

# Q4

Year-end report January–December 2022  
Fastighets AB Trianon (publ)

## A profitable year in a new era

### Results in brief for the period January–December 2022

- Rental income grew by 11 percent and amounted to SEK 688.3 million (618.1).
- The operating surplus increased by 11 percent to SEK 439.6 million (396.0) and the surplus ratio was 63 percent (64).
- The profit from property management fell by 8 percent and amounted to SEK 231.8 million (253.1).
- The profit for the period totalled SEK 171.4 million (1,310.5), equivalent to earnings per share of SEK 0.84 (8.41) before dilution and SEK 0.84 (8.39) after dilution. Comparison figures per share were recalculated after a 4:1 share split in May 2022.
- Changes in the value of investment properties amounted to SEK -234.5 million (1,311.2), of which SEK 113.8 million represented changes in value related to projects.
- The change in value of derivatives amounted to SEK 196.4 million (66.5)

### Results in brief, fourth quarter 2022

- Rental income grew by 9 percent and amounted to SEK 173.6 million (159.9).
- The operating surplus increased by 5 percent to SEK 106.4 million (101.5) and the surplus ratio was 61 percent (64).
- The profit from property management fell by 45 percent and amounted to SEK 35.4 million (64.0).
- The loss for the period totalled SEK -309.7 million (532.3), equivalent to earnings per share of SEK -2.05 (3.42) before dilution and SEK -2.05 (3.41) after dilution. Comparison figures per share were recalculated after a 4:1 share split in May 2022.
- Changes in the value of investment properties amounted to SEK -412.1 million (608.5), of which SEK 21.8 million represented changes in value related to projects.
- The change in value of derivatives amounted to SEK -6.3 million (13.8).

Rental income  
**+11%**

Average yield in the  
property portfolio  
**4.23%**

Net letting  
**21**  
SEK million

Long-term net  
worth\*  
**36.38**  
SEK/share

TRIANON 

\*Excluding hybrid capital.  
Refers to the period January–December 2022.

# Significant events

- Sale of development rights via joint venture to Tornet and Riksbyggen for 12,500 m<sup>2</sup> and 6,700 m<sup>2</sup> to generate additional opportunities in the urban development project in Burlöv.
- Signing of a sustainability-linked finance agreement with Handelsbanken for around SEK 1,9 billion.
- Launch of an enhanced framework for sustainable financing that enables additional environmental, social and sustainable investments.
- Issue of sustainable hybrid bond for SEK 500 million with the first redemption date three years after the issue date and an interest rate of Stibor 3m + 7 percent. Four of Trianon's larger owners hold around 65 percent.
- Buyback of SEK 402 million of hybrid bond issued in 2019. The remaining amount of SEK 98 million will be redeemed in April 2023.
- Buyback of SEK 100 million of senior unsecured bond maturing in August 2023.
- Continued strong net letting of SEK 21.4 million for the full year 2022.
- There were 151 apartments renovated in 2022. The target is to renovate 200 apartments per year.
- Changes in value in relation to projects of SEK 113.8 million were reported during 2022. The target is to achieve annual changes in value in projects of SEK 100 million.
- Trianon signed two longer term leases for Entré and for Värnhem in Malmö.
- Architectural competition for Limhamn silos concluded.
- Credit commitment and approved bank financing in place for the refinancing of outstanding bonds.
- Despite the company's strong financial position, the Board of Directors has decided to defer a proposal for a dividend. This is in order to have the flexibility to evaluate new business opportunities. The Board will return with a proposal regarding dividend at the latest in connection with the notice of the Annual General Meeting 2023.

For more information on the project portfolio, see page 12.

## Events after the end of the period

- Trianon's residential rents in Malmö were increased by 5 percent from 1 January 2023.

January–December 2022



### Share split:

A 4:1 share split was carried out on 27 May 2022.

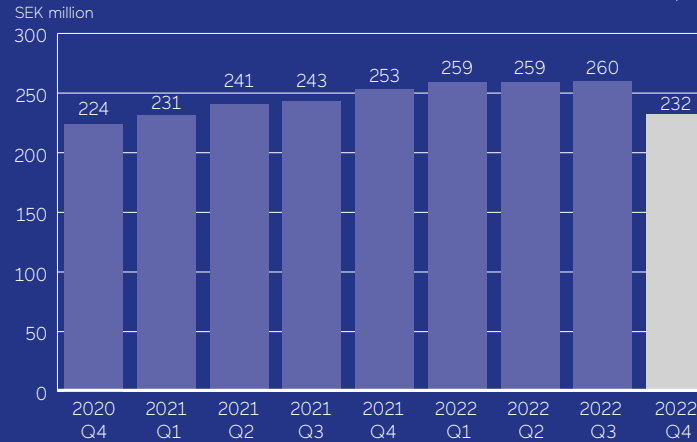


# Financial objectives

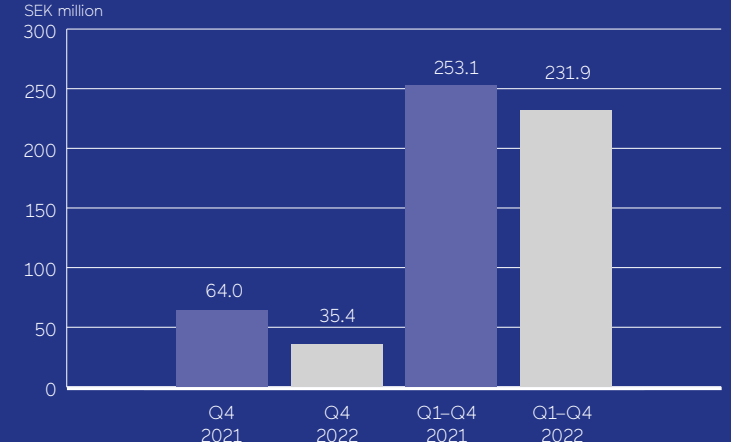
Trianon's financial objectives 2022–2024.

- 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 profit from the project portfolio shall amount to at least SEK 100 million.

**Profit from property management, rolling 12 months, SEK million**

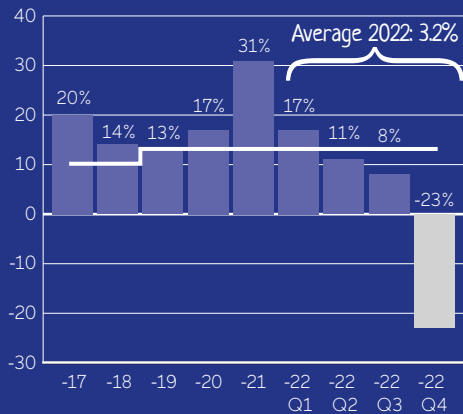


**Profit from property management, SEK million**



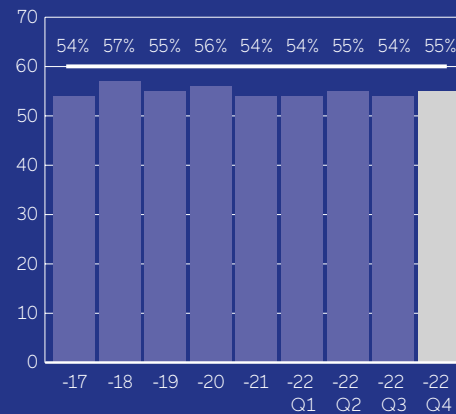
Target annual increase of 12%

**Average return on equity, %**



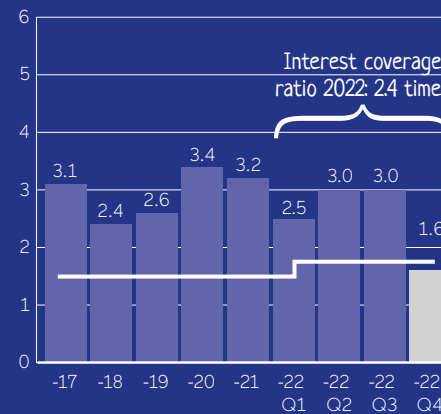
Target to exceed 12% over a business cycle

**Loan-to-value ratio, %**



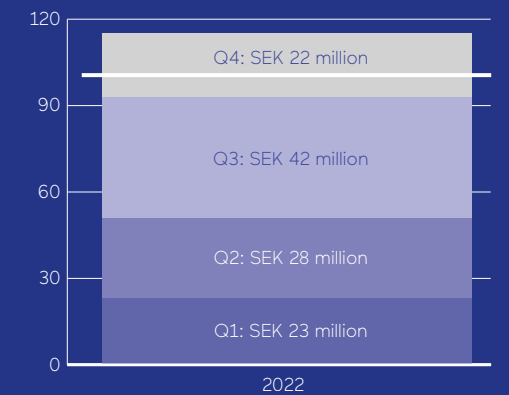
Target not to exceed 60%

**Interest coverage ratio, times**



Target to exceed SEK 1.75 times

**Annual investment profit from project portfolio, SEK million**



SEK 14 million above target

Target to exceed SEK 100 million per year



# A profitable year in a new era

**Despite a turbulent business environment, in 2022 we delivered the second-best profit from property management in Trianon's history. Our residential properties, public sector/ community service properties and retail properties in residential areas provide us with a stable foundation. We have reviewed our entire operations with a view to cutting costs and adapting to the new conditions of inflation, higher financing costs and increased required return.**

Russia's invasion of Ukraine had an impact on the entire year, both in human terms and through its effect on the global economy. We saw how inflation climbed, interest rates and energy costs increased and how construction costs reached challenging levels.

