loan is used to adjust the cost of the loan and this is accrued in accordance with the effective interest method. Non-current liabilities are recognised at cost.

Derivatives which constitute financial assets and for which hedge accounting has not been applied are valued after first recognition at the lower of cost and net sales value on the reporting date.

Derivatives with negative values and for which hedge accounting has not been applied are recognised as financial liabilities and valued at that value.

Interest income and interest expense are recognised in accordance with the effective interest method.

Leased assets

The Parent has opted out from applying IFRS 16, and leases are recognised as a cost on a straight-line basis over the period of the lease.

Tax

The Parent recognises untaxed reserves including deferred tax liabilities. In the Consolidated Financial Statements, however, untaxed reserves are divided over deferred tax liability and equity.

Group contribution and shareholders' contribution for legal entities

The Company recognises Group contribution and shareholders' contribution in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. Shareholders' contribution is recognised against equity by the recipient and participations in the Group company by the contributor, to the extent that impairment is not required.

In recognising Group contribution, a company may apply either the main rule or the alternative rule. The selected rule is to be applied consistently to all Group companies. The main rule means that the Parent recognises Group contribution received from subsidiaries as financial income, and Group contribution provided to subsidiaries is recognised as an increase in participations in Group companies. The alternative rule means that Group contribution is both received and provided are recognised as appropriations. Trianon applies the alternative rule. The tax effect is recognised in accordance with IAS 12 in profit or loss.

Associates

Participations and associates are valued at cost. In the event that the carrying amount of an investment exceeds the cost, impairment is applied.

Note 3 Financial risk management and financial derivative instruments

The Trianon Group as a net borrower is exposed to financial risks. In particular, the Group is exposed to interest rate risk, refinancing risk and liquidity risk, as well as credit risk and counterparty risk. The Group is not exposed to currency risk. The Group's Finance Policy regulates how the financial risks are managed, as well as setting limits and identifying the financial instruments which may be used.

Interest rate risk & fixed interest rates

Trianon has a loan-to-value ratio of 53.5 percent (55.7). Interest-bearing borrowing exposes the Group to interest rate risk. Interest rate risk refers to the risk that a change in market interest rates may have a negative impact on the Group's results and cash flows. How rapidly a sustained change in interest rates may impact the Group's net financial income/expense depends on the fixed interest period of the borrowing.

To limit the effects of changes in interest rates, SEK 2,320 million (2,460) has been hedged through interest rate swaps, which is equivalent to 34 percent (44) of the interest-bearing liabilities. About 31 percent of loans from credit institutions are at fixed interest, which limits interest rate risk further. The average interest rate for the total loan stock excluding swaps at the year-end amounted to 1.4 percent (1.7), and including swaps to 1.9 percent (2.3). A change in market interest rates by one percentage point would affect profit or loss by +/- SEK 22.0 million (11.0), calculated on that part of the liability which is at variable interest and which has not been hedged using interest rate derivatives for the financial year ending 31 December 2021.

During 2021, new swap agreements of SEK 300 million with a ten-year term were entered into.

Under the Company's Finance Policy, the fixed-interest period shall be between two and four years. The average fixed interest term on the reporting date was 2.7 years (3.7).



Fixed interest rate structure 31 December 2021

Due date (Year)	Volume (SEK million)	Proportion (%)
2022	4,801	70 %
2023	847	12 %
2024	205	3 %
2025 and forwards	1,002	15 %
Total	6,855	100 %

Financial derivatives

The following table shows the nominal net amount of the interest rate derivative portfolio, its market value as at the reporting date, the average effective interest rate and the impact on the market value of the portfolio of a change in market interest rates of +/- 1 percentage point.

Due	Nominal amount, (SEK million)	Unrealised changes in value, (SEK million)	Average interest rate	Market value if interest rate +1 percentage point	Market value if interest rate -1 percentage point
2024	100	-0.3	0.40 %	1.7	-2.2
2025	350	2.5	0.40 %	14.3	-9.3
2027*	0	1.2	0.50 %	0.0	0.0
2028	870	-61.7	1.80 %	-4.8	-119.3
2029	700	-5.8	0.90 %	42.5	-54.1
2031	300	-6.8	1.20 %	21.6	-35.0
Total	2,320	-70.9	1.20 %	75.4	-219.9

*Forward swap of SEK 100 million starting in 2024

Interest rate derivatives of SEK 70.9 million (166.5) are recognised as non-current and SEK 0.0 million (0.8) are recognised as current. Interest rate derivatives are valued at fair value in the balance sheet. Fair value has been calculated using official market listings and in accordance with accepted calculation methods. For further information on the calculation of fair value, see Note 30.

Swap agreement signed mean that variable interest on underlying loans has been replaced by fixed interest. Hedge accounting is not applied. Changes in value are recognised on an ongoing basis on profit or loss.

Refinancing risk and liquidity risk

Refinancing risk and liquidity risk refer to the risk that the cost may increase and the financing opportunities may be limited when a loan is to be refinanced, and that the payment obligations may not be fulfilled as a consequence of insufficient liquidity. The Group limits this risk through the financial target that the loan-to-value ratio shall not exceed 60 percent. The loan-to-value ratio on the reporting date was SEK 53.5 percent (55.7).

Loans are arranged only from credit providers with a high rating, and the maturity structure of loan liabilities is controlled. Interest-bearing liabilities as at 31 December 2021 amounted to SEK 6,866.5 million (5,546.2), of which convertible loans constituted SEK 11.4 million (11.4) and SEK 0 million (0) constitutes the unutilised portion of the total bank overdraft facility of SEK 35 million (25).

Debt maturity structure

Under the Finance Policy, borrowing shall take place from a minimum of three counterparties, and, in connection with the acquisition of Signatur Fastigheter, the number of counterparties has increased to 15. In accordance with agreements covering 56 percent of the borrowings, the Group's interest coverage rate (profit/loss after financial income and expense, increased by external interest expense as a proportion of external interest expense) shall not fall below 1.5 times, and 15 percent of the borrowings shall not fall below 1.75 times. Under agreements covering 69 percent of borrowings, the Group's loan-to-value ratio (interest-bearing net liabilities in relation to investment properties) shall not exceed 60 percent, and 15 percent shall not exceed 65 percent. Under agreements covering 45 percent of borrowings, the Group's equity/assets ratio shall not fall below 30 percent. All criteria were fulfilled for both financial years.

After the end of the financial year, loans for SEK 1,055 million maturing in 2022 were extended by terms of between one and three years.

Under the Company's Finance Policy, the average debt maturity period shall be 2 years. The average debt maturity period on the reporting date was 2.1 years (1.6).

Debt maturity structure 31 December 2021, Group

Due date (Year)	Volume (SEK million)	Proportion (%)
2022*	3,412	50 %
2023	2,577	37 %
2024 and forwards	878	13 %
Total	6,867	100 %

* After the end of the financial year, loans for SEK 1,055 million maturing in 2022 were extended by terms of between one and three years.

Debt maturity structure 31 December 2020, Group

Due date (Year)	Volume (SEK million)	Proportion (%)
2021	1,487	27 %
2022	3,619	65 %
2023 and forwards	440	8 %
Total	5,546	100 %

Bank loans extended before 31 December 2020, SEK 815 million.

Debt maturity structure 31 December 2021, Parent

Due date (Year)	Volume (SEK million)	Proportion (%)
2022	40	4 %
2023	907	96 %
2024 and forwards	0	0 %
Total	948	100 %

Debt maturity structure 31 December 2020, Parent

Due date (Year)	Volume (SEK million)	Proportion (%)
2021	179	22 %
2022	614	78 %
2023 and forwards	0	0 %
Total	793	100 %

Bank loans extended before 31 December 2020, SEK 328 million.



Maturity analysis undiscounted liabilities

Group 31 December 2021

Due within	Interest-bearing liabilities and derivatives	Interest expense	Accounts payable	Other liabilities	Total
Within 3 months	256.1	24.5	74.3	107.5	462.4
4-6 months	1,012.6	23.5	0.0	0.0	1,036.0
7-9 months	176.8	20.5	0.0	0.0	197.3
10-12 months	1,955.5	19.2	0.0	11.4	1,986.1
2 years	2,593.7	36.4	0.0	0.0	2,630.1
3 years	507.4	11.6	0.0	44.0	563.0
4 years	15.3	7.4	0.0	0.0	22.7
5 years	0.0	7.2	0.0	0.0	7.2
After 5 years	337.8	191.8	0.0	0.0	529.5
	6,855.1	341.9	74.3	162.9	7,434.2

Group 31 December 2020

Due within	Interest-bearing liabilities and derivatives	Interest expense	Accounts payable	Other liabilities	Total
Within 3 months	143.0	26.7	43.1	0.0	212.8
4-6 months	27.1	26.8	0.0	0.0	53.9
7-9 months	123.9	26.4	0.0	0.0	150.3
10-12 months	1,192.6	26.1	0.0	0.0	1,218.7
2 years	3,656.5	68.1	0.0	11.4	3,736.0
3 years	364.9	35.9	0.0	0.0	400.8
4 years	0.0	30.0	0.0	0.0	30.0
5 years	0.0	28.8	0.0	0.0	28.8
After 5 years	0.0	74.1	0.0	26.8	100.9
	5,507.9	342.9	43.1	38.2	5,932.1

Credit risk and counterparty risk

Credit risk and counterparty risk refer to the risk that the counterparty in a transaction may not fulfil its obligations and consequently, the Group would suffer a loss. To limit counterparty risk, only counterparties with high creditworthiness are accepted, and the commitment per counterparty is limited.

The commercial credit risk within the Group is limited, since there is no significant credit concentration in relation to any specific customer or other counterparty.

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Accounts receivable	14.3	14.2	6.2	3.8
Receivables from associates	15.6	11.0	15.6	11.0
Receivables from joint ventures	253.6	125.5	253.6	125.5
Receivables from subsidiaries	0.0	0.0	1,672.3	1,508.4
Accrued Income	3.5	12.8	2.8	2.3
Other receivables*	1.6	1.6	1.6	1.6
Total	288.6	165.1	1,952.1	1,652.6

*Other receivables refers to promissory note loan.

Of the above receivables, SEK 125.3 million falls due within 3 months, SEK 0.0 million within 1 year and others after 5 years. Bad debts are in the accounts receivable item.

Receivables from associates and joint ventures are at market interest rates, and the credit risk in these is regarded as low.

Exposure in financial receivables excluding Cash and cash equivalents

Accumulated impairment has been applied to accounts receivable in accordance with the following:

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Accounts receivable	18.7	20.8	6.6	5.0
Provision for anticipated bad debts	-4.4	-6.6	-0.4	-1.2
Total accounts receivable	14.3	14.2	6.2	3.8

The provision for anticipated bad debts fell by SEK 2.2 million (-4.4) during the year. Established bad debts of SEK -1.5 million have been charged to profit or loss.



Note 4 Rental income / Net sales

The Group's rental income is distributed as follows:

Lease contracts are recognised as operating leases.

Rental income also includes supplements such as electricity, heating and property tax. An assessment has been made that service costs constitute an insignificant part and, accordingly, there is no separation of income.

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Residential	377.3	308.2	10.0	9.7
Commercial premises	219.2	226.3	48.7	46.7
Garage and parking spaces	21.4	18.7	5.4	4.7
Other	0.2	0.0	0.0	0.0
Total	618.1	553.2	64.1	61.1

Contract maturity structure	Number of contracts	Annual contract value	Proportion, %	Total contract value during the contract period	Proportion, %
Commercial premises contracts, term					
2022	108	17.9	8 %	14.8	2 %
2023	102	51.5	24 %	86.4	10 %
2024	89	47.0	22 %	117.6	14 %
2025	56	43.9	20 %	154.5	18 %
Other until and including 2041	48	55.1	26 %	478.5	56 %
Total	392	215.5	100 %	851.8	100 %

Contract value refers to base rent including index increment per year.

The average remaining lease term until expiry weighted by average agreed rental income (WAULT) for commercial leases amounted to 4 years.

Note 5 Other operating income and operating expense

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Other operating income				
Salary-related remuneration/allowance	0.4	0.6	0.0	0.0
Insurance compensation	1.0	0.7	0.0	0.0
Other operating income	4.1	1.4	3.2	0.2
Total	5.5	2.6	3.2	0.2

Note 6 Operating expenses allocated by cost type

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Electricity and heating costs	67.8	42.5	8.8	6.2
Other operating costs	23.7	19.7	1.6	0.2
Repair and maintenance	43.9	42.4	4.4	7.2
Property tax	22.5	22.1	5.8	5.9
Personnel costs	19.4	16.5	0.0	0.0
Other property costs	50.3	44.1	6.9	9.1
Total	227.6	187.3	27.5	28.5

Central administration / Other external costs

SEK million	GROUP	
	2021	2020
External costs	29.6	28.5
Personnel costs	24.5	23.1
Depreciation	1.3	1.3
Total	55.5	52.9

External costs refer primarily to the Executive Management Team, IT, marketing, financial reports and audit fees. External costs also include non-recurring costs of SEK 0.0 million (6.5) in respect of listing costs.



Note 7 Average number of employees, personnel costs, pensions and other

Average number of employees, Group:	GROUP		PARENT	
	2021	2020	2021	2020
Men	48	41	2	1
Women	34	28	4	2
Total	82	69	6	3

Gender distribution within the Executive Management Team:	GROUP		PARENT	
	2021	2020	2021	2020
Members of the Board of Directors including Deputies				
Men	5	5	5	5
Women	3	4	3	4
Total	8	9	8	9

SEK million Salaries and other remuneration:	GROUP		PARENT	
	2021	2020	2021	2020
The Board of Directors and the CEO	3.0	2.8	3.0	2.8
Other employees	31.6	27.2	4.5	2.2
Total	34.6	30.0	7.5	5.0

SEK million Social Security contributions:	GROUP		PARENT	
	2021	2020	2021	2020
Pension costs for the Board of Directors and the CEO	1.4	1.3	1.4	1.3
Pension costs for other employees	3.1	2.3	0.8	0.6
Other statutory and collectively-agreed social charges	12.4	9.1	2.8	1.9
Total	16.9	12.7	5.0	3.8

SEK million Remuneration and other benefits for the Board of Directors and the CEO 2021:	GROUP		PARENT	
	Salary/fee	Other benefits	Pension	Total
The Board of Directors	1.1	0.0	0.0	1.1
The CEO	1.9	0.1	1.4	3.4
Other senior executives, 5	4.5	0.0	1.1	5.6
Total	7.5	0.1	2.5	10.1

SEK million Remuneration and other benefits for the Board of Directors and the CEO 2020:	GROUP		PARENT	
	Salary/fee	Other benefits	Pension	Total
The Board of Directors	1.0	0.0	0.0	1.0
The CEO	1.7	0.1	1.3	3.1
Other senior executives, 2	2.2	0.0	0.6	2.8
Total	4.9	0.1	1.9	6.9

Board fees:

Fees paid to the Board of Directors during 2021 amounted to SEK 300,000 (250,000) to the Chairman of the Board, as well as SEK 150,000 (125,000) per person to other members of the Board, with the exception of Olof Andersson, as well as SEK 75,000 (62,500) to each of the deputy members of the Board. Remuneration paid to members of the Audit Committee was SEK 60,000 (30,000) to the Chairman of the Audit Committee, as well as SEK 30,000 (15,000) to each member of the

Committee. The Audit Committee consists of Boris Lennerhov (Chairman), along with Axel Barchan and Viktoria Bergman (members).

Severance pay:

Severance pay under the Contract of Employment with the CEO is equivalent to 6 months' salary, SEK 0.9 million (0.9).

Note 8 Fees and remuneration of expenses to auditors

Remuneration was paid to the auditors in accordance with the following:

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Mazars AB				
Audit assignments	1.7	1.8	2.3	1.8
Audit activities over and above audit assignments	0.5	0.5	0.0	0.5
Other assignments	0.1	0.1	0.0	0.1
Total	2.3	2.4	2.3	2.4

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
KPMG AB				
Audit assignments	0.2	0.0	0.0	0.0
Audit activities over and above audit assignments	0.0	0.0	0.0	0.0
Other assignments	0.0	0.0	0.0	0.0
Total	0.2	0.0	0.0	0.0

Audit assignments refer to the auditors' work on statutory audits and audit activities refers to other types of quality services.

Other services are those which are not included in audit assignments, audit activities or tax advice.



Note 9 Profit/loss from participations in associates and joint ventures

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Profit/loss from participations in associates and joint ventures	20.5	83.9	-16.5	-2.0
Revaluation of participations when associate converted to subsidiary	21.2*	0.0	0.0	0.0
Total	41.7	83.9	-16.5	-2.0

*Revaluation of participations in associate took place when the holding in Signatur Fastigheter AB converted from associate to subsidiary. The price per share on the date on which control arose was used in the revaluation.

Note 10 Financial income / Interest income and similar profit/loss items

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Financial income				
Interest income Group companies	0.0	0.0	47.3	30.4
Interest income other	2.7	0.2	3.3	1.4
Total	2.7	0.2	50.6	31.8

Note 11 Leases

In accordance with IFRS 16, all leases are recognised in the balance sheet, except short-term leases and leases of minor value. As at the reporting date, the Group has leases in respect of site-leaseholds which are recognised as right of access assets in the balance sheet.

	2021	2020
Property, plant and equipment, Right of access site-leaseholds		
Opening value	194.2	190.6
Additional contracts	12.3	3.6
Expiring contracts	-42.9	0.0
Closing value	163.6	194.2
Non-current liabilities, lease liability		
Opening value	194.2	190.6
Additional contracts	12.3	3.6
Expiring contracts	-42.9	0.0
Closing value	163.6	194.2
Since the value of the right of access assets and the lease liability are of the same amount, equity is not affected.		
Interest expense for lease liabilities	6.4	6.4

The total cash flow for leases amounted to SEK -6.4 million (-6.4).

On the reporting date, there were outstanding obligations in the form of minimum lease fees under non-cancellable leases, with due dates as follows:

Due dates lease liabilities

SEK million	GROUP	
	2021	2020
Within 1 year	5.3	6.4
Between 1-5 years	22.4	25.6
Later than 5 years	135.9	162.2
Total	163.6	194.2

The Parent applies an opt-out from the application of IFRS 16 Leases. Lease costs are charged to profit or loss with recognition on a straight-line basis over the period of the lease.

Due dates

SEK million	PARENT	
	2021	2020
Within 1 year	0.0	0.1
Between 1-5 years	0.0	0.4
Later than 5 years	0.0	2.1
Total	0.0	2.6

Land associated with Liljan 12 was acquired during the year. This had previously been covered by a site-leasehold contract. The total cost for the year of leases for the Parent amounted to SEK 0.1 million (0.1).

Note 12 Financial expense / Interest expense and similar profit/loss items

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
Financial expenses				
Interest expense Group companies	0.0	0.0	0.3	0.2
Interest expense other	88.8	83.3	48.8	51.3
Other financial expense	1.4	2.4	1.8	2.4
Total	90.2	85.7	50.9	53.8

Note 13 Appropriations

SEK million	PARENT	
	2021	2020
Group contributions received	38.5	49.4
Total	38.5	49.4



Note 14 Tax on net profit for the year

SEK million	GROUP		PARENT	
	2021	2020	2021	2020
<i>Current tax</i>				
Tax income / tax expense for the year	-9.3	-4.1	0.0	0.0
Tax attributable to the preceding year	-3.0	0.0	-2.9	0.0
Total current tax	-12.3	-4.1	-2.9	0.0
<i>Deferred tax</i>				
Untaxed reserves	-1.0	-1.1	0.0	0.0
Financial instruments	-19.7	6.9	-25.7	-1.8
Loss carryforward	20.3	4.8	4.0	1.2
Difference between the carrying amount and the taxable values of the properties	-342.8	-120.4	1.4	0.0
Total deferred tax	-343.2	-109.8	-20.4	-0.6
Total tax	-355.5	-114.0	-23.3	-0.6
Profit/loss before tax	1,666.0	651.4	329.8	0.3
Tax in accordance with current tax rates	-343.2	-139.4	-67.9	-0.1
Tax attributable to the preceding year	-3.0	3.0	-2.9	0.0
Effect of non-posted loss carryforward	0.0	0.0	0.0	0.0
Effect of profit/loss from participations in associates and joint ventures	8.6	17.9	-3.4	0.4
Effect of changed tax rates and tax regulations	0.0	3.4	0.0	-0.7
Utilised unvalued tax deficit	-4.3	0.1	-4.1	0.0
Tax effect of non-taxable income	11.8	-14.4	68.4	-1.2
Tax effect of nondeductible expenses	-0.1	13.2	0.0	0.8
Adjustment for deferred tax from preceding year	-17.8	0.0	-13.3	0.0
Not recognised deferred tax asset attributable to temporary differences, investment properties	-8.6	0.0	0.0	0.0
Other items	1.1	2.3	0.0	0.2
Total tax expense	-355.5	-113.9	-23.3	-0.6

Note 15 Earnings per share

	2021	2020
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution	33.64	13.24
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution	33.57	13.23
Net profit for the year attributable to the Parent's shareholders	1,305.0	519.7
Dividend, hybrid bond	-35.2	-29.9
Net profit for the year after the deduction of the dividend on the hybrid bond	1,269.8	489.8

Earnings per share before dilution

The calculation of earnings per share before dilution was based on the net profit for the year attributable to the Parent's shareholders after the deduction of the dividend for the hybrid bond and on a weighted average number of outstanding shares (thousand) during 2021 amounting to 37,748.2 (36,946.4).

	2021	2020
Number of shares 31 December	39,251.49	37,465.50
Weighted average number of shares during the year before dilution	37,748.19	36,946.40

Earnings per share after dilution

The calculation of earnings per share after dilution was based on the net profit for the year attributable to the Parent's shareholders after the deduction of the dividend for the hybrid bond and on a weighted average number of outstanding shares (thousand) during 2021 amounting

to 37,835.4 (36,993.3). No material difference arose on earnings before and after dilution, since the repayment of interest attributable to earnings after dilution was not significant.

	2021	2020
Weighted average number of shares during the year before dilution	37,748.19	36,946.40
Effect of convertible loan	87.2	46.9
Weighted average number of shares during the year after dilution	37,835.37	36,993.28



Note 16 Investment properties / Land and buildings

SEK million	GROUP	
Investment properties	2021	2020
Opening balance	9,462.3	7,958.4
Investments through companies	2,693.6	592.0
Investments in new investment properties	50.1	421.1
Other investments*	309.8	159.6
Sales	-492.1	0.0
Sales to associates and joint ventures	-669.4	-75.0
Changes in value	1,311.2	406.2
Closing carrying amount	12,665.5	9,462.3

* Investment has reduced by SEK 36.9 million in state investment aid, SEK 18.3 million was paid out in April 2020 and SEK 18.6 million in January 2021.

Changes in value of the remaining properties amounted to SEK 1,253.6 million (406.2) and changes in value of divested properties amount to SEK 57.6 million (0.0).

State grants reduced the cost by SEK 36.9 million in 2020 and accumulated by SEK 114.8 million.