For Trianon, this has required us to review all areas of our operations in order to identify how we can reduce costs while at the same time developing the company. The current situation in the global economy has consequences for the property sector through its impact on financing, operating costs and new production.

## A profitable year

I am therefore extremely proud to report that 2022 saw Trianon deliver its second-best profit from property management ever. We are achieving three of our five financial objectives. There were many positive events during the year and I am proud of how our organisation has handled the external challenges in a committed and intelligent manner. I am proud of how we have worked proactively with our financing and our costs and of course our positive net letting. I am also proud that even during difficult times, we continue our social sustainability work through our commitment to more jobs, greater security and activities for children and young people.

Rental income grew by 11 percent to SEK 688 million (618) and net operating profit by 11 percent to SEK 440 million (396). The profit from property management fell by 8 percent to SEK 232 million (253) as a result of increased interest and energy costs. Our rental income will increase by approximately SEK 45 million in 2023, partly as a result of rent increases of around 5 percent for our apartments and CPI increases on commercial leases, and partly through new tenants moving into commercial properties and public sector/ community service premises. We will also be completing new production projects that are currently under way.

In Q4, 90 percent of our property portfolio was valued externally. This resulted in us writing down our properties by SEK 412 million, following which we have an average yield of 4.23 percent, which represents an increase during the quarter from 3.86 percent. The transactions that took place during the year on our market for residential properties, and which we monitored, closed with a yield of 3–3.5 percent. It is worth noting that in 2021, our properties were revalued upwards by SEK 1.3 billion. Our long-term net worth per share is 36.38, which represents an increase during the year, in spite of everything. Since our listing in 2017, we have increased our long-term net worth by an average of 19 percent per year.

## Strong and sustainable financing

We refinanced SEK 4.6 billion at practically unchanged margins during the year. We also strengthened our financial framework and linked it more clearly to our sustainability goals. We repurchased most of our first sustainable hybrid bond and issued a new one with new sustainability goals. This is despite a challenging bond market. Four of Trianon's principal owners together hold 65 percent of the sustainable hybrid bond, which represents a strength for the company on future maturity. We took out a sustainability-linked loan with Handelsbanken, which gives us a lower interest rate provided that we achieve certain social and environmental sustainability goals. We sold our swaps during the autumn at a profit of SEK 143 million and we intend to build a new portfolio in line with our finance policy. We have loan commitments and credit decisions in place at our banks to cover all our bonds maturing in 2023. Our hybrid bond aside, we have 100 percent bank financing and therefore do not have to deal with the volatile bond market.

## Right place and right segment

Malmö is an attractive place to live and work and it means we are in the right place and in the right segment. Malmö has the strongest growth of any city in Sweden and its population is expected



## THE CEO'S VIEW

to reach half a million by 2047, which means continued strong demand for housing of all kinds. Even today we already have 100–150 applicants for every apartment that becomes vacant. Despite our residential rents increasing by 5 percent, they are still well below the market rent in Malmö.

Demand for public sector/community service properties remains high and we agreed several major lettings during the year for a health centre, school, X-ray clinic and other public sector/community services. These are long and stable contracts, with counterparties such as the municipal authority, the regional authority and the government. There are no signs of any significant slowdown for our commercial properties, largely because our landlords take a structured and aggressive approach to finding new tenants. In 2022, we achieved a record figure for net letting of SEK 21 million, including our joint ventures Burlöv Center and Rosengård Centrum, and at the time of writing I can also see that we have got off to a flying start in 2023, with several new leases.

### Acquisitions and new production

In terms of new production, we are continuing the projects we have begun, which we procured at fixed prices. We are delaying the start of several new production projects – mainly because construction costs are unreasonably high at the moment. Trianon has a large building rights portfolio, both on our own books and through our joint ventures. We found few interesting

opportunities to make acquisitions during the year, as the price expectations of vendors were far too high. I expect the gap between buyers and sellers to narrow during 2023. We evaluate all business opportunities and we are ready to make acquisitions when the right property comes onto the market at the right price. Our focus remains on Malmö and its environs to enable us to benefit from the competitive advantages of being a local property owner with good knowledge of the market.

### Strong commitment to Malmö

When we say Malmö is important to us, we really mean it. We have been committed to the city of Malmö and its people for many years. We want as many of our tenants as possible to have a job to go to and a safe and peaceful area to live in. That is why we initiate and participate in several projects all over the city, with a particular focus on our own areas. One of the projects I am most proud of provided summer jobs, where 30 young people who live in our properties spent the summer doing property management work. They also received lessons in personal finance and this is one of the ways we are helping to prepare young people for the future. I also have great expectations of our new partnership with the Swedish Public Employment Service, where a number of our tenants are given fixed-term employment with us to work on the external and internal maintenance of our properties.

### Goals and focus for the future

We have an experienced and knowledgeable organisation that has been through challenging times before. Trianon's business plan remains unchanged, even though it will be difficult to achieve our growth targets in the short term. The company has a major focus on increasing yield in order to improve our interest coverage ratio and we will do this through letting, renovating apartments, energy efficiency work, transactions and completing new production. We continue to live by our values of innovation, commitment and courage. Despite these uncertain times, we will be back on our path to growth within the not too distant future. I would like to conclude by thanking all our colleagues for your unwavering commitment to the company and for truly being creative entrepreneurs in all things. Without you there is no Trianon. I would also like to thank our customers, shareholders and business partners for the trust you have shown in us in 2022. It was a good year in a new era and better is still to come.



Olof Andersson, CEO

# Trianon in brief

**Trianon is an entrepreneurial property company which owns, manages, acquires, 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.**

## Sustainability

Trianon has been working systematically for a number of years to combine environmental, financial and social sustainability. This approach has generated benefits for both the community and our customers, and we will continue to apply this to new acquisitions in the areas in which Trianon is active.

Trianon's business plan for 2022–2024 contains the following sustainability goals:

- Reduce energy consumption in our properties and increase the proportion of renewable energy sources.
- Build more rental apartments with reasonable rents and renovate cost-effectively.
- Reduce unemployment in our residential areas.
- Reduce homelessness.

We are also continuing our work with further measures to improve security in our residential areas. Read more about Trianon's sustainability work at [trianon.se](https://trianon.se).

## Property portfolio

Trianon's property portfolio consists of residential, public sector/ community and commercial properties situated in Malmö and in several municipalities around Skåne. Trianon owns a total of 154 properties, and is part-owner of a further seven properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 491,000 m<sup>2</sup>, excluding around 3,000 garage and parking spaces. The property value totalled SEK 12.9 billion as at 31 December 2022.

## BUSINESS CONCEPT

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.

## VISION

Trianon will be the most profitable and best-run property company in Malmö. The proof of being the most profitable company is in the return on equity.

## FINANCIAL OBJECTIVES

Profit from property management  
**> 12%**

Return on equity  
**> 12%**

Annual investment profit  
**> 100 SEK million**

Loan-to-value ratio  
**< 60%**

Interest coverage ratio  
**> 1.75 times**

## SUSTAINABILITY GOALS



## STRATEGY



### ACQUIRE & OWN

We shall acquire and retain long-term ownership of properties in Malmö and its environs.



### LET & MANAGE

We let and manage properties with our own personnel to ensure that our tenants enjoy first-class service.



### DEVELOP

Each building and area has its own development potential which we will make the most of.



### BUILD

We see opportunities to develop our property portfolio through new construction.

# Profit, income and expenses

JANUARY–DECEMBER 2022

The profit/loss items below refer to the period January–December 2022. Comparison figures in parentheses refer to the amount from the corresponding period last year.

## Rental income

Rental income for the period amounted to SEK 688.3 million (618.1), which is an increase of 11 percent. The increase is attributable in particular to acquired properties and to letting. Net letting for the period amounted to SEK 21.4 million (5.5), including joint ventures. The economic occupancy rate was 95 percent (95). The total rental value amounted to SEK 798.4 million (737.8). The increase is due in particular to acquired properties and letting.

## Other income

Other income amounted to SEK 16.3 million (5.5) and the increase is attributable to revenue from the sale of parking spaces and increased revenue from property management.

## Property costs

Net sales amounted to SEK 273.4 million (227.6). 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, which have the greatest impact during the first and fourth quarter. Electricity costs have had a negative impact on property costs compared with the preceding year. Overall the high price of electricity in the region has had a negative impact on property costs of around SEK 15 million. The renovation work on apartments continued, with 151 (186) 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.