SEK million	PARENT	
Land and buildings	2021	2020
Opening Cost	757.6	722.0
Investments	98.7	35.6
Reclassification	0.0	0.0
Closing cost	856.3	757.6
Opening accumulated depreciation	-130.6	-93.0
Depreciation for the year	-38.7	-37.6
Reclassification	0.0	0.0
Closing accumulated depreciation	-169.3	-130.6
Opening accumulated appreciations in value	9.9	10.0
Depreciation for the year	0.0	-0.1
Closing accumulated appreciations in value	9.9	9.9
Closing carrying amount	696.9	636.9

The Group's investment properties are held for the purpose of generating rental income and appreciation in value. All of Trianon's properties are classified as investment properties. The property portfolio consists of 153 properties. The property value is divided into 75

percent (66) residential properties, 10 percent (9) public sector/community properties, 11 percent (20) retail and 4 percent (5) office. The properties were valued externally in December 2021 as follows.

SEK million	GROUP	
Investment properties in accordance with	2021	2020
External valuation	10,218.3	9,402.5
Internal valuation	2,267.6	40.7
Projects in progress	179.6	19.1
Closing carrying amount	12,665.5	9,462.3

Investment properties in Trianon's portfolio are valued by independent external valuation institutions with recognised qualifications.

At the end of the period, 81 percent of the total property value was valued externally. The properties acquired from Signatur Fastigheter, some properties newly acquired in December 2021 and a small project property of minor value were valued internally.

Construction rights and potential construction rights have not been externally valued on existing properties apart from the property at Rolf 6, where a construction rights value is included in the project costing, since the project for the property is now being realised. Construction rights which have not gone through the planning process or construction rights not yet taken into possession have not been valued externally.

The external valuations have been carried out through an analysis of each property's status, rental situation and market situation. The main valuation method carried out uses a cash flow calculation on each property, which involves a present value calculation of estimated future net operating income, interest-rate subsidies and investments. In calculating future cash flows, the factors taken into account are the market and the future development of the local area, the market conditions and market positions for the properties and market rental terms and conditions, as well as operating costs and maintenance costs in similar properties compared with the Company's properties. To this will be added the present value of an estimated market value at the end of the calculation period. For the majority of the valuations, a 5 to 15-year calculation period has been used. For the Rolf 6 property,

a 20-year calculation period has been used. Comparisons and analyses have also been carried out on completed purchases of properties within each market segment.

The following assumptions and estimates have been used:

- inflation has been assumed at an annual rate of 2.0% during the calculation period
- the rent trend has been assumed to broadly follow inflation or, where appropriate, indexation
- The discount rate and required return are based on analyses of completed transactions, as well as an individual assessments of interest rates, probable purchaser and the market position of the property
- the required return varies from 2.0% to 6.5%

Projects in progress have been valued at cost. Project properties are valued externally when their degree of completion is sufficient to enable a reliable valuation to be made. Until that point, the properties are valued at cost. Thereafter, project profit is calculated for the project and a deduction is made in relation to the degree of completion. Interest expense of SEK 0.0 million (0.9) was capitalised in the Group during the year.

The investment properties are valued in accordance with level 3 (definition in Note 30). Level 3 refers to the fair value hierarchy in accordance with IFRS 13. Carrying amount / fair value and, consequently, unrealised changes in value, are determined annually on the basis of valuation.

Impact on the profit/loss for the period

SEK million	GROUP	
	2021	2020
Property income	618.1	553.2
Property costs for investment properties which generate property income	-227.6	-187.3
Property costs for investment properties which do not generate property income	0.0	0.0



Sensitivity analysis

A property valuation is an estimate of the price which an investor would be willing to pay for the property at a given time.

Valuations are carried out using generally accepted models and certain assumptions of various parameters. The market value of the property can only be secured in a transaction between two independent parties. A typical uncertainty interval in a normal market is +/- 5-10 percent.

A change in property value of +/- 5 percent affects

Trianon's property value and, consequently, profit/loss before tax by +/- 633 million.

The table shows how various parameters affect the property value. The various parameters are affected individually by various assumptions and these do not normally all work in the same direction.

The vacancy rate refers only to commercial premises, since the Company considers that the risk of vacancies in residential properties is low.

The effect on profit/loss of property valuations, SEK MILLION	Changes +/-	Residential	Public sector/ community	Retail	Offices
Required property yield	0.5 percentage points	-1,194/+1,606	-116/+142	-132/+167	-61/+79
Rental income	1.0 percentage points	+146/-146	+18/-18	+19/-19	+7/-7
Operating cost	1.0 percentage points	-48/+48	-4/+4	-5/+5	-1/+1
Vacancy rate (commercial)	1.0 percentage points	-18/+18	-16/+16	-13/+13	-6/+6

Assumptions per segment in determining fair value

	Residential	Public sector/community	Retail	Offices
Yield	% 2.0 - 4.3	3.7 - 6.1	4.0 - 6.5	4.1 - 4.9
Discount rate	% 4.0 - 6.3	5.7 - 8.2	5.9 - 8.6	6.1 - 7.0
Long-term vacancy	% 0.0 - 8.0*	0.5 - 6.6	1.0 - 8.0**	4.1 - 5.0
Operation and maintenance	SEK/m² 371 - 586	200 - 486	155 - 1521	411 - 535

* In some of the residential properties, there are elements of commercial areas. These are included in the long-term vacancy.

** Retail properties consist primarily of local stores selling food etc. this contributes to a somewhat lower long-term vacancy

Note 17 Property, plant and equipment

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Opening Cost	6.9	6.9	0.8	0.8
Investments	0.5	0.0	0.2	0.0
Investments through companies	5.7	0.0	0.0	0.0
Closing accumulated cost	13.1	6.9	1.0	0.8
Opening accumulated depreciation	-5.7	-5.2	-0.5	-0.4
Depreciation for the year	-0.1	-0.5	-0.2	-0.1
Closing accumulated depreciation	-5.8	-5.7	-0.7	-0.5
Closing carrying amount	7.3	1.2	0.4	0.3

Note 18 Participations in Group companies

SEK million	PARENT	
	31 December 2021	31 December 2020
Opening Cost	707.0	686.1
Investments	932.2	270.9
Sales	-214.1	-271.0
Shareholders' contribution	1.4	21.0
Closing cost	1,426.5	707.0

Specification of the Parent's holdings of participations in Group companies

Company	Corporate ID number	Registered office	Number of participations	Equity participation (%)	Carrying amount 31 December 2021	Carrying amount 31 December 2020
Fastena Bryggan 2 AB	556998-3264	Malmö	0	0 %	0.0	19.2
Fastighets AB Sockerbetan Holding	556878-0562	Malmö	500	100 %	0.2	0.2
Fastighets AB Örestrand	556935-8038	Malmö	500	100 %	9.6	9.6
Lärjungen Lägenheter 11 AB	556875-5226	Malmö	1,000	100 %	28.1	28.1
Rosengård Centrum TH AB	556730-3168	Malmö	0	0 %	0.0	178.3
Signatur Fastigheter AB	556648-6204	Malmö	34,978,468	100 %	669.7	0.0
Skattmäsen po Limhamn KB	969716-8814	Malmö		100 %	33.2	6.6
Svedala Folkets Hus AB	559291-2223	Malmö	250	100 %	4.9	0.0
Söderfrö Fastighets AB	556653-9960	Malmö	500	100 %	5.4	0.2
Trianon Almhög Fastighets AB	559165-6938	Malmö	500	100 %	1.3	1.3
Trianon Antilopen AB	556910-8987	Malmö	50,000	100 %	8.9	8.9
Trianon Arlöv 22 AB	559257-0153	Malmö	0	0 %	0.0	0.0
Trianon Beckasinen AB	559254-3432	Malmö	250	100 %	0.5	0.0
Trianon Bryggan 1 AB	556928-0281	Malmö	1,000	100 %	-0.2	-0.2
Trianon Bunkeflostrand AB	559150-9558	Malmö	500	100 %	0.1	0.1
Trianon Cineasten AB	556050-4721	Malmö	1,000	100 %	145.7	145.7
Trianon Concordia AB	559066-5534	Malmö	0	0 %	0.0	15.7
Trianon Docenten 4 AB	556989-3109	Malmö	500	100 %	3.1	3.1
Trianon Docenten 8 AB	556627-2026	Malmö	1,000	100 %	3.6	3.6
Trianon Fjällrutan AB	556758-4171	Malmö	1,000	100 %	31.7	31.7
Trianon Gunghästen AB	556953-6344	Malmö	500	100 %	47.0	47.0
Trianon Gåsen AB	556997-3257	Malmö	500	100 %	8.2	8.2
Trianon Hanna AB	559191-4709	Malmö	500	100 %	0.1	0.1
Trianon Hermodsdal 4 AB	556894-9589	Malmö	2,000	100 %	10.0	10.0

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Company	Corporate ID number	Registered office	Number of participations	Equity participation (%)	Carrying amount 31 December 2021	Carrying amount 31 December 2020
Trianon Hermodsdal 5 AB	556894-9571	Malmö	2,000	100 %	6.9	6.9
Trianon Hermodsdal 9 AB	559336-1537	Malmö	25,000	100 %	30.2	0.0
Trianon Hyllie AB	559106-8795	Malmö	500	100 %	0.1	0.1
Trianon Hälsingör AB	559254-3440	Malmö	250	100 %	0.0	0.0
Trianon Hämplingen AB	556997-3240	Malmö	500	100 %	3.8	3.8
Trianon Invest AB	556258-6239	Malmö	1,500	100 %	6.4	6.4
Trianon Jordlotten AB	559155-0248	Malmö	500	100 %	8.2	8.2
Trianon Kil AB	556997-5096	Malmö	500	100 %	2.0	2.0
Trianon Korpen AB	559257-0146	Malmö	250	100 %	0.0	0.0
Trianon Laboratorn Fastighets AB	559194-2296	Malmö	500	100 %	3.4	3.4
Trianon Lerstorken AB	556734-9831	Malmö	1,000	100 %	9.1	9.1
Trianon Lerteglet 1 AB	559015-0008	Malmö	500	100 %	9.4	9.4
Trianon Lerteglet 2 AB	556935-0407	Malmö	500	100 %	9.1	9.1
Trianon Macken AB	556717-8164	Malmö	1,000	100 %	15.0	0.0
Trianon Mozart I AB	559133-5087	Malmö	50,000	100 %	11.1	11.1
Trianon Mozart II AB	559133-5079	Malmö	50,000	100 %	4.4	4.4
Trianon Murteglet AB	559008-9842	Malmö	500	100 %	10.6	10.6
Trianon No 1 Holding AB	556714-6286	Malmö	1,000	100 %	21.8	21.8
Trianon Notarien AB	556997-3190	Malmö	500	100 %	3.2	3.2
Trianon Omsorg AB	556790-5814	Malmö	1,000	100 %	1.6	1.6
Trianon Professorn Fastighets AB	559194-2288	Malmö	500	100 %	6.6	6.6
Trianon Resursen AB	556082-2610	Malmö	1,000	100 %	32.2	32.2
Trianon Sege Park AB	559058-8348	Malmö	500	100 %	0.3	0.3
Trianon Seved AB	559155-0271	Malmö	500	100 %	0.1	0.1
Trianon Skratmåsen AB	556696-8763	Malmö	2,500	100 %	0.8	0.3
Trianon Slussen AB	556939-3910	Malmö	500	100 %	1.4	1.4

Company	Corporate ID number	Registered office	Number of participations	Equity participation (%)	Carrying amount 31 December 2021	Carrying amount 31 December 2020
Trianon Smedjan AB	559225-5284	Malmö	500	100 %	0.3	0.1
Trianon Sorgenfri AB	559212-7442	Malmö	500	100 %	0.5	0.5
Trianon Stacken AB	556894-9563	Malmö	2,000	100 %	9.6	9.6
Trianon Spiralen KB	969628-2525	Malmö		100 %	15.8	0.0
Trianon Storgatan AB	556749-3738	Malmö	1,000	100 %	0.2	0.2
Trianon Svedala 25 AB	559165-1558	Malmö	500	100 %	0.1	0.1
Trianon Svedalagården AB	559290-9658	Malmö	250	100 %	130.5	0.0
Trianon Tegelstenen 1 AB	559221-3051	Malmö	500	100 %	0.1	0.1
Trianon Fastighetsutveckling AB	559257-0138	Malmö	250	100 %	0.0	0.0
Trianon Tegelstenen 20 AB	559258-4394	Malmö	0	0 %	0.0	0.0
Trianon Tegelstenen 21 AB	559332-9567	Malmö	250	100 %	0.0	0.0
Trianon Tegelstenen 7 AB	559254-3580	Malmö	500	100 %	0.3	0.1
Trianon Torna AB	556997-2382	Malmö	500	100 %	2.4	2.4
Trianon Vallen AB	556406-8822	Malmö	1,000	100 %	12.4	0.0
Trianon Vivaldi AB	559165-1608	Malmö	500	100 %	0.1	0.1
Trianon Vårsången 2 AB	556984-5646	Malmö	500	100 %	5.1	5.1
Trianon Vårsången AB	556645-6819	Malmö	1,000	100 %	20.4	20.4
Vårsången Invest AB	559023-3788	Malmö	500	100 %	0.1	0.1
					1,426.5	707.0

The Group, through the above-name subsidiaries, owns 100% of a further 79 companies, which are listed in the Annual Reports of the respective subsidiaries.