Lower turnover in the unrenovated portfolio

has affected the number of renovated apartments during the year.

## Net operating income

Net operating income for the period totalled SEK 439.6 million (396.0), which represents an increase of 11 percent. The operating surplus was 63 percent (64).

## Central administration

Central administrative expenses amounted to SEK 72.9 million (55.5). Central administration consists of personnel costs for joint Group functions, as well as the costs for IT, marketing, financial reports and audit fees. The total number of employees including both joint Group functions and property administration was 88 (89) of whom 46 (50) were white-collar staff.

Central administration was charged with bad debts of SEK 8.4 million (3.7).

## Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 22.2 million (41.7) including changes in the value of properties and tax. The profit/loss from the management of properties owned by associates and joint ventures totalled SEK 14.0 million (6.5). The increase compared with the preceding year is largely due to the fact that the Rosengård Centrum property has been recognised as a joint venture since September 2021.

## Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 151.9 million (90.2). The average interest rate for the period including swap rates amounted to 2.2 percent (1.9), and excluding swap rates to 2.0 percent (1.4). Financial expense rose by

SEK 17 million as a result of increased borrowing in connection with acquisitions of investment properties and by SEK 44 million as a result of higher market interest rates. Interest expense for access rights in respect of site-leasehold rights amounted to SEK 6.1 million (6.4).

## Changes in the value of properties and financial instruments

The latter part of the year was affected by rising market interest rates, which increased the required return for some of Trianon's properties, mainly during the final quarter of 2022. This has been offset to a certain extent by increased net letting, value-generating investments and higher rents in both the residential and commercial portfolios, which improved cash flow.

Changes in the value of investment properties amounted to SEK -234.5 million (1,311.2) for the period, of which SEK 113.8 million (0.0) represented changes in value related to projects. The changes in value are due primarily to increased required return, newly signed leases in the commercial portfolio and value changes in ongoing projects. Around 90 percent of the property portfolio has been valued externally, with the remaining properties being valued internally at the close of the period apart from some small project properties of minor value. The change in value of residential properties was -3 percent, public sector/community properties +4 percent and commercial properties -2 percent since the third quarter of 2022. The yield on the full property portfolio was 4.2 percent (3.9), excluding project properties, and the yield on residential properties was 4.0 percent (3.6).

The change in the value of derivative financial instruments for the period amounted to SEK 196.4 million (66.5). Of this, SEK -11.2 million (-30.0) relates to swap rates paid during the period.

Realised gains on the redemption of swaps in the swap portfolio amounted to SEK 142.7 million, which had a positive effect on changes in value and cash flow. For further information, please see page 15.

## Tax

Reported tax for the period amounted to SEK -30.5 million (-355.5). Deferred tax attributable to investment properties totalled SEK 4.9 (-338.1) and changes in the value of derivative financial instruments to SEK -13.4 million (-19.7).

Current tax totalled SEK -8.0 million (-9.3) and tax attributable to previous years totalled SEK -0.5 million (-3.0). The change in deferred tax assets was SEK -11.2 million (15.6) and in other taxes SEK -2.3 million (-1.0).

## Comprehensive income

Comprehensive income for the period amounted to SEK 171.4 million (1,310.5), of which SEK 171.4 million (1,305.0) was attributable to shareholders in the Parent. The profit for the period is equivalent to earnings per share of SEK 0.84 (8.41) before dilution, and SEK 0.84 (8.39) after dilution. Earnings per share for comparative periods have been restated taking into account the 4:1 share split on 27 May 2022. The return on equity was 3.2 percent (31.3) and is primarily due to changes in the value of investment properties and derivatives.

## Parent

Net sales amounted to SEK 72.7 million (64.1). The operating loss was SEK -21.5 million (-27.7). The change in the value of derivatives amounted to SEK 121.4 million (1.8), and was due to changes in the value of market interest rates. Realised gains in the swap portfolio amounted to SEK 142.7 million, which had a positive effect on changes in value and cash flow. Tax on the profit/loss for the period amounted to SEK -4.3 million (-23.3).



# Profit, income and expenses

OCTOBER–DECEMBER 2022

The profit/loss items below refer to the period October to December 2022. Comparison figures in parentheses refer to the amount from the corresponding period last year.

## Rental income

Rental income for the period amounted to SEK 173.6 million (159.9), which corresponds to an increase of 9 percent. The increase is attributable in particular to acquired properties and to letting. Net letting for the period amounted to SEK 9.2 million (0.8), including joint ventures.

## Other income

Other income amounted to SEK 2.2 million (3.5) and is attributable to income from property management.

## Property costs

Property costs amounted to SEK 69.3 million (61.9). Operating costs were affected by the usual seasonal variations in respect of electricity and heating costs. The increase is due in particular to acquired properties and higher energy prices. During the period, 39 (54) apartments were renovated. The decrease is mainly due to a lower turnover rate in the unrenovated residential portfolio. 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.

## Net operating income

Net operating income for the period totalled SEK 106.4 million (101.5), which represents an increase of 5 percent. The operating surplus was 61 percent (64).

## Central administration

Central administrative expenses amounted to SEK 21.5 million (15.6). Central administration consists of personnel costs for joint Group functions, as well as the costs for IT, marketing, financial reports and audit fees. Central administration was charged with bad debts of SEK 2.8 million (1.0).

## Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 3.7 million (19.1) including changes in the value of properties and tax. The profit/loss from the management of properties owned by associates and joint ventures totalled SEK 1.6 million (4.2).

## Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 57.4 million (25.5). The average interest rate for the period including swap rates amounted to 2.8 percent (1.9), and excluding swap rates to 2.8 percent (1.5). Financial expense rose as a result of in-

creased borrowing in connection with acquisitions of investment properties, as well as higher market interest rates.

Interest expense for access rights in respect of site-leasehold rights amounted to SEK 1.5 million (1.4).

## Changes in the value of properties and financial instruments

Changes in the value of investment properties amounted to SEK -412.1 million (608.5) for the period, of which SEK 21.8 million (0.0) represented changes in value in projects. The changes in value are due primarily to increased required return, newly signed leases in the commercial portfolio and value changes in ongoing projects. Around 90 percent of the property portfolio has been valued externally, with the remaining properties being valued internally at the close of the period apart from some small project properties of minor value. The change in value of residential properties was -3 percent, public sector/community properties +4 percent and commercial properties -2 percent since the third quarter of 2022.

The change in the value of derivative financial instruments for the period amounted to SEK -6.3 million (13.8). Of this, SEK -0.3 million (-9.2) relates to swap rates paid during the period. For further information, please see page 15.

## Tax

Reported tax for the period amounted to SEK 71.2 million (-168.9).

## Comprehensive income

The comprehensive income for the period was SEK -309.7 million (532.3), of which SEK -309.7 million (532.5) was attributable to the Parent's shareholders. The profit for the period is equivalent to earnings per share of SEK -2.05 (3.42) before dilution, and SEK -2.05 (3.41) after dilution. Earnings per share for comparative periods have been restated taking into account the 4:1 share split on 27 May 2022. The return on equity was -23 percent (45), and is primarily due to changes in the value of investment properties and derivatives.





### Current earning capacity, Group companies

The table below shows earning capacity on a 12-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 financial instruments calculated on the net debt.

### Actual earning capacity, 12 months

Group Companies SEK million	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Rental value*	798.4	755.3	750.9	746.3	737.8
Vacancies	-28.2	-24.6	-20.2	-20.9	-22.3
Contracted vacancies	-3.8	-5.4	-6.7	-11.8	-11.6
Reductions	-8.2	-6.5	-5.1	-4.5	-3.1
Other income	6.7	6.1	6.1	6.0	6.2
<b>Rental income</b>	<b>765.0</b>	<b>724.9</b>	<b>724.9</b>	<b>715.1</b>	<b>707.0</b>
Property costs	-226.8	-222.7	-222.7	-221.8	-221.1
Property administration	-22.1	-21.2	-22.1	-22.1	-21.4
<b>Operating surplus</b>	<b>516.0</b>	<b>481.0</b>	<b>480.0</b>	<b>471.2</b>	<b>464.5</b>
<i>Surplus ratio</i>	67%	66%	66%	66%	66%
Central administration	-65.4	-56.0	-56.0	-56.0	-56.0
Profit/loss from participations in associates and joint ventures	24.2	26.2	24.4	23.5	20.2
Ground rent	-6.1	-6.1	-6.1	-6.1	-6.0
Financial income and expenses	-196.1	-153.7	-126.4	-133.9	-128.3
<b>Profit from property management</b>	<b>272.6</b>	<b>291.4</b>	<b>316.0</b>	<b>298.7</b>	<b>294.4</b>
Profit from property management attributable to:					
Parent shareholders	272.6	291.4	316.0	298.7	293.7
Holdings with a non-controlling interest	0.0	0.0	0.0	0.0	0.7

\* Average rent increase of 5 percent for residential properties taken into account for 2023. The Svedala 1:87 property, where possession will be taken in April 2023, is included in earning capacity for three quarters of 2023.

### Earning capacity, impact of market interest rates

SEK million	31 Dec 2022	Interest, 4%	Interest, 5%
<b>Rental income</b>		<b>769</b>	<b>769</b>
Property costs		-227	-227
Property administration		-22	-22
<b>Operating surplus</b>		<b>520</b>	<b>520</b>
<i>Surplus ratio</i>		<b>68%</b>	<b>68%</b>
Central administration		-65	-65
Profit/loss from participations in associates and joint ventures		24	24
Ground rent			
Financial income and expenses		-281	-351
<b>Profit from property management</b>		<b>192</b>	<b>122</b>

The table shows the impact on the profit from property management of an average interest rate of 4 percent and 5 percent. The interest expense has been calculated on the basis of closing interest-bearing debt less cash and cash equivalents, i.e. net debt. Contracted vacancies have been added to rental income.

### 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 in a joint venture involving Trianon, Brunswick Real Estate and Bonnier Fastigheter. The joint venture will develop Rosengård Centrum with new retail units, public sector/community services and homes.

#### Current earning capacity, 12 months

Associates and joint ventures SEK million	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Rental value	164.7	155.8	154.2	149.6	154.0
Vacancies	-19.7	-19.0	-17.4	-13.7	-25.4
Contracted vacancies	-0.2	-1.4	-5.8	-4.9	-5.9
Reductions	-5.5	-6.0	-5.2	-5.8	-6.6
<b>Rental income</b>	<b>139.3</b>	<b>129.4</b>	<b>125.9</b>	<b>125.2</b>	<b>116.1</b>
Property costs	-49.0	-43.8	-43.8	-44.7	-44.0
Property administration	-2.6	-3.8	-3.8	-3.9	-3.6
<b>Operating surplus</b>	<b>87.8</b>	<b>81.8</b>	<b>78.3</b>	<b>76.6</b>	<b>68.5</b>
Surplus ratio	63%	63%	62%	61%	59%
Central administration	-17.7	-10.2	-10.2	-10.4	-9.7
Ground rent	-1.7	-1.7	-1.7	-1.7	-1.7
Financial income and expenses	-20.0	-17.6	-17.6	-17.6	-16.8
<b>Profit from property management</b>	<b>48.3</b>	<b>52.4</b>	<b>48.9</b>	<b>46.9</b>	<b>40.3</b>

#### Shareholdings in associates and joint ventures

Property	Trianon's holding
Burlöv Arlöv 22:189	50%
Burlöv Kv Hanna	50%
Burlöv Tågarp 15:4, Burlöv Center	50%
Malmö Bojen 1	50%
Malmö Fendern 1	50%
Malmö Landshövdingen 1, Rosengård Centrum	50%
Malmö Smedjan 2	50%

# Comments

## ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The amounts for balance sheet items and comparison figures refer to the position at the close of the period. Comparison figures in parentheses refer to the corresponding period last year.

### Property portfolio

Trianon's property holdings are located in Malmö and the surrounding area, and consist of residential, public sector/community and commercial properties. The majority of the properties are in Malmö, but there are also properties 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 154 properties with a total rentable area of 491,000 m<sup>2</sup>, excluding 3,000 garage and parking spaces, as well as properties recognised as associates and joint ventures. Residential and public sector/community properties represent 85 percent of the property value. During the period, SEK 554.9 million (309.8) was invested in existing properties. The investment consisted of ongoing apartment renovations in the residential portfolio, adaptations to meet tenants' requirements in business premises, redevelopments including the Entré property Rolf 6, and new construction projects.

### Acquisitions and disposals

During the first quarter, the remaining non-controlling interests of 3.9 percent in Signatur Fastigheter were acquired through the compulsory purchase of shares, which means that Trianon now owns 100 percent of the company.

During the second quarter, the remaining 50 percent was acquired in what was an associated company that owns the Svedala 8:16 property in Svedala. The company was thereby consolidated from the second quarter of 2022.

During the third quarter, the sale of 391 newly built apartments at Norra Sorgenfri in Malmö was completed. The agreed property value was SEK 822 million, equivalent to SEK 50,000 per m<sup>2</sup>. The transaction was made through forward funding, with possession when the properties are completed.

In addition, a project property, the Hanna complex in Burlöv, was sold during the third quarter. The purchaser was Burlöv Center Fastighets AB, which is jointly owned by Trianon and Wallfast. This transaction means that all properties and projects in the Municipality of Burlöv are jointly owned with Wallfast.

### Project portfolio

On the following page, there is a summary of the current project portfolio. The project summary includes land allocation for Svedala 25:18 in

Svedala. A total of 605 apartments are in the new construction project plan with the current zoning plan. In addition to this, construction is ready to begin on 129 apartments in the part-owned property Rosengård Centrum now that planning permission has been granted. The ongoing projects in Hyllie, Sege Park, Svedala and in Burlöv (Hanna complex), comprising around 300 apartments, have been procured at fixed prices without indexation. The Svedala 1:87 property with 53 apartments in Svedala, which will be taken possession of in April 2023, is being built with government investment support.

### Property valuation

The fair value of investment properties amounted to SEK 12,862.6 million (12,665.5). Changes in the value of investment properties amounted to SEK -234.5 million (1,311.2) for the year. The changes in value are due to the increased required return, the renovation of apartments in the residential portfolio, the signing of new contracts in the commercial portfolio and changes in value from the project portfolio. The accumulated changes in value relating to projects amounted to SEK 113.8 million. Around 90 percent of the property portfolio has been valued externally, with the remaining properties being valued internally at the close of the period apart from some small project properties of minor value. The change in value

of residential properties was -3 percent, public sector/community properties +4 percent and commercial properties -2 percent since the third quarter of 2022. The yield on the full property portfolio was 4.2 percent (3.9), excluding project properties, and the yield on residential properties was 4.0 percent (3.6). Potential construction rights have not been valued for existing properties or have been valued at any costs paid.

### Trianon's property portfolio, 31 December 2022

The property category table on page 13 shows a summary of the properties owned by Trianon on 31 December 2022 and reflects the contracted revenue for the properties on an annual basis on 1 January 2023, and costs on an annual basis, as if the properties had been owned throughout the preceding 12-month period. Here, acquired and completed properties have been recalculated as if they had been owned or completed during the preceding 12-month period. For a full list of properties, see Trianon's website, [www.trianon.se](http://www.trianon.se).

## Project portfolio

Project properties	Number of apartments	Gross total area, m <sup>2</sup>	Living area/Area of premises m <sup>2</sup>	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
<b>Projects involving existing properties</b>								
Entré – Torghuset/Rolf 6**	0	11,900	7,100	245	240	17	2021	2022
<b>Total projects involving existing properties</b>	<b>0</b>	<b>11,900</b>	<b>7,100</b>	<b>245</b>	<b>240</b>	<b>17</b>		
<b>Projects with valid zoning plan</b>								
Badmössan 1, Hyllie (premises and rental properties)	73	5,450	4,200	150	102	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,850	3,750	122	88	6	2021	2023
Svedala 1:87 (rental properties)	53	4,700	3,700	112	0	6	2021	2023
Norra Sorgenfri, phase 1 and phase 2*	391	22,200	16,650	726	78	37	2022	2026
Centralköket 1, Sege Park (tenant-owner homes)	11	1,600	1,300	49	8	0	2023	2025
Fjällrutan 1 (tenant-owner homes)	12	1,050	900	35	1	0	2023	2025
<b>Total projects with valid zoning plans</b>	<b>605</b>	<b>39,850</b>	<b>30,500</b>	<b>1,194</b>	<b>278</b>	<b>57</b>		
<b>Projects subject to zoning plans</b>								
Björnen 6, Skurup	50	4,500			1		2023	2025
Svedala 25:18	143	10,000			2		2023	2025
Svedala 22:8	41	4,100			2		2023	2025
Östergård 3, Skurup	65	4,200			1		2023	2025
Husie 172:75, Malmö	60	9,000			2		2023	2025
Mjölkboden 4, Stockholm	36	3,999			3		2024	2026
Vallhunden 8, Stockholm	28	2,670			1		2024	2026
Spiralen 10, Malmö	123	17,000			1		2025	
<b>Total projects subject to zoning plans</b>	<b>546</b>	<b>55,469</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>		
<b>Total project portfolio</b>	<b>1,151</b>	<b>107,219</b>	<b>37,600</b>	<b>1,439</b>	<b>529</b>	<b>74</b>		

### Future potential zoning plans

Alven 26, Malmö

Bunkeflostrand 155:3

\*Norra Sorgenfri, Phases 1 and 2 sold, with possession when the property is completed.

\*\* Office in accordance with zoning plan. Redevelopment of existing building.