Information on holdings without control:	Proportion without control:	Total	Of which without control:
Malmö Häggen AB:	32.5 %		
Comprehensive income for the year 2021		15.2	4.9
From and including 1 July the company is wholly-owned			
Skattmäsen Po Limhamn KB:	50.0 %		
Comprehensive income for the year 2021		2.9	1.5
From and including 1 July the company is wholly-owned			
Söderfrö Fastighets AB:	50.0 %		
Comprehensive income for the year 2021		1.0	0.5
From and including 1 July the company is wholly-owned			
Signatur Fastigheter AB:	3.9 %		
Comprehensive income for the year 2021		-39.2	-1.5
Total assets		1,677.7	
Total liabilities		999.4	
Net assets		678.3	26.5
Cash flow for the year		-47.8	-1.9

Note 19 Participations in associates and joint ventures

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Opening Cost	93.5	6.6	2.2	5.6
Acquisitions	276.1	0.1	276.1	0.5
Profit/loss participation, divested associates	22.1	0.0	0.0	0.0
Profit/loss participation, remaining associates	-13.9	0.6	-16.5	0.0
Profit/loss participation, joint ventures	33.7	86.8	0.0	-0.5
Withdrawal for the year/Sales	-183.8	-0.6	-161.8	-3.4
Shareholders' contribution	16.5	0.0	16.5	0.0
Closing cost	244.1	93.5	116.5	2.2

Summary of financial information for each associate and joint venture, all of which are unlisted, stated in accordance with the following:

Company	Corporate ID number	Registered office	Equity participation (%)	Share of votes (%)	Carrying amount 31 December 2021	Carrying amount 31 December 2020
Five Tre Fastighets AB*	556680-8480	Malmö	50 %	50 %	9.1	6.6
Trianon Tegelstenen 11 AB*	559254-3465	Malmö	45 %	45 %	0.0	0.0
Burlöv Center Fastighets AB**	559165-1566	Malmö	50 %	50 %	117.8	87.0
Trianon Tegelstenen 16 AB**	559257-0120	Malmö	50 %	50 %	0.0	-0.1
Landshövdingen Holding AB**	559319-3476	Malmö	50 %	50 %	117.4	0.0
					244.1	93.5

*Associates

**Joint Ventures

The table shows the Company's participation in associates and joint ventures in relation to shareholding

Company	Corporate ID number	Registered office	Assets	Liabilities	Profit/loss
Five Tre Property AB	556680-8480	Malmö	19.8	10.7	2.6
Trianon Tegelstenen 11 AB	559254-3465	Malmö	19.9	30.6	-16.5
Burlöv Center Fastighets AB	559165-1566	Malmö	477.1	359.4	30.8
Trianon Tegelstenen 16 AB	559257-0120	Malmö	38.6	39.8	-0.2
Landshövdingen Holding AB	559319-3476	Malmö	368.9	251.5	3.1
Signatur Fastigheter AB	556648-6204	Malmö	0.0	0.0	21.9

Note 20 Prepaid expenses and accrued income

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Prepaid insurance premiums	4.2	0.2	3.7	0.0
Prepaid site-leasehold fees	2.7	3.0	0.0	0.0
Other prepaid expenses	13.8	21.6	7.8	8.3
Accrued interest income	1.6	1.5	1.6	0.9
Accrued rental income	1.9	9.0	1.2	0.6
Other accrued income	0.0	2.3	0.0	0.7
Total	24.2	37.6	14.3	10.5



Note 21 Equity

GROUP

Capital structure:

Trianon shall have a stable capital structure with no financial risk, implying a loan-to-value ratio which shall not exceed 60 percent and an interest coverage rate of at least 1.75 times.

In addition to equity, there are liabilities in the balance sheet which are interest-free and repayment-free in principle, such as derivative liabilities and deferred tax liabilities, and which, accordingly, can be largely treated as equity. The loan-to-value ratio is, accordingly, used as a key indicator for the capital structure instead of the equity/assets ratio. For the same reason, derivative liabilities and deferred tax liabilities are added back in calculating the long-term net asset value, see the derivation of key performance indicators on page 68.

Trianon's target average return on equity shall be at least 12 percent annually over an economic cycle.

For information on external requirements and their fulfilment, see Note 3 Debt maturity structure.

An incentive programme in the form of convertible loans runs until December 2022, with a total of SEK 11.4 million and that an interest rate of 2.25 percent. The conversion price is fixed at SEK 78 per share. Out of the total SEK 11.4 million, SEK 4.3 million is held by members of the Executive Management Team, and the remaining SEK 7.1 million by other personnel.

Share capital:

Holders of shares are entitled to a dividend which is determined at the Annual General Meeting, and the shareholding carries an entitlement to vote at General Meetings of one vote per share for A shares and 1/10 of a vote per B share. All shares have the same right to the Group's remaining net assets.

The quota value per share is SEK 2.50.

	Number of shares, thousand	Quota value, SEK	Share capital, SEK million
Opening 1 January 2021	37,465.5	2.50	93.7
Issue 3 August 2021	286.0	2.50	0.7
Issue 22 November 2021	1,500.0	2.50	3.8
Closing 31 December 2021	39,251.5	2.50	98.1

Capital contribution

The capital contribution of the hybrid bond consists of capital attributable to the issue of a sustainable perpetual hybrid bond, which carries a variable interest rate of STIBOR 3M + 7.0 percent.

Other contributed capital consists of capital paid into the Company through new issues.

Retained earnings:

Retained earnings including the net profit for the year include previous revaluation reserves, earned profits in the Parent and its subsidiaries and other capital which is not designated as contributed in accordance with the above.

PARENT

Share capital:

The share capital consists at the end of the year of 1,521,118 A shares each with one vote, and 37,730,372 B shares each with 1/10 of a vote, totalling 39,251,490 shares.

Restricted reserves:

Restricted reserves refers to the statutory reserve and revaluation reserve. They must not be reduced through the payment of dividends.

Profit brought forward:

Consists of the non-restricted equity from the preceding year after any dividend has been paid. Consists of total non-restricted equity together with the net profit for the year, i.e. the amount which is available for a dividend to the shareholders.

Dividend:

A dividend of SEK 2.00 per share (1.80) will be proposed to the Annual General Meeting 2022, equivalent to an amount of SEK 78.5 million (67.4).

Note 22 Borrowings

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<i>Non-current liabilities</i>				
Loans from banks and other credit institutions	2,957.4	3,693.7	410.5	286.0
Bond loan	496.8	327.7	496.8	327.7
Liabilities to Group companies	0.0	0.0	1,042.0	869.0
Other liabilities	48.1	38.2	0.0	11.4
Total long-term borrowing	3,502.3	4,059.6	1,949.3	1,494.1
Amortisation within 2-5 years	3,158.1	4,032.8	907.3	625.1
Amortisation later than 5 years	344.2	26.8	1,042.0	869.0
<i>Current liabilities</i>				
Loans from banks and other credit institutions	3,401.0	1,486.6	40.3	179.3
Other liabilities	11.4	0.0	11.4	0.0
Total short-term borrowing	3,412.4	1,486.6	51.7	179.3
Credit facilities				
Bank overdraft facility granted	35.0	25.0	35.0	25.0
Bank overdraft facility granted amount	35.0	25.0	35.0	25.0

Bond loans are recognised net after transaction costs. These amounted to SEK 3.2 million (0.3) in the Group and the Parent.

Bond loans amounted to SEK 496.8 million (327.7), consisting of an unsecured corporate bond of an amount of SEK 500 million (328.0) with due date 11 August 2023 (26 February 2021). The bonds were issued under a total framework of SEK 500 million (500), with a term of 2.5 years (3) and at a variable interest rate of Stibor 3m + 2.75 percent (4.50) without a Stibor floor. The terms and conditions of the issue include the covenants of a loan-to-value ratio <70% and interest coverage rate >1.5 times. All terms and conditions

were fulfilled during both financial years. The change of ownership clause may involve redemption if more than 50% of the votes are controlled by a party other than the present main shareholders in the Company. The issue date was 11 February 2021, when SEK 250 million was issued. Subsequently, SEK 100 million were issued on 11 June 2021 and SEK 150 million on 5 October 2021.

The convertible loan to the personnel of SEK 11.4 million (11.4) is included in other liabilities. The convertible loan carries an interest rate of 2.25 percent over a three-year period, and expires at the end of 2022.

Note 23 Interest rate derivatives

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Opening carrying amount	167.3	133.5	166.7	131.5
Realised changes in value	-30.0	-28.4	-29.3	-27.0
Unrealised changes in value	-66.5	62.3	27.5	18.2
Deduction, receivable from subsidiaries*	0.0	0.0	-94.0	44.0
Closing carrying amount	70.9	167.3	70.9	166.7
Of which short-term component	0.0	0.8	0.0	0.8

* A significant component of the derivative liability relates to hedging interest expense attributable to liabilities in subsidiaries. The compensation they receive for this is recognised as a receivable from the subsidiaries, i.e. a receivable from subsidiaries equivalent to the value of the corresponding derivative liability. The change in value recognised in profit and loss in the changing value of derivative item, accordingly, refers to that component which is intended to hedge the interest rate on the Parent's own liabilities, i.e. after compensation has been recognised as a receivable from the subsidiaries.