Joint venture	Number of apartments	Gross total area, m <sup>2</sup>	Living area/Area of premises m <sup>2</sup>	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Rosengårdsbiblioteket	0	2,000		75	74	6	2020	2022
Hanna complex, Burlöv (premises, rental properties and tenant-owner homes)	111	16,600	11,500	463	130	18	2022	2024
Rosengård Centrum, phase 1 South	54	5,400			3		2022	2024
Tågarp 15:4, phase 1 (Burlöv Center)	525	48,000			15		2022	2025
Rosengård Centrum, phase 1 North	75	7,000			3		2023	2025
Bojen 1 and Fendern 1 (Silos at Limhamn)	70	15,000			0		2024	2027
Tågarp 15:4, phase 2 (Burlöv Center)	910	85,000			2			
<b>Total</b>	<b>1,745</b>	<b>179,000</b>	<b>11,500</b>	<b>538</b>	<b>226</b>	<b>24</b>		

### Future potential zoning plans

Rosengård Centrum, phases 2 and 3

Smedjan 2, Malmö



## Change in the fair value of investment properties

SEK million	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Fair value at the start of the period	13,136.2	13,048.6	12,863.4	12,665.5	11,042.4
Investments through companies*	0.0	0.0	39.0	0.0	889.8
Investments in existing properties	138.5	202.6	109.1	104.6	124.8
Sales to associates and joint ventures	0.0	-86.6	0.0	0.0	0.0
Sale to development property	0.0	-75.5	0.0	0.0	0.0
Changes in value	-412.1	47.2	37.1	93.3	608.5
<b>Fair value at the end of the period</b>	<b>12,862.6</b>	<b>13,136.2</b>	<b>13,048.6</b>	<b>12,863.4</b>	<b>12,665.5</b>

\* Acquisition of properties through companies.

## Earning capacity per segment

Property category	Number properties	Number apartments	Rentable area, m <sup>2</sup>	Property value		Rental value	
				SEK million	SEK/m <sup>2</sup>	SEK million	SEK/m <sup>2</sup>
Residential***	105	4,819	353,717	9,199	26,007	541	1,529
Public sector/community	21	214	57,103	1,515	26,527	107	1,870
Commercial*	19	62	65,219	1,851	28,380	143	2,196
<b>Total excluding project properties</b>	<b>145</b>	<b>5,095</b>	<b>476,039</b>	<b>12,565</b>	<b>26,394</b>	<b>791</b>	<b>1,661**</b>
Projects	10	2	18,621	410	-	8	-
<b>Total including project properties</b>	<b>155</b>	<b>5,097</b>	<b>494,660</b>	<b>12,975</b>	<b>26,394</b>	<b>798</b>	<b>1,661</b>

Property category	Economic occupancy rate	Rental income, SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl. admin
Residential***	99%	533	356	67%	372	4.0%
Public sector/community	88%	93	67	72%	70	4.6%
Commercial*	88%	126	87	69%	90	4.9%
<b>Total excluding project properties</b>	<b>95%</b>	<b>753</b>	<b>510</b>	<b>68%</b>	<b>532</b>	<b>4.2%</b>
Projects	-	6	-	-	0	-
<b>Total including project properties</b>	<b>95%</b>	<b>758</b>	<b>509</b>	<b>68%</b>	<b>531</b>	<b>4.1%</b>

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

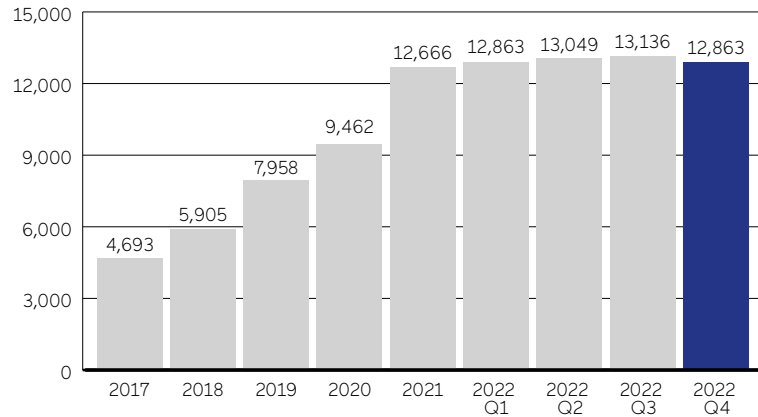
\* With effect from and including the first quarter of 2022, retail and office properties are reported jointly under the designation commercial.

\*\* The rental value as at 31 December 2022, before the rent increases in 2023, solely of apartments, excluding block contracts, in the full property portfolio averaged SEK 1,363 per m<sup>2</sup>.

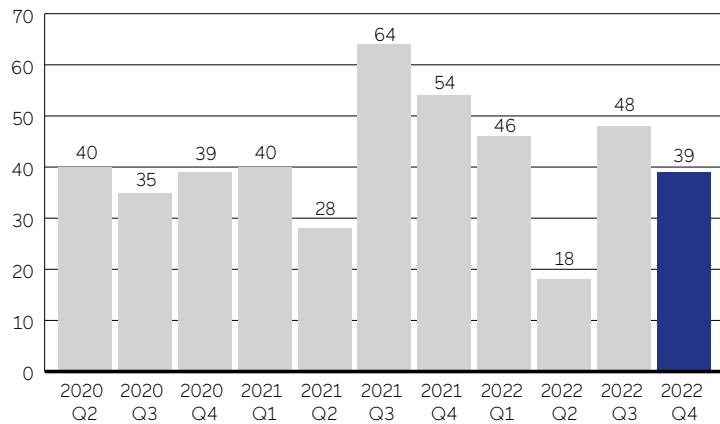
\*\*\* The residential segment includes the property Svedala 1:87, which will be taken into possession in April 2023.



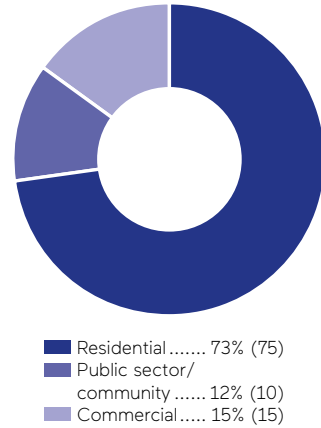
### Fair value of investment properties, SEK million



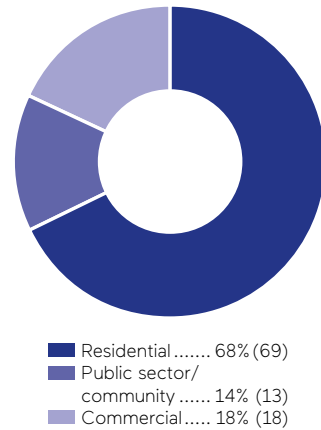
### Number of renovated apartments per quarter



### Property value per segment



### Rental value per segment



The preceding year is within parentheses.



Slussen 2 in Malmö.

## Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 7,107.3 million (6,866.5). The increase consists primarily of investments in existing properties and the acquisition of properties. Bank overdraft facilities granted amounted to SEK 35 million (35) of which SEK 0 million (0) was utilised. Interest-bearing liabilities include a bond loan of SEK 398.8 million (496.8) recognised net after the deduction of transaction costs.

The unsecured bond loan has a total framework of SEK 500 million, of which SEK 100 million was repurchased during the fourth quarter of 2022. 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. Finalised credit decisions or credit commitments are in place for the redemption of the remaining SEK 400 million when the bond matures in August 2023.

Convertible loans to staff totalled SEK 0.0 million (11.4) at the end of the period. Out of a total of SEK 11.4 million in convertible loans, SEK 9.8 million was converted to shares and the remaining SEK 1.6 million repaid in December 2022.

Trianon restructured the swap portfolio during spring 2022 by increasing swap volumes to SEK 2,950 million and shortening the term to three years. When the market situation changed and short-term swap rates exceeded long-term rates, all swaps were realised during the third quarter to then begin building up the long-term swap portfolio anew. The realised swap portfolio had a positive overall effect on cash flow of SEK 142.7 million and on the loan-to-value ratio of approximately 1 percentage point.

Trianon's fixed-interest period is around 0.5 years. The company entered into a swaption for SEK 1.0 billion at an interest rate of 2.5 percent beginning in November 2024, which is not included in the calculation of the fixed-interest period. The hedge ratio amounts to 17 percent of the outstanding loan portfolio.

The average interest rate in 2022 including swap rates amounted to 2.2 percent (1.9), and

excluding swap rates to 2.0 percent (1.4). The derivative portfolio amounted to SEK 28.2 million (70.9) in liabilities and SEK 22.2 million (0.0) in receivables at the end of the period. Around SEK 4.6 billion of the company's loan portfolio was refinanced in 2022. Among other things, a sustainability-linked finance agreement was signed with Handelsbanken for around SEK 1.9 billion, which meant that all outstanding loans from Handelsbanken were refinanced with maturities of three to six years. The capital tie-up period at the end of the year was 3.2 years (2.1).

The loan-to-value ratio was 54.6 percent (53.5). The loan-to-value ratio was positively affected by the redemption of the swap portfolio. Calculated on total assets, the loan-to-value ratio was around 50.9 percent.

## Hybrid bond

In November 2022, Trianon issued new subordinated sustainable hybrid bonds for a total of SEK 500 million with perpetual maturity and with the first ordinary redemption date three years after the issue date. The new bonds have a variable interest rate of Stibor 3m + 7 percent and are recognised as equity after the deduction of transaction costs. The bonds are listed on the Nasdaq Stockholm Sustainable Bond List and are linked to a framework for the sustainable financing of environmental and social investments. Four of Trianon's larger owners subscribed to around 65 percent of the issue.

In connection with the issue, a voluntary buyback offer was made for SEK 402 million of the outstanding sustainable hybrid bond issued in 2019. The remaining SEK 98 million is scheduled for redemption in April 2023, on the same terms of Stibor 3m + 7 percent. For more information, please see Trianon's website, [www.trianon.se](http://www.trianon.se).

## Equity, equity/assets ratio and cash and cash equivalents

Equity amounted to SEK 5,372.9 million (5,243.9), of which SEK 5,372.9 million (5,217.3) was attributable to shareholders in the Parent. After the acquisition of non-controlling interests in Signatur Fastigheter in 2022, non-controlling

interests amounted to SEK 0.0 million (26.6). Dividends linked to the hybrid bond have reduced equity by SEK 39.8 million (35.2). Equity attributable to the Parent's shareholders has been affected by the acquisition of non-controlling interests of SEK -2.5 million (35.7). The conversion of the convertible programme for staff increased equity by SEK 9.8 million (0.0). Equity per share amounted to SEK 34.11 (33.23), and to SEK 31.14 per share (30.60) after the deduction of equity attributable to the hybrid bonds. The equity/assets ratio was 38.9 percent (38.6) at the end of the period. Consolidated cash and cash equivalents amounted to SEK 90.0 million (87.4). Unutilised bank overdraft facilities at the end of the period amounted to SEK 35 million (35).

## Cash flow

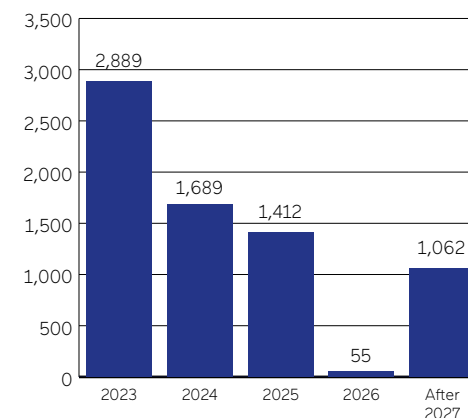
Cash flow for the period totalled SEK 2.6 million (-192.7). Cash flow was affected by investments in existing properties of SEK -554.9 million (-359.9), as well as acquisitions of SEK -7.7 million (-1,160.7). Financing activities were affected by loans taken out on existing and acquired properties of SEK 523.9 million (1,424.1), the amortisation and repayment of loans of SEK -294.8 million (-792.6), the dividend on hybrid bonds of SEK -39.8 million (-35.2) and a dividend of SEK -78.5 million (-68.4). The cash flow from operating activities before changes in working capital totalled SEK 336.9 million (212.8) for the period, due to the acquisition of properties and realised interest rate swaps of SEK 142.7 million. Cash and cash equivalents at the end of the period totalled SEK 90.0 (87.4) million.

## Derivative financial instruments

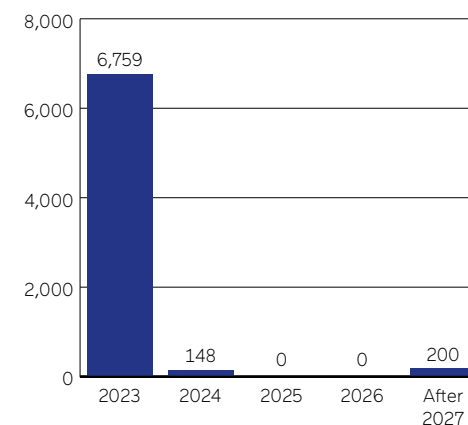
Maturity, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2032	200	1.1	3.12
	<b>200</b>	<b>1.1</b>	<b>3.12</b>

A swaption with a nominal amount of SEK 1 billion has been sold with a maturity of 8 years at a fixed interest rate of 2.50 percent. The derivative has had no impact on the average fixed interest, as it commences in 2024. The derivative liability relating to the instrument totals SEK 27.0 million.

## Capital tied up, SEK million



## Fixed interest, SEK million



# Shares

In May, Trianon carried out the share split adopted by the Annual General Meeting on 12 May 2022. In connection with the share split, each existing share was divided into four new shares of the same share class (a 4:1 split). During September and December, the conversion of the convertible programme for staff increased the number of shares by 499,997 class B shares.

The company has a total of 157,505,957 shares, divided into 6,084,472 class A shares and 151,421,485 class B shares. Each class A share provides entitlement to 1 vote and each class B share to 1/10 vote, making the total number of votes 21,226,620.5. The share capital amounted to SEK 98,441,223, and the quota value per share was SEK 0.625. On 21 June 2017, Trianon's class B shares were listed on the Nasdaq First North Premier Growth Market. Since 17 December 2020, Trianon's class B shares have been listed on Nasdaq Stockholm, in the Mid Cap segment. The closing price on 31 December 2022 was SEK 20.85 per share. The company's total market capitalisation was SEK 3.3 billion on 31 December 2022.

## Convertible loans

The incentive programme for staff in the form of convertible loans was subscribed during 2019 at an amount of SEK 11.4 million, with a maturity of three years. SEK 9.8 million was converted to shares in autumn 2022 and the remaining SEK 1.6 million repaid in December 2022. The conversion to shares has added 499,997 shares to the company and increased share capital by SEK 312,498 and has resulted in a dilution of capital of 0.3 percent and of votes of 0.2 percent.

## Share capital changes

Decision date	Event	Change in number of shares		Number of shares after 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 Jun 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 Jun 2011	New share issue	682,618	215,364	4,095,709	1,292,185	5,387,894	8,979,820	53,878,940
29 Jun 2012	New share issue	0	1,001,992	4,095,709	2,294,177	6,389,886	10,019,920	63,898,860
16 Apr 2015	New share issue	409,571	229,418	4,505,280	2,523,595	7,028,875	6,389,890	70,288,750
03 Apr 2017	Share split (4:1)	0	0	18,021,120	10,094,380	28,115,500	0	70,288,750
03 Apr 2017	Reclassification	-16,500,002	16,500,002	1,521,118	26,594,382	28,115,500	0	70,288,750
21 Jun 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 Jul 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
18 Nov 2021	New share issue	0	1,500,000	1,521,118	37,730,372	39,251,490	3,750,000	98,128,725
24 May 2022	Share split (4:1)	0	0	6,084,472	150,921,488	157,005,960	0	98,128,725
20 Sep 2022	Issue through conversion	0	407,690	6,084,472	151,329,178	157,413,650	254,806	98,383,531
06 Dec 2022	Issue through conversion	0	92,307	6,084,472	151,421,485	157,505,957	57,692	98,441,223
<b>Total</b>				<b>6,084,472</b>	<b>151,421,485</b>	<b>157,505,957</b>		<b>98,441,223</b>





## Owners

The two largest owners in Trianon are Olof Andersson, privately and through companies, and Jan Barchan, through companies, each of them representing around 27 percent of the company's total shares and approximately 32 percent of the company's total votes.

The ownership of the total number of shares in the company is shown in the table on the right.

## Share information

Ticker symbol: TRIAN B  
ISIN code: SE0018013658

## Shareholders as at 31 December 2022

Name	Class A shares	Class B shares	Total Holdings	Equity %	Total Votes	Votes %
Olof Andersson privately and through companies	2,890,984	40,085,943	42,976,927	27.29%	6,899,578.3	32.50%
Briban Invest AB	2,890,984	38,880,932	41,771,916	26.52%	6,779,077.2	31.94%
Grenspecialisten Förvaltning AB	-	15,170,096	15,170,096	9.63%	1,517,009.6	7.15%
SEB Fonder	-	9,585,984	9,585,984	6.09%	958,598.4	4.52%
Länsförsäkringar Fastighetsfond	-	9,078,457	9,078,457	5.76%	907,845.7	4.28%
Mats Cederholm privately and through companies	302,504	3,333,436	3,635,940	2.31%	635,847.6	3.00%
The Eklund Family privately and through companies	-	4,080,000	4,080,000	2.59%	408,000.0	1.92%
Verdipapirfondet Odin Eiendom	-	3,268,248	3,268,248	2.07%	326,824.8	1.54%
Tredje AP-fonden [the Third National Pension Fund]	-	1,944,412	1,944,412	1.23%	194,441.2	0.92%
Humle Småbolagsfond	-	1,920,960	1,920,960	1.22 %	192,096.0	0.90%
Other shareholders	-	24,073,017	24,073,017	15.28%	2,407,301.7	11.34%
<b>Total</b>	<b>6,084,472</b>	<b>151,421,485</b>	<b>157,505,957</b>	<b>100.00%</b>	<b>21,226,620.5</b>	<b>100.00%</b>

## Share price trend, 02 Jan 2022 – 30 Dec 2022



### New number of shares, December 2022:

After the conversion of the staff convertibles to shares, the company has a total of 157,505,957 shares, divided into 6,084,472 class A shares and 151,421,485 class B shares.