Note 24 Deferred tax asset and deferred tax liability

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax assets				
Tax in respect of				
Taxable deficit in Group companies:				
Opening balance	25.0	20.2	4.0	2.8
Change in the balance sheet	-3.0	0.0	0.0	0.0
Change in the income statement	19.8	4.8	4.9	1.2
Closing carrying amount	41.8	25.0	8.9	4.0
Financial instruments:				
Opening balance	34.5	27.4	25.3	27.1
Change in the income statement	-19.7	7.1	-10.7	-1.8
Closing carrying amount	14.8	34.5	14.6	25.3
Difference between the carrying amounts of the properties and fair value:				
Opening balance	-2.1	0.0	0.0	0.0
Change in the income statement	1.0	-2.1	0.0	0.0
Closing carrying amount	55.5	57.4	23.5	29.2

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred tax liabilities				
Tax in respect of				
Untaxed reserves in Group companies:				
Opening balance	3.1	2.0	0.0	0.0
Change in the income statement	1.0	1.1	0.0	0.0
Closing carrying amount	4.1	3.1	0.0	0.0
Difference between the carrying amounts of the properties and fair value:				
Opening balance	583.7	467.3	10.7	10.6
Change in the balance sheet	-71.6	0.0	0.0	0.0
Change in the income statement	341.1	116.4	0.0	0.1
Closing carrying amount	853.2	583.7	10.7	10.7
Financial instruments:				
Opening balance	0.0	0.0	0.0	0.0
Change in the income statement	0.0	0.0	15.1	0.0
Closing carrying amount	0.0	0.0	15.1	0.0
Closing carrying amount	857.3	586.8	25.8	10.7

Note 25 Accrued costs and prepaid income

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Accrued salary-related costs	10.6	7.6	2.8	2.3
Accrued interest	6.1	8.5	3.2	2.9
Prepaid rental income	64.8	67.9	8.5	8.4
Other items	25.5	9.3	6.5	0.8
Total	106.9	93.3	21.1	14.4

Note 26 Pledged collateral

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Collateral for credit facilities:				
Property mortgages	6,522.8	4,872.0	494.1	496.0
Total	6,522.8	4,872.0	494.1	496.0

Note 27 Contingent liabilities

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Guarantees on behalf of Group companies	0.0	0.0	4,166.6	3,571.8
Total	0.0	0.0	4,166.6	3,571.8

Note 28 Other non-current liabilities

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Advance	44.0	0.0	0.0	0.0
Other items	4.1	0.0	0.0	11.4
Total	48.1	0.0	0.0	11.4



Note 29 Statement of cash flows

SEK million	GROUP		PARENT	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<i>Explanatory notes for the statement of cash flows</i>				
Net financial income/expense paid				
Interest received	0.5	0.0	1.0	1.3
Interest paid	-120.1	-113.9	-50.6	-53.7
Interest expense paid, rights of access	-6.4	-6.4	0.0	0.0
Total financial income/expense paid	-126.0	-120.4	-49.6	-52.4
Adjustments for items not included in cash flow				
Depreciation and impairment of assets	1.3	1.3	39.7	37.7
Unrealised profit/loss participation in associates	0.0	0.0	0.0	-1.6
Total	1.3	1.3	39.7	36.1

Acquired and divested assets and liabilities via subsidiaries

No business combinations were carried out. The acquisitions of shares in subsidiaries during the year have been classified as asset acquisitions, and the net liquidity consisted of the following items:

Acquired assets and liabilities:	2021	2020
Investment properties	2,690.4	592.0
Machinery equipment	14.4	0.0
Deferred tax assets	7.1	0.0
Operating receivables	103.2	2.0
Cash and cash equivalents	84.1	3.6
Receivables, owners	0.0	164.2
Non-current liabilities	-1,285.2	-264.4
Other operating liabilities and provisions	-128.0	-12.6
Total net assets	1,486.0	484.8
Deduct: Cash and cash equivalents in the acquired unit	-84.1	-3.6
Acquisition of shares from non-controlling interest	-312.0	0.0
Acquisition of associates	-161.8	0.0
Agreed settlement of receivable or liability to the vendor on acquisition of company	0.0	-98.5
Payment own shares	-60.1	0.0
Impact on Cash and cash equivalents	868.0	382.7

Divested net assets via subsidiaries:	2021	2020
Investment properties	1,096.3	75.0
Deferred tax assets	1.1	0.0
Operating receivables	38.7	0.0
Cash and cash equivalents	15.0	0.0
Non-current liabilities	-521.7	0.0
Deferred tax liabilities	-71.6	0.0
Other operating liabilities and provisions	-13.7	-75.0
Profit on divestment	57.7	59.1
Total net assets	601.8	59.1
Deduct: Cash and cash equivalents	-15.0	0.0
Impact on cash and cash equivalents	586.8	59.1

GROUP		Not affecting cash flow				
Items from financing activities	31 December 2020	Affecting cash flow	Acquisition/Sale	Right of access	Reclassification	31 December 2021
Non-current and current liabilities	5,740.4	631.5	763.5	-30.6	-26.5	7,078.3
Total liabilities from financing activities	5,740.4	631.5	763.5	-30.6	-26.5	7,078.3

GROUP		Not affecting cash flow				
Items from financing activities	31 December 2019	Affecting cash flow	Acquisitions	Right of access	Reclassification	31 December 2020
Non-current and current liabilities	4,755.6	782.5	264.4	3.6	-65.7*	5,740.4
Total liabilities from financing activities	4,755.6	782.5	264.4	3.6	-65.7	5,740.4

*Reclassification to investment "Acquisitions of assets via subsidiaries" refers to the agreed settlement of liabilities in connection with acquisition to the vendor.

PARENT		Not affecting cash flow				
Items from financing activities	31 December 2020	Affecting cash flow	Acquisitions	Right of access	Reclassification	31 December 2021
Non-current and current liabilities	793.0	154.7	0.0	0.0	0.0	947.7
Total liabilities from financing activities	793.0	154.7	0.0	0.0	0.0	947.7



PARENT Items from financing activities	31 December 2019	Affecting cash flow	Not affecting cash flow			31 December 2020
			Acquisi- tions	Right of access	Reclass- ification	
Non-current and current liabilities	805.4	-12.4	0.0	0.0	0.0	793.0
Total liabilities from financing activities	805.4	-12.4	0.0	0.0	0.0	793.0

Note 30 Financial assets and liabilities

The fair value of financial assets and liabilities are shown in the table below. See also Note 3 Financial risk management and financial derivatives.

SEK MILLION GROUP	Financial assets valued at amortised cost		Financial liabilities valued at fair value in profit or loss		Financial liabilities valued at amortised cost	
	31 Decem- ber 2021	31 Decem- ber 2020	31 Decem- ber 2021	31 Decem- ber 2020	31 Decem- ber 2021	31 Decem- ber 2020
Receivables from associates	15.6	11.0				
Receivables from joint ventures	253.6	125.5				
Accounts receivable	14.3	14.2				
Other receivables	49.6	26.0				
Accrued income	3.5	12.8				
Cash and cash equivalents	87.4	280.1				
Interest-bearing liabilities					6,863.9	5,546.2
Lease liabilities					163.6	194.2
Interest rate derivatives			70.9	167.3		
Accounts payable					74.3	43.1
Liability joint ventures					107.5	0.0
Other liabilities					26.3	19.1
Accrued costs					42.1	25.4
Total	424.0	469.6	70.9	167.3	7,277.7	5,828.0

SEK MILLION PARENT	Financial assets valued at amortised cost		Financial liabilities valued at fair value in profit or loss		Financial liabilities valued at amortised cost	
	31 Decem- ber 2021	31 Decem- ber 2020	31 Decem- ber 2021	31 Decem- ber 2020	31 Decem- ber 2021	31 Decem- ber 2020
Receivables from associates	15.6	11.0				
Receivables from joint ventures	253.6	125.5				
Receivables from Group companies	1,672.3	1,508.4				
Accounts receivable	6.2	3.8				
Other receivables	71.7	10.0				
Accrued income	2.8	2.2				
Cash and cash equivalents	14.9	235.9				
Liabilities to credit institutions					450.8	465.3
Other non-current liabilities					496.8	339.1
Interest rate derivatives			70.9	166.7		
Accounts payable					35.5	12.4
Liabilities to group companies					1,042.0	869.0
Liabilities to joint ventures					107.5	0.0
Other liabilities					18.7	9.3
Accrued costs					12.5	5.9
Total	2,037.1	1,896.8	70.9	166.7	2,163.8	1,701.0

Fair value

For current receivables and liabilities, the discounting effect is marginal, which means that the carrying amount for these essentially corresponds to fair value. For non-current interest-bearing liabilities with the carrying amount of SEK 6,866.5 million (5,546.2), the fair value amounted to SEK 6,863.9 million (5,543.2). For further information, please see Note 3. Financial assets valued at fair value via profit or loss, i.e. interest rate derivatives, are valued in accordance with level 2.

The fair value of financial instruments is established and categorised in accordance with the following levels:

Financial instruments in level 1.

The fair value of financial instruments which are traded in an active market is based on listed market prices on the reporting date. A market is regarded as active if listed prices from a stock exchange, broker, industrial group, pricing service or supervisory authority are easily and regularly available, and these prices represent actual and regularly occurring market transactions at arm's length. The listed market price used for the Group's financial assets is the current bid price.

Financial instruments in level 2.

The fair value of financial instruments which are not traded on an active market is determined with the assistance of valuation technologies. In doing this, market information is used to the greatest possible extent since this is available, while company-specific information is used to the smallest possible extent. If all significant input data required for fair valuation of an instrument is observable, the instrument is in level 2. In the event that one or more pieces of significant input data is not based on observable market information, the instrument concerned is classified in level 3.

Financial instruments in level 3.

Input data for level 3 is non-observable input data for the asset or liability. Non-observable data is used for valuation at fair value to the extent that observable data is not available. This applies in situations with little or no market activity for the asset or liability on the valuation date.



Note 31 Events after the reporting date

- Several leases are signed with tenants within public sector/ community services at Limhamn, at Hyllie 9:5, i Rosengård Centrum, in Entré in Malmö and in the Hanna district in Burlöv.
- The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 2.00 per share (1.80), which is equivalent to around 31 percent of the profit from property management minus current tax.
- The Board of Directors proposes that the Annual General Meeting implement a 4:1 share split.

Note 32 Transactions with related parties

Purchase and sale transactions with related parties take place on market terms.
The following related party transactions have taken place:

SEK MILLION	Sales of goods and services to related parties		Interest income and interest expense with related parties		Purchases of goods and services from related parties	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
GROUP						
Related party relationship:						
Associates	3.8	0.7	0.6	0.0	0.0	0.0
Joint Venture	1.1	6.1	1.7	0.0	-0.1	0.0
Other related parties	0.9	0.7	0.0	-0.4	-0.7	-0.1
Total	5.8	7.5	2.2	-0.4	-0.8	-0.1
PARENT						
Related party relationship:						
Subsidiaries	1.9	0.0	47.0	30.3	-2.0	0.0
Associates	3.6	0.5	0.6	0.0	0.0	0.0
Joint Venture	1.1	0.0	1.7	0.0	-0.1	0.0
Other related parties	0.0	0.0	0.0	-0.4	-0.7	0.0
Total	6.6	0.5	49.3	29.9	-2.8	0.0

SEK MILLION	Receivables from related parties		Liabilities to related parties	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
GROUP				
Related party relationship:				
Associates	15.6	11.0	0.0	0.0
Joint Venture	253.6	125.5	107.5	0.0
Other related parties	0.0	0.0	0.0	0.0
Total	269.2	136.5	107.5	0.0
PARENT				
Related party relationship:				
Subsidiaries	1,672.3	1,508.4	1,042.0	869.0
Associates	15.6	11.0	0.0	0.0
Joint Venture	253.6	125.5	107.5	0.0
Other related parties	0.0	0.0	0.0	0.0
Total	1,941.5	1,644.9	1,149.5	869.0

During the third quarter, Brihan Invest AB and Olof Andersson Förvaltnings AB each stood guarantor for SEK 100 million of temporary credit in connection with the acquisition of Signatur Fastigheter. The loan was repaid in its entirety during the fourth quarter and the guarantee obligation has ceased.

Receivables from joint ventures refer to the following properties; Rosengård Centrum, Burlöv center and the silos at Limhamn (Bojen and Fendern). Receivables from and liabilities to related parties are on market terms.

The Parent has related party transactions with its subsidiaries, see Note 18.

Other related companies are the holding companies Brihan Invest AB and Olof Andersson Förvaltnings AB, as well as the companies which these holding companies control. The members of the Board of Directors and the CEO have control of the holding companies. During the year, member of the Board, Richard Hultin, received consultancy fees via companies of SEK 0.6 million for management services provided to partly-owned subsidiaries in the Group, and member of the Board, Elin Thott, received SEK 0.06 million, via companies, for legal advice in connection with acquisitions.

For information on the remuneration of the Board of Directors, the CEO and other senior executives, see Note 7.



Note 33 Segment reporting

SEK million	Total		Residential		Public sector/ community		Retail		Offices	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Rental income	616.3	553.0	413.0	337.7	54.5	50.6	120.3	138.2	28.4	26.5
Property costs	-226.1	-187.0	-158.7	-119.3	-16.4	-11.5	-43.3	-50.4	-7.7	-6.0
Net operating income	390.2	366.0	254.3	218.4	38.1	39.1	77.0	87.8	20.8	20.5
Interest expense right of access (site-leasehold rights)	-6.4	-6.4	-5.3	-4.9	-0.1	-0.1	-0.9	-1.3	-0.1	-0.1
Change in value, investment properties	1,302.6	345.0	1,071.8	284.6	80.1	26.7	135.7	21.3	15.0	12.4
Segment profit	1,686.4	704.6	1,320.8	498.1	118.1	65.8	211.8	107.8	35.7	32.9
Unallocated items										
Net operating profit/loss from project properties	0.3	-0.1								
Other income and central administration	-50.0	-50.3								
Profit/loss from participations in associates and joint ventures	41.7	83.8								
Net financial income/expense excluding site-lease- hold rights	-87.5	-85.5								
Change in value, project properties	8.6	61.2								
Changes in value of derivatives	66.5	-62.3								
Profit/loss before tax	1,666.0	651.4								
Fair value per segment	12,319.4	9,405.1	9,283.9	6,177.9	1,241.0	894.1	1,277.8	1,869.0	516.7	464.1
Fair value, projects	346.1	57.2								
Fair value, investment properties	12,665.5	9,462.3	9,283.9	6,177.9	1,241.0	894.1	1,277.8	1,869.0	516.7	464.1
Surplus ratio, %	64.1 %	66.6 %	61.6 %	64.7 %	69.9 %	77.4 %	64.0 %	63.6 %	73.1 %	77.5 %

Operations are followed up per segment. The property portfolio is divided into four segments; residential, public sector/community services, retail and offices. The aspect which is predominant in relation to the rental value of the property determines which segment a property belongs to. Rental income, property costs, net operating profit, and fair value are followed up.

All rental income originates from properties located in Sweden. The Group does not have any customer responsible for more than 10 percent of sales. The tenant representing the largest proportion is responsible for 4 percent of sales. The Group's other operating income is not allocated per segment.

All non-current-assets are located in Sweden.

Note 34 Estimates and Judgements

The preparation of financial statements in accordance with generally-accepted accounting principles requires the Executive Management Team to make judgements and assumptions which affect the values and information contained in the financial statements. Actual outcomes may differ from these judgements. The most important judgements and assessments are listed below.

Tax

Trianon has at its disposal loss carry forwards as well as unutilised interest deductions of SEK 197.2 million (121.2). The Company considers that these can be utilised against future profits under current tax rules. Of this total, SEK 154.1 million (107.5) consists of unutilised interest deductions, which must be utilised within 6 years. The other SEK 43.1 million (13.7) is not time-limited. Trianon cannot, however, guarantee that current or new tax rules would not involve some limitations on the opportunities to utilise these.

Investment properties

For assumptions and judgements in connection with the valuation of investment properties, see Note 16, Investment properties.

Note 35 Appropriation

(Amounts in SEK)

Proposed appropriation of the Company's profit

The following funds are at the disposal of the Annual General Meeting:

profit brought forward	340,968,472
share premium reserve	1,267,857,794
net profit for the year	306,638,993
	1,915,465,259

The Board of Directors proposes that:

a dividend to the shareholders be paid (39,254,490 shares at SEK 2.00)	78,502,980
to be carried forward	1,836,962,279
	1,915,465,259



Signatures

The income statement and balance sheet of both the Group and the Parent will be subject to approval at the Annual General Meeting on 12 May 2022. The Board of Directors and the CEO affirmed that the Annual Report has been drawn up in accordance with generally accepted accounting standards in Sweden and that the Consolidated Financial Statements have been drawn up in accordance with the international financial reporting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and the Consolidated Financial Statements give a fair presentation of the position and results of the Parent and the Group. The Administration Report for the Parent and the Group respectively give a fair overview of the development of the Parent's and Group's operation, position and results, and also describe significant risks and uncertainty factors to which the Parent and the companies that are part of the Group are exposed.

Malmö, 25 March 2022

Boris Lennerhov
Chairman
Member of the Board

Olof Andersson
CEO
Member of the Board

Axel Barchan
Member of the Board

Viktoria Bergman
Member of the Board

Richard Hultin
Member of the Board

Jens Ismunden
Member of the Board

Elin Thott
Member of the Board

Our Auditors' Report was submitted on 25 March 2022
Mazars AB

Anders Persson
Authorised Public Accountant

Rasmus Grahn
Authorised Public Accountant



Auditors' Report

To the Annual General Meeting of Fastighets Aktiebolaget Trianon (publ) corporate ID number 556183-0281

REPORT ON THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have carried out an audit of the Annual Report and Consolidated Financial Statements of Fastighets Aktiebolaget Trianon (publ) for the year 2021. The Company's Annual Report and Consolidated Financial Statements are incorporated on pages 57-98 of this document.

In our opinion, the Annual Report on the Consolidated Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act and given all significant respects a fair presentation of the financial position of the Parent as at 31 December 2021 and of its financial results and cash flow for the year in accordance with the Swedish Annual Accounts Act. The Consolidated Financial Statements have been prepared in accordance with the Swedish Annual Accounts Act and give in all significant respects a fair presentation of the financial position of the Group as at 31 December 2021 and of its financial results and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The Administration Report is consistent with other parts of the Annual Report and the Consolidated Financial Statements.

Accordingly, we recommend that the General Meeting adopt the statement of comprehensive income and the balance sheet of the Group and the income statement and balance sheet of the Parent.

Our opinion in this report on the Annual Report and the Consolidated Financial Statements is consistent with the content of the supplementary report submitted to the Parent's Audit Committee in accordance with Article 11 of the Audit Regulation (537/2014/EU).

Grounds for our opinion

We have carried out the audit in accordance with International Standards on Auditing (ISA) and generally accepted accounting standards in Sweden. Our

responsibility in accordance with the standards is described in greater detail in the section on the Auditor's responsibility. We are independent of the Parent and the Group in accordance with generally accepted accounting standards in Sweden, and have otherwise fulfilled our professional ethics in accordance with the standards. This means that, based on the best of our knowledge and belief, no prohibited services as referred to in Article 5.1 of the Audit Regulation (537/2014/EU) have been made available to the audited company or, where appropriate, its Parent or controlling company within the EU.

We consider that the audit evidence we have obtained sufficient and appropriate as a basis for our opinions.

Particularly significant areas

Particularly significant areas for the audit are those areas which, in our professional judgement, were the most significant for the audit of the Annual Report and the Consolidated Financial Statements for the period concerned. These areas have been reviewed within the framework of the audit of, and of our view on, the Annual Report and the Consolidated Financial Statements as a whole, but we do not offer any separate opinion on these areas.

Valuation of investment properties

Description of the area

The fair value of the investment properties in the Group as at 31 December 2021 amounted to SEK 12,665.5 million, and the changes in value to SEK 1,311.2 million. The Group's investment properties constitute 93% of total assets as at 31 December 2021. As at the reporting date which concluded on 31 December 2021, 81% of the property portfolio had been valued by external valuers. The main valuation method used a cash flow calculation on each property, which involves forecasting future cash flows. In calculating future cash flows, the factors taken into account are the market and the future estimated development of market and the local area, the market conditions and market positions for the properties

and market rental terms and conditions, as well as operating costs and maintenance costs in similar properties compared with the Company's properties. To this will be added the present value of an estimated market value at the end of the calculation period. In view of the high degree of assumptions and judgements involved in property valuation, and of the fact that a small adjustment to the assumptions underlying the valuations may have a significant effect on the fair values, we consider that this area is a particularly significant area in our audit. For further information, see the Risks and Risk Management section of the Administration Report, Note 2 The Group's accounting policies, as well as Note 16 Investment properties.

How this area was reviewed in the audit

In our audit, we evaluated the Company's property valuation process, partly by evaluating the valuation method and input data in the externally prepared valuations for a selection of the properties. We have evaluated the competence and objectivity of the external valuers. We have made market comparisons against known market information. We have reviewed the model used for property valuation. We have also examined the reasonableness of the assumptions made, such as the required yield, vacancy rate, rental income and operating costs, and have also reviewed the information provided in the Annual Report.

Acquisitions and sales of investment properties

Description of the area

During 2021, the group acquired investment properties for an amount of SEK 2,693.6 million and sold investment properties for an amount of SEK -1,161.5 million. The complexity of the property transactions consist of any specific terms and conditions in the individual transaction contracts, the pricing and valuation of the property, the assessment as to whether the acquisition is to be classified as an asset acquisition or a business combination, and the judgement of the date of recognition of the transaction. In view of the complexity and the assumptions and judgements which take place in property transactions, we consider that this area is

a particularly significant area in our audit. For further information, see the Transactions section as well as the Risks and Risk Management section of the Administration Report, Note 2 The Group's accounting policies, as well as Note 16 Investment properties.

How this area was reviewed in the audit

In our audit, we have evaluated and reviewed the Company's process for judging the classification and accounting of acquired and sold investment properties. We have reviewed the accounting of completed acquisitions and sales with respect to the date of recognition, the consideration and any special terms and conditions against the underlying contract. We have reviewed the information provided in the Annual Report.

Information other than that contained in the Annual Report and the Consolidated Financial Statements

This document contains information other than that contained in the Annual Report and the Consolidated Financial Statements and is found on pages 2-56 and 102-105 respectively. It is the Board of Directors and the CEO who are responsible for this other information.

Our opinion in respect of the Annual Report and the Consolidated Financial Statements does not cover this information, and we provide no confirmatory opinion in respect of this other information.

In carrying out our audit of the Annual Report and the Consolidated Financial Statements, it is our responsibility to read the information identified above and consider whether that information is to any significant extent incompatible with the Annual Report and the Consolidated Financial Statements. During this review, we also considered the knowledge that we otherwise obtained during the audit, and also assessed whether the information in general contained any material errors.



If, on the basis of the work we have carried out in relation to this information, we conclude that the other information contains a material error, we are obliged to report this. We have nothing to report in this respect.

The responsibility of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for ensuring that Annual Report and the Consolidated Financial Statements are drawn up and that they give a fair presentation in accordance with the Swedish Annual Accounts act and, in respect of the Consolidated Financial Statements, in accordance with IFRS, as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal checks which they judge necessary in preparing an Annual Report and Consolidated Financial Statements which do not contain any material errors, whether these are due to irregularities or mistakes.

In the preparation of the Annual Report and the Consolidated Financial Statements, the Board of Directors and the CEO are responsible for the ability of the Company and the Group to continue as a going concern. The provide information, when appropriate, on circumstances which may affect the ability to continue trading and to use the assumption of a going concern. The going concern assumption is not, however, applied if the Board of Directors and the CEO intend to liquidate the company or terminate its operation, or if they have no realistic alternative to either of these.

The Board's Audit Committee shall, without affecting the Board's responsibility and duties in general, oversee the Company's financial reporting.

The responsibility of the auditors

Our objective is to achieve a reasonable degree of assurance that the Annual Report and the Consolidated Financial Statements as a whole do not contain any material errors, whether these are due to irregularities or mistakes, and to submit an auditors' Report which contains our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit carried out in accordance with ISA and generally accepted accounting standards in Sweden will always detect a material error if any such exists. Errors may arise as a result of irregularities or mistakes, and are

regarded as material if, individually or together, they may reasonably be expected to affect the financial decisions taken on the basis of the Annual Report and the Consolidated Financial Statements.