## Total return, 02 Jan 2018 – 30 Dec 2022



# Consolidated income statement

## Condensed consolidated statement of comprehensive income

SEK million	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Rental income	173.6	159.9	688.3	618.1
Property costs	-69.3	-61.9	-273.4	-227.6
Income from development properties	6.7	0.0	90.6	0.0
Expenses for development properties	-6.7	0.0	-82.2	0.0
Other income	2.2	3.5	16.3	5.5
<b>Net operating income</b>	<b>106.4</b>	<b>101.5</b>	<b>439.6</b>	<b>396.0</b>
Central administration	-21.5	-15.6	-72.9	-55.5
Profit/loss from participations in associates and joint ventures	3.7	19.1	22.2	41.7
<i>of which profit from property management from associates and joint ventures</i>	1.6	4.2	14.0	6.5
Financial income	7.8	0.8	9.2	2.7
Interest expense right of access (site-leasehold rights)	-1.5	-1.4	-6.1	-6.4
Financial expenses	-57.4	-25.5	-151.9	-90.2
<b>Profit including changes in value and tax in associates and joint ventures</b>	<b>37.5</b>	<b>78.9</b>	<b>240.1</b>	<b>288.3</b>
<b>Profit from property management</b>	<b>35.4</b>	<b>64.0</b>	<b>231.8</b>	<b>253.1</b>
Change in value, investment properties	-412.1	608.5	-234.5	1,311.2
<i>of which changes in value related to projects</i>	21.8	0.0	113.8	0.0
Changes in value of derivatives	-6.3	13.8	196.4	66.5
<b>Profit/loss before tax</b>	<b>-380.9</b>	<b>701.2</b>	<b>201.9</b>	<b>1,666.0</b>
Tax on profit/loss for the period	71.2	-168.9	-30.5	-355.5
<b>Profit for the period</b>	<b>-309.7</b>	<b>532.3</b>	<b>171.4</b>	<b>1,310.5</b>
Other comprehensive income	0.0	0.0	0.0	0.0
<b>Comprehensive income for the period</b>	<b>-309.7</b>	<b>532.3</b>	<b>171.4</b>	<b>1,310.5</b>
<b>Comprehensive income for the period attributable to:</b>				
The Parent's shareholders	-309.7	532.5	171.4	1,305.0
Holdings with a non-controlling interest	0.0	-0.2	0.0	5.5
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*	-2.05	3.42	0.84	8.41
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution**	-2.05	3.41	0.84	8.39
Average number of outstanding shares before dilution, thousand*	157,439.7	153,614.7	157,127.6	150,992.8
Average number of outstanding shares after dilution, thousand**	157,439.0	154,012.6	157,324.0	151,341.5

\* The average number of shares is a weighted average for the period taking into account the new issue of 285,990 shares on 3 August 2021, the new issue of 1,500,000 shares on 22 November 2021 and the issue through conversion of 407,690 shares on 20 September 2022 as well as the conversion of 92,307 shares on 6 December 2022.

Earnings per share and the number of shares for earlier periods have been recalculated taking into account the 4:1 share split on 27 May 2022.

\*\* Dilution in respect of the 3-year convertible loan which falls due in 2022, converted at the end of the period.



## Condensed balance sheet

SEK million	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<i>Property, plant and equipment</i>		
Investment properties	12,862.6	12,665.5
Right of access (site-leasehold rights)	181.4	163.6
Property, plant and equipment	3.5	7.3
<b>Total property, plant and equipment</b>	<b>13,047.5</b>	<b>12,836.4</b>
<i>Financial non-current assets</i>		
Participations in associates and joint ventures	475.2	244.1
Receivables at associates and joint ventures	34.6	161.7
Other non-current receivables	12.8	17.1
<b>Total financial non-current assets</b>	<b>522.6</b>	<b>422.9</b>
Deferred tax assets	35.5	55.5
<b>Total non-current assets</b>	<b>13,605.6</b>	<b>13,314.8</b>
<i>Current assets</i>		
Current receivables	63.3	179.0
Receivables at associates and joint ventures	16.7	0.0
Derivative financial instruments	22.2	0.0
Cash and cash equivalents	90.0	87.4
<b>Total current assets</b>	<b>192.2</b>	<b>266.4</b>
<b>TOTAL ASSETS</b>	<b>13,797.7</b>	<b>13,581.2</b>

SEK million	31 Dec 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Parent's shareholders	5,372.9	5,217.3
Holdings with a non-controlling interest	0.0	26.6
<b>Total equity</b>	<b>5,372.9</b>	<b>5,243.9</b>
<i>Non-current liabilities</i>		
Interest-bearing liabilities	4,127.0	3,454.2
Other non-current liabilities	3.6	48.1
Lease liabilities	182.3	163.6
Derivative financial instruments	28.2	70.9
Deferred tax liabilities	855.1	857.3
<b>Total non-current liabilities</b>	<b>5,196.3</b>	<b>4,594.1</b>
<i>Current liabilities</i>		
Interest-bearing liabilities	2,980.4	3,412.4
Other current liabilities	248.2	330.8
<b>Total current liabilities</b>	<b>3,228.6</b>	<b>3,743.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,797.7</b>	<b>13,581.2</b>



## Condensed consolidated statement of changes in equity

SEK million	31 Dec 2022	31 Dec 2021
<b>Total equity at the start of the period</b>	<b>5,243.9</b>	<b>3,635.2</b>
<i>Equity attributable to Parent's shareholders</i>		
<b>Amount at the start of the period</b>	<b>5,217.3</b>	<b>3,532.3</b>
New share issue	9.8	446.9
Dividend	-78.5	-67.4
Issue of hybrid bond	497.1	0.0
Buyback of hybrid bond	-402.0	0.0
Dividend, hybrid bond	-39.8	-35.2
Non-controlling interests acquired	-2.5	35.7
Profit/loss for the period and comprehensive income excluding non-controlling interests	171.4	1,305.0
<b>Equity attributable to Parent's shareholders at the end of the period</b>	<b>5,372.9</b>	<b>5,217.3</b>
<i>Equity attributable to non-controlling interests</i>		
<b>Amount at the start of the period</b>	<b>26.6</b>	<b>102.9</b>
Dividend	0.0	-1.0
Non-controlling interests acquired	-26.6	-80.8
Profit for the period	0.0	5.5
<b>Equity attributable to non-controlling interests at the end of the period</b>	<b>0.0</b>	<b>26.6</b>
<b>Total equity at the end of the period</b>	<b>5,372.9</b>	<b>5,243.9</b>



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## Condensed cash flow statement

SEK million	Jan-Dec 2022	Jan-Dec 2021
<i>Cash flow from operating activities</i>		
Net operating income	439.6	396.0
Central administration	-72.9	-55.5
Net financial income/expense paid	-23.1	-126.0
Non-cash items	-6.2	1.3
Income tax paid	-0.5	-3.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>336.9</b>	<b>212.8</b>
<i>Changes in working capital</i>		
Changes in operating receivables	137.0	22.5
Changes in operating liabilities	-32.6	26.4
<b>Cash flow from operating activities</b>	<b>441.2</b>	<b>261.7</b>
<i>Investing activities</i>		
Investment in investment properties	-554.9	-359.9
Acquisitions of investment properties via subsidiaries	-7.7	-868.1
Other investments in property, plant and equipment	-0.5	0.0
Acquisition of associates	0.0	-292.6
Sale of investment property via subsidiaries	0.0	221.9
Sale of subsidiaries to associates and joint ventures	36.2	364.9
Investment receivables, associates and joint ventures	-91.6	-22.6
Amortisation of financial non-current assets	3.0	0.0
<b>Cash flow from investing activities</b>	<b>-615.6</b>	<b>-956.3</b>
<i>Financing activities</i>		
Loans raised	523.9	1,424.1
Amortisation of loans	-117.6	-132.6
Repayment of other loans and deposits	-177.1	-660.0
Acquisition of shares from non-controlling interest	-29.0	-413.0
Issues	0.0	387.0
Hybrid bond, issue	497.1	0.0
Hybrid bond, buyback	-402.0	0.0
Hybrid bond, dividend	-39.8	-35.2
Dividends paid	-78.5	-68.4
<b>Cash flow from financing activities</b>	<b>177.0</b>	<b>501.9</b>
<b>Cash flow for the period</b>	<b>2.6</b>	<b>-192.7</b>
Cash and cash equivalents at start of period	87.4	280.1
Cash and cash equivalents at end of period	90.0	87.4



# The Group's key performance indicators

Trianon presents certain financial measures in its reports 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. As 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 page 28.