As part of an audit in accordance with ISA, we use a professional judgement and have a professionally sceptical attitude throughout the audit.

In addition:

- we identify and assess the risks of material errors in the Annual Report and Consolidated Financial Statements, whether these are due to irregularities or mistakes, formulate and carry out audit activities on the basis of these risks and obtain audit evidence which is sufficient and appropriate to form the basis for our opinions. The risk of not detecting a material error resulting from irregularities is higher than for a material error which is due to a mistake, since irregularities may involve acting in collusion, fraud, intentional omissions, inaccurate information or circumventing internal controls.
- we acquire an understanding of that part of the Company's internal controls which are significant for our audit in formulating audit activities which are appropriate in the light of the circumstances, but do not express a view on the effectiveness of the internal controls.
- we evaluate the suitability of the accounting policies used and the reasonableness of estimates made by the Board of Directors and the CEO in the financial statements and associated information.
- we come to a conclusion on the appropriateness of the Board of Directors and the CEO using the assumption of a going concern in the preparation of the Annual Report and the Consolidated Financial Statements. We also come to conclusion, on the basis of the audit evidence collected, and whether there is any significant uncertainty factor which involves events or circumstances which may lead to significant doubt about the ability of the Company and the Group to keep trading. If we conclude that there is a significant uncertainty factor, we must, in the Auditors' Report, call attention to the information in the Annual Report and the Consolidated Financial Statements on the significant uncertainty factor, or if that information is insufficient, modify our opinion

on the Annual Report and the Consolidated Financial Statements. Our conclusions are based on the audit evidence collected up until the date of the Auditors' Report. However, as a result of future events or circumstances, a company and a Group may no longer be able to keep trading.

- we evaluate the overall presentation, structure and content of the Annual Report and the Consolidated Financial Statements, including the information, and whether the Annual Report depicts the underlying transactions and events in a manner which provides a fair presentation.
- we obtain sufficient and appropriate audit evidence in respect of the financial information for the units or the business activities within the Group to enable us to state an opinion on the Consolidated Financial Statements. We are responsible for the control, supervision and performance of the Group audit. We are solely responsible for our opinions.

We are obliged to inform the Board of Directors on matters such as the planned scope of the audit and its focus, as well as the dates involved. We must also inform the Board of significant observations during the audit, including any significant shortcomings that we have identified in internal controls.

We must also provide the Board with a statement that we have complied with the relevant standards of professional ethics in respect of independence, and address all relationships and other circumstances which could reasonably affect our independence, and, where appropriate, take the associated counter-measures.

Of the areas which are communicated to the Board, we determine which of them are the most significant for the audit of the Annual Report and the Consolidated Financial Statements, including the most important of the assessed risks of material errors and which, accordingly, constitute particularly significant areas for the audit. We describe these areas in the Auditors' Report, provided that there is no statutory or other regulatory barrier to providing information on the matter.

REPORT ON OTHER STATUTORY AND REGULATORY REQUIREMENTS

Opinion

Over and above our audit of the Annual Report and the Consolidated Financial Statements, we have also carried out an audit of the administration of Fastighets Aktiebolaget Trianon (publ) by the Board of Directors and the CEO for 2021, as well as the proposed appropriations of the Company's profit or loss.

We recommend that the Annual General Meeting appropriates the profit in accordance with the proposal in the Administration Report, and discharges the members of the Board of Directors and the CEO from liability for the financial year.

Grounds for our opinion

We have carried out the audit in accordance with generally accepted accounting standards in Sweden. Our responsibility in accordance with the standards is described in greater detail in the section on the Auditor's responsibility. We are independent of the Parent and the Group in accordance with generally accepted accounting standards in Sweden, and have otherwise fulfilled our professional ethics in accordance with the standards.

We consider that the audit evidence we have obtained sufficient and appropriate as a basis for our opinions.

The responsibility of the Board of Directors and the CEO

It is the Board of Directors who are responsible for the proposed appropriation of the Company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable with respect to the requirements which the Company's and the Group's type of operation, scope and risks place on the level of equity for the Parent and the Group, the consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organisation and the administration of the Company's affairs. This includes continuously assessing the financial situation of the Company and the Group, and ensuring that the Company's organisation is so designed that the bookkeeping, administration of funds and the Company's financial affairs in general are being controlled in a prudent manner. The CEO



shall run the ongoing administration in accordance with the Board's guidelines and instructions, and, among other things, take the measures necessary to ensure that the Company's bookkeeping is carried out in conformity with the law and that the administration of funds shall be run on a prudent basis.

The responsibility of the auditors

Our objective in respect of the audit of the administration and, accordingly, our opinion on discharge from liability, is to obtain audit evidence to enable us to assess with a reasonable degree of assurance whether any Board member or the CEO has in any significant respect:

- taken any action or been guilty of any omission which may lead to a liability for damages against the Company, or
- in any other way acted in breach of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in respect of the audit of the proposed appropriation of the Company's profit or loss and, accordingly, our opinion on this, is to assess with a reasonable degree of assurance whether the proposal is in conformity with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit which has been carried out in accordance with generally accepted accounting standards in Sweden will always discover actions or omissions which may lead to a liability for damages against the Company, or that a proposal for appropriations of the Company's profit or loss is not in conformity with the Companies Act.

As part of an audit in accordance with generally accepted accounting standards in Sweden, we use professional judgement and have a professionally sceptical attitude throughout the audit. The review of the administration and the proposed appropriation of the Company's profit or loss is based primarily on the audit of the accounting records. The particular additional audit actions which will be carried out are based on our professional judgement, starting from risk and materiality. This means that we focus the audit on the particular actions, areas and circumstances which are significant for the operation and were deviations and infringements would have a particularly

significant impact on the Company's situation. We review and test decisions taken, decision support material, measures taken and other circumstances which are relevant for our opinion on discharge from liability. As a basis for our opinion on the Board of Director's proposed appropriation of the Company's profit or loss, we have reviewed the Board's reasoned opinion, as well as a selection of the documentation for this to enable us to assess whether the proposal is consistent with the Swedish Companies Act.

THE AUDITOR'S REVIEW OF THE ESEF REPORT Opinion

Over and above our audit of the Annual Report and the Consolidated Financial Statements, we have also carried out an audit to ensure that the Board of Directors and the CEO have prepared the Annual Report and the Consolidated Financial Statements in a format which enables uniform electronic reporting (the ESEF Report) in accordance with Chap. 16 § 4 a of the Swedish Securities Market Act (2007:528) for Fastighets Aktiebolaget Trianon (publ) for 2021.

Our audit and our opinion refer only to the statutory requirement.

In our opinion, the ESEF Report 60c374ec1e287bf9ffca7504c39e196670c3eaf3b90e80292441d87610ba9d95 has been drawn up in a format which in all essentials enables uniform electronic reporting.

Grounds for our opinion

We have carried out the review in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF Report. Our responsibility under this recommendation is described in greater detail in the Responsibility of the Auditor section. We are independent in relation to Fastighets Aktiebolaget Trianon (publ) in accordance with generally accepted accounting standards in Sweden, and we have otherwise fulfilled our professional ethical responsibility in respect of this requirement.

We consider that the evidence we have obtained is sufficient and appropriate to form the basis for our opinion.

The responsibility of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for ensuring that the ESEF Report has been drawn up in accordance with uniform electronic reporting (the ESEF Report) in accordance with Chap. 16 § 4 a of the Securities Markets Act (2007:528) and that there is such internal control as the Board of Directors and the CEO consider necessary to prepare the ESEF Report without material errors, whether these are due to irregularities or mistakes.

The responsibility of the auditors

Our responsibility is to express our opinion with reasonable assurance on whether the ESEF Report has been drawn up in all material respects in a format which fulfils the requirements of Chap. 16 § 4 a of the Swedish Securities Market Act (2007:528) on the basis of our audit.

RevR 18 requires that we plan and carry out our review to obtain reasonable assurance that the ESEF Report has been prepared in a format which fulfils this requirement.

Reasonable assurance is a high level of assurance but is not a guarantee that a review has been carried out in accordance with RevR 18 and generally accepted accounting standards in Sweden will always detect any material error if such exists. Errors may arise due to irregularities or mistakes, and are regarded as material if individually or together they may be expected to affect the financial decisions which users make on the basis of the ESEF Report.

The audit company applies ISQC 1 Quality control for audit companies which carry out audits and overall reviews of financial reports and other corroborates of assignments and related services, and has, accordingly a versatile system for quality control which includes documented guidelines and procedures in respect of compliance with ethical standards, professional practice and applicable statutory and other regulatory requirements.

The review includes using various measures to collect evidence that the ESEF Report has been drawn up in a format which enables uniform electronic reporting of the Annual Report and the Consolidated Financial Statements. The Auditor selects measures which shall be carried out, including by assessing the

risk of material errors in the report whether these are due to irregularities or mistakes. In this risk assessment, the auditor takes account of those parts of the internal control which are relevant to the manner in which the Board of Directors and CEO produce the material for the purpose of formulating review actions which are appropriate with respect to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the CEO.

The review measures largely involve a technical validation of the ESEF Report, i.e. whether the file which contains the ESEF Report fulfils a technical specification set out in the Commission's delegating regulation (EU) 2019/815 and they checked that the ESEF Report is in conformity with the audited Annual Report and Consolidated Financial Statements.

In addition, the Review also involves an assessment of whether the ESEF Report has been tagged iXBRL, which enables a fair and full machine-readable version of the consolidated income statement, balance sheet and equity account as well as the statement of cash flows.

Mazars AB, Box 4211, 203 13 Malmö was appointed Fastighets Aktiebolaget Trianon (publ)'s Auditors by the Annual General Meeting on 4 May 2021, and has been the Company's Auditors since June 2016.

The Auditor in Charge, Anders Persson, representing Mazars, has been the Company's Auditor since 2019. At the Annual General Meeting on 17 June 2020, Rasmus Grahns was elected. He has been the Company's Auditor since that date.

Malmö, 25 March 2022
Mazars AB

Anders Persson
Authorised Public
Accountant

Rasmus Grahns
Authorised Public
Accountant



Definitions and other

PROPERTY-RELATED

Number of renovated apartments

The number of apartments which, at the end of the period, had at least bathroom renovations carried out.

Loan-to-value

Interest-bearing net liabilities in relation to property value at the end of the period.
Reason for use: The aim is to show up how large a proportion of the value of properties is constituted by net debt.

Residential floor area

The residential floor area or usable area is the total of interior areas consisting of the living area, area of premises, non-living area and other areas for all floors of a building.

Gross total area

Gross area or gross total area is the total area of all floors.
The gross area extends to the outside surface of the walls.

Property yield, excluding administration

Net operating profit, excluding administration, in relation to market value.

Economic occupancy rate

Contracted rent for leases which are running at the end of the period as a percentage of rental value.
Reason for use: The aim is to facilitate the assessment of rental income in relation to the total value of possible rentable area.

Property value SEK per m²

The market value of the properties in relation to the lettable area in m² excluding garage.

Profit from property management

Profit/loss before tax with add-back of changes in value.

Profit from property management from associates and joint ventures

Profit from property management attributable to partly-owned properties through associates and joint ventures.

Rental value, SEK million

Contracted rent plus estimated market rent for unlet areas at the end of the period.

Tenant turnover frequency

Number of tenants moving out in relation to the number of apartments in the most recent twelve-month period.

Public sector/community properties

Properties for which the rental value consists predominantly of tax-financed operations, and which are specifically adapted for public sector/community services.

Rentable area

Total lettable area excluding garage area.

Surplus ratio

Net operating profit as a percentage of rental income.
Reason for use: Aims to show the return on net operating profit in relation to the Company's rental income.

FINANCIAL

Return on equity

Comprehensive income for the period attributable to the Parent's shareholders as a percentage of average equity attributable to the Parent's shareholders.
Reason for use: The aim is to show the return generated on the capital which the shareholders have invested in the Company.

Sustainable hybrid bond

Subordinated sustainable bond loan in which the liquidity is linked to a sustainable framework, with the focus on social and environmental sustainability.

Long-term net worth

Equity attributable to Parent's shareholders with add-back of interest rate derivatives and deferred tax.
Reason for use: The aim is to provide an adjusted and supplementary measure of the amount of equity.

Interest Coverage Ratio

Net profit for the period before tax, with add-back of changes in value of derivatives and properties, as well as financial expense, in relation to financial expense with add-back of the cost of realised and unrealised interest expense for derivatives.
Reason for use: Enables investors to judge the ability to live up to their ongoing financial obligations.

Equity/assets ratio, %

Equity including non-controlling interests as a percentage of total assets.
Reason for use: Shows the capital structure through how large a percentage of total assets consists of equity.

SHARE-RELATED

Equity per share

Equity attributable to Parent's shareholders in relation to the number of shares at the end of the period.

Equity per share after the deduction of capital attributable to hybrid bonds

Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds in relation to the number of shares at the end of the period.

Long-term net worth after the deduction of equity attributable to hybrid bonds

Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds with add-back of interest rate derivatives and deferred tax.
Reason for use: The aim is to provide an adjusted and supplementary measure of the long-term net worth attributable to the Company's ordinary shareholders with a deduction for that part of equity which is attributable to hybrid bonds.

Earnings per share

The profit/loss for the period attributable to the Parent's shareholders after the deduction of interest on hybrid bonds in relation to the average number of shares. Definition under IFRS.



Property register

Residential properties

Property portfolio	Type	Area
Alven 26	Residential	Malmö
Ankan 2	Residential	Malmö
Ankan 14	Residential	Malmö
Arlöv 21:181	Residential	Burlöv
Basunen 3	Residential	Malmö
Beckasinen 11	Residential	Malmö
Billesholms Gård 12:1	Residential	Bjuv
Björnen 6	Residential	Skurup
Björnen 8	Residential	Skurup
Bokhandlaren 4	Residential	Eslöv
Bokhandlaren 5	Residential	Eslöv
Bollbro 11	Residential	Helsingborg
Bollbro 7	Residential	Helsingborg
Brockfågeln 11	Residential	Malmö
Bryggan 1	Residential	Malmö
Bryggaren 1	Residential	Trelleborg
Bryggaren 14	Residential	Trelleborg
Bäverungen 5*	Residential	Stockholm
Böckaren 12	Residential	Trelleborg
Böckaren 13	Residential	Trelleborg
Böckaren 14	Residential	Trelleborg
Concordia 35	Residential	Malmö
Dalkarlen 22	Residential	Landskrona
Delfinen 14	Residential	Malmö
Delfinen 15	Residential	Landskrona
Delfinen 16	Residential	Landskrona
Docenten 1*	Residential	Malmö
Docenten 4*	Residential	Malmö
Docenten 7*	Residential	Malmö
Docenten 8*	Residential	Malmö
Draken 16	Residential	Landskrona
Draken 17	Residential	Landskrona
Drömmen 12	Residential	Malmö
Ekorren 4	Residential	Eslöv
Folkvisan 3	Residential	Malmö
Fritz 14	Residential	Malmö
Fritz 2	Residential	Malmö
Gjörloff 5	Residential	Landskrona

Property portfolio	Type	Area
Gnistan 4	Residential	Malmö
Gymnasiet 4	Residential	Klippan
Gåsen 2	Residential	Malmö
Gåsen 8	Residential	Malmö
Hermosdal 4*	Residential	Malmö
Hermosdal 5*	Residential	Malmö
Hjorten 46	Residential	Landskrona
Hoppet 8	Residential	Landskrona
Häggen 13	Residential	Malmö
Hälsingör 2	Residential	Malmö
Hämplingen 8	Residential	Malmö
Jordlotten 9	Residential	Malmö
Kandidaten 7	Residential	Osby
Kil 1	Residential	Malmö
Korpen 14	Residential	Landskrona
Korpen 42	Residential	Malmö
Laboratorn 1*	Residential	Malmö
Laboratorn 6*	Residential	Malmö
Lektorn 5*	Residential	Malmö
Lerteglet 1	Residential	Malmö
Lerteglet 2	Residential	Malmö
Linjalen 1	Residential	Osby
Linjalen 11	Residential	Osby
Linjalen 12	Residential	Osby
Linjalen 13	Residential	Osby
Linjalen 14	Residential	Osby
Linné 44	Residential	Landskrona
Motetten 2	Residential	Malmö
Murteglet 1	Residential	Malmö
Najaden 9	Residential	Landskrona
Nimrod 26	Residential	Landskrona
Notarien 1	Residential	Malmö
Nyborg 22	Residential	Malmö
Odenslunda 1:646	Residential	Upplands Väsby
Onsjö 7	Residential	Malmö
Orten 8	Residential	Malmö
Oscar II 20	Residential	Landskrona
Pelikanen 17	Residential	Landskrona
Pelikanen 21	Residential	Landskrona

Property portfolio	Type	Area
Professorn 14*	Residential	Malmö
Professorn 15*	Residential	Malmö
Professorn 4*	Residential	Malmö
Professorn 5*	Residential	Malmö
Professorn 6*	Residential	Malmö
Repslagaren 1	Residential	Trelleborg
Repslagaren 7	Residential	Trelleborg
Safiren 1	Residential	Landskrona
Slussen 2	Residential	Malmö
Smeden 16	Residential	Osby
Stacken 1*	Residential	Malmö
Stacken 13*	Residential	Malmö
Stacken 9*	Residential	Malmö
Strutsen 26	Residential	Malmö
Svedala 59:2	Residential	Svedala
Svedala 59:3	Residential	Svedala
Toarp 9:1	Residential	Malmö
Torna 8	Residential	Malmö
Uret 2	Residential	Malmö
Vakteln 10	Residential	Malmö
Vakteln 3	Residential	Malmö
Vallhunden 8*	Residential	Stockholm
Vågen 6	Residential	Malmö
Vårsången 6*	Residential	Malmö
Vårsången 8*	Residential	Malmö
Östergård 3	Residential	Skurup
Östra Förstaden 27	Residential	Landskrona

* Site leasehold



Property register

Public sector/community properties

Property portfolio	Type	Area
Apollo 15	Public sector/community	Klippan
Basen 58	Public sector/community	Malmö
Blålockan 13	Public sector/community	Vimmerby
Bokbindaren 6	Public sector/community	Malmö
Fjällrutan 1	Public sector/community	Malmö
Fälgen 1	Public sector/community	Lund
Gullvivan 5	Public sector/community	Vimmerby
Gunghästen 1	Public sector/community	Malmö
Hyllie 9:5	Public sector/community	Malmö
Håkanstorp 9*	Public sector/community	Malmö
Härsjön 4	Public sector/community	Malmö
Katrinelund 19*	Public sector/community	Malmö
Kvarnskon 1	Public sector/community	Lund
Månskäran 1*	Public sector/community	Malmö
Paulina 47	Public sector/community	Malmö
Rolf 6	Public sector/community	Malmö
Skvadronen 9	Public sector/community	Klippan
Stammen 15	Public sector/community	Malmö
Storken 32	Public sector/community	Malmö
Ugglan 21	Public sector/community	Malmö
Vittsjö 3:422	Public sector/community	Hässleholm

* Site leasehold

Retail properties

Property portfolio	Type	Area
Antilopen 1	Retail	Malmö
Gefion 1	Retail	Malmö
Hermödsdal 9	Retail	Malmö
Nötskrikan 18	Retail	Malmö
Siljan 22	Retail	Malmö
Skrattmåsen 13	Retail	Malmö
Torshammaren 9	Retail	Malmö
Uno 5	Retail	Malmö
Vakteln 14	Retail	Malmö
Vipan 9	Retail	Malmö

Office properties

Property portfolio	Type	Area
Druvan 1	Offices	Malmö
Helmer 4	Offices	Malmö
Liljan 12	Offices	Malmö
Mercurius 5	Offices	Malmö
Residenset 4	Offices	Malmö
Vallen 15	Offices	Malmö

Project properties

Property portfolio	Type	Area
Badmössan 1	Project	Malmö
Balken 6	Project	Malmö
Bunkeflostrand 155:3	Project	Malmö
Centralköket 1	Project	Malmö
Husie 172:75	Project	Malmö
Macken 1	Project	Malmö
Mjölkboden 4*	Project	Stockholm
Smedjan 13 & 15	Project	Malmö
Spiralen 10	Project	Malmö
Svedala 22:8	Project	Svedala
Terapisalen 2	Project	Malmö

* Site-leasehold

Agreements for acquisitions, properties not taken into possession

Property portfolio	Type	Area
Svedala 1:87	Residential	Svedala

Part-owned properties

Property portfolio	Type	Area
Arlöv 22:189*	Residential	Burlöv
Bojen 1	Project	Malmö
Fendern 1	Project	Malmö
Landshövdingen 1*	Retail	Malmö
Svedala 8:16	Retail	Svedala
Tågarp 15:4	Retail	Burlöv
(Burlöv Center)		

* Site-leasehold

Agreements for acquisitions, partly-owned properties not taken into possession

Property portfolio	Type	Area
Smedjan 2	Project	Malmö



Information on Trianon's Annual General Meeting

The Annual General Meeting of Fastighets Aktiebolaget Trianon (publ) will be held on Thursday, 12 May 2022 at 16.00 at Studio Meetingpoint, Nordenskiöldsgatan 24, Malmö.

Right to participate

A person who, firstly, is entered as a shareholder in the share register held by Euroclear Sweden AB with respect to the status on Wednesday, 4 May 2022, and, secondly, has given notice of his/her intention to attend the General Meeting no later than on Friday, 6 May 2022.

Any shareholder whose shares are registered to a nominee must reregister the shares in his/her own name to be able to participate in the Meeting. Such registration, which may be temporary, must be executed by 4 May 2022, which means that the shareholder must inform the nominee in good time before this date.

The company has a total of 39,251,490 shares, of which 1,521,118 are A shares and 37,730,372 are B shares. The total number of votes is 5,294,155. The Company does not hold any of its own shares.

Notification

Notification may be submitted in writing by post to Fastighets Aktiebolaget Trianon (publ), Västra Kanalgratan 5, 211 41 Malmö (please mark the envelope "Annual General Meeting"), by telephone to number +46 (0)40-611 34 00 or by email to info@trianon.se. The notification must state the shareholder's name, Swedish civil registration number/corporate ID number, shareholding, address, daytime telephone number and, where appropriate, the number of assistants (maximum two) whom it is intended to bring to the General Meeting.

Shareholders who are represented through proxies must provide the proxy with a written and dated proxy form. If the proxy is issued by a legal entity, a certified copy of the registration certificate or equivalent showing the authorised signatory for the legal entity must be attached. The original of the proxy form along with any registration certificate should be submitted to the Company in good time before the General Meeting at the address given above. A proxy form is available on the Company's website, www.trianon.se, and will be sent to shareholders on request.

The English version of Trianon's reports is an unofficial translation of the Swedish version. In the event of any differences between the English and Swedish versions, the Swedish version is to be used.

Financial calendar:

Interim report January-March 2022	5 May 2022
Annual General Meeting	12 May 2022
Interim Report January-June 2022	12 July 2022
Interim Report January-September 2022 ...	3 November 2022

The reports will be available on www.trianon.se

For further information, please contact:

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TRIANON 

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