The following financial targets were set by the Board of Directors and apply for the period 2022 to 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 profit from the project portfolio shall amount to at least SEK 100 million.

Financial	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Return on equity, %	-22.6	44.7	3.2	31.3
Interest coverage ratio, times	1.6	3.2	2.4	3.2
Equity/assets ratio, %	38.9	38.6	38.9	38.6
Average interest rate, %	2.8	1.9	2.2	1.9
Profit from property management, SEK million	35.4	64.0	231.8	253.1
Increase in profit from property management compared with the corresponding period of the preceding year, %	-44.8	18.8	-8.4	12.9
Profit before tax, SEK million	-380.9	701.2	201.9	1,666.0
Comprehensive income for the period, SEK million	-309.7	532.3	171.4	1,310.5
Comprehensive income for the period attributable to Parent's shareholders, SEK million	-309.7	532.5	171.4	1,305.0
Equity, SEK million	5,372.9	5,243.9	5,372.9	5,243.9
Equity attributable to Parent's shareholders, SEK million	5,372.9	5,217.3	5,372.9	5,217.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	4,905.0	4,804.8	4,905.0	4,804.8
Long-term net worth, SEK million	6,198.4	6,090.0	6,198.4	6,090.0
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	5,730.6	5,677.5	5,730.6	5,677.5
Total assets, SEK million	13,797.7	13,581.1	13,797.7	13,581.1

Share-related***	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Number of outstanding shares, thousand***	157,506.0	157,006.0	157,506.0	157,006.0
Average number of shares outstanding, thousand*, ***	157,439.7	153,614.7	157,127.6	150,992.8
Equity per share, SEK	34.11	33.23	34.11	33.23
Equity per share, SEK**	31.14	30.60	31.14	30.60
Earnings per share, SEK*	-2.05	3.42	0.84	8.41
Long-term net worth per share, SEK	39.35	38.79	39.35	38.79
Long-term net worth per share, SEK**	36.38	36.16	36.38	36.16

\* Definition under IFRS

\*\* After the deduction of equity attributable to hybrid bonds

\*\*\* Number of shares as well as the average number of shares restated taking into account the 4:1 share split on 27 May 2022.

Property-related	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Rental income, SEK million	173.6	159.9	688.3	618.1
Operating surplus, SEK million	106.4	101.5	439.6	396.0
Rental value, SEK million	798.4	737.8	798.4	737.8
Economic occupancy rate, %	95.2	95.0	95.2	95.0
Surplus ratio, %	61.3	63.5	62.6	64.1
Loan-to-value ratio, %	54.6	53.5	54.6	53.5
Proportion of residential and public sector/community properties, %	85	85	85	85
Rentable area excluding garage, thousand m <sup>2</sup>	491	488	491	488



## Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Rental income	173.6	159.9	688.3	618.1
Other income	2.2	3.5	16.3	5.5
Property costs	-69.3	-61.9	-273.4	-227.6
Net operating income	106.4	101.5	431.2	396.0
<b>Surplus ratio, %</b>	<b>61.3</b>	<b>63.5</b>	<b>62.6</b>	<b>64.1</b>
Equity	5,372.9	5,243.9	5,372.9	5,243.9
Total assets	13,797.7	13,581.1	13,797.7	13,581.1
<b>Equity/assets ratio, %</b>	<b>38.9</b>	<b>38.6</b>	<b>38.9</b>	<b>38.6</b>
Interest-bearing liabilities, non-current	4,127.0	3,465.5	4,127.0	3,465.5
Interest-bearing liabilities, current	2,980.4	3,401.0	2,980.4	3,401.0
Cash and cash equivalents	-90.0	-87.4	-90.0	-87.4
Interest-bearing net debt	7,017.4	6,779.1	7,017.4	6,779.1
Investment properties	12,862.6	12,665.5	12,862.6	12,665.5
<b>Loan-to-value ratio, %</b>	<b>54.6</b>	<b>53.5</b>	<b>54.6</b>	<b>53.5</b>
Profit/loss before tax	-380.9	701.2	201.9	1,666.0
Add-back of changes in the value of investment properties and derivatives	418.4	-622.3	38.1	-1,377.7
Add-back of interest expense	57.4	25.5	151.9	90.2
Adjusted profit/loss before tax	94.9	104.4	392.0	378.5
Financial expenses	-57.4	-25.5	-151.9	-90.2
Interest expense, derivatives	-0.4	-7.3	-11.2	-30.0
Total interest expense including interest expense for derivatives	-57.8	-32.8	-163.1	-120.2
<b>Interest coverage ratio, times</b>	<b>1.6</b>	<b>3.2</b>	<b>2.4</b>	<b>3.2</b>
Profit for the period attributable to the Parent's shareholders	-309.7	532.5	171.4	1,305.0
Calculated annual rate	-1,238.9	2,129.8	171.4	1,305.0
Average equity attributable to the Parent's shareholders	5,485.9	4,761.5	5,421.5	4,172.8
<b>Return on equity, %</b>	<b>-22.6</b>	<b>44.7</b>	<b>3.2</b>	<b>31.3</b>
Equity attributable to Parent's shareholders	5,372.9	5,217.3	5,372.9	5,217.3
Add-back of deferred tax liability	855.1	857.3	855.1	857.3
Add-back of derivative liability	28.2	70.9	28.2	70.9
Add-back of derivative asset	-22.2	0.0	-22.2	0.0
Add-back of deferred tax asset	-35.5	-55.5	-35.5	-55.5
<b>Long-term net worth</b>	<b>6,198.4</b>	<b>6,090.0</b>	<b>6,198.4</b>	<b>6,090.0</b>
Deduction of equity attributable to hybrid bonds	-467.8	-412.5	-467.8	-412.5
<b>Long-term net worth after the deduction of equity attributable to hybrid bonds</b>	<b>5,730.6</b>	<b>5,677.5</b>	<b>5,730.6</b>	<b>5,677.5</b>

# The Parent's financial statements

## Condensed income statement

SEK million	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
<i>Operating income</i>				
Net sales	18.4	17.3	72.7	64.1
Other operating income	4.6	1.2	8.2	3.2
<b>Total operating income</b>	<b>23.0</b>	<b>18.5</b>	<b>80.9</b>	<b>67.3</b>
<i>Operating expenses</i>				
Operating expenses	-28.8	-24.7	-102.4	-95.0
<b>Operating profit/loss</b>	<b>-5.8</b>	<b>-6.2</b>	<b>-21.5</b>	<b>-27.7</b>
<i>Financial items</i>				
Profit/loss from participations in Group companies	-50.4	-5.9	-14.8	334.1
Profit/loss from participations in associates	-10.0	-16.5	-10.0	-16.5
Interest income and similar profit/loss items	22.2	31.6	55.6	50.6
Interest expense and similar profit/loss items	-23.9	-14.0	-83.8	-50.9
Changes in value of derivatives	-28.2	-51.9	121.4	1.8
<b>Profit/loss after financial items</b>	<b>-96.1</b>	<b>-62.9</b>	<b>46.9</b>	<b>291.3</b>
<i>Appropriations</i>				
Appropriations	55.7	38.5	55.7	38.5
<b>Profit/loss before tax</b>	<b>-40.4</b>	<b>-24.4</b>	<b>102.7</b>	<b>329.8</b>
<i>Tax on profit/loss for the period</i>				
Tax on profit/loss for the period	26.1	-9.7	-4.3	-23.3
<b>Profit for the period</b>	<b>-14.3</b>	<b>-34.1</b>	<b>98.4</b>	<b>306.5</b>

## Condensed balance sheet

SEK million	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	848.5	697.2
Receivables at Group companies	1,367.5	1,672.3
Financial non-current assets	1,778.4	1,729.8
<b>Total non-current assets</b>	<b>3,994.4</b>	<b>4,099.3</b>
<i>Current assets</i>		
Current receivables	65.0	158.9
Receivables at Group companies	381.3	40.9
Cash and bank balances	57.9	14.9
<b>Total current assets</b>	<b>504.2</b>	<b>214.6</b>
<b>TOTAL ASSETS</b>	<b>4,498.7</b>	<b>4,313.9</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
Restricted equity	129.6	129.6
Non-restricted equity	2,000.2	1,915.3
<b>Total equity</b>	<b>2,129.8</b>	<b>2,044.8</b>
<b>Provisions for tax</b>		
	<b>12.8</b>	<b>25.8</b>
<i>Non-current liabilities</i>		
Liabilities to credit institutions and bond loans	445.3	907.3
Derivative financial instruments	28.2	70.9
Liabilities to Group companies	957.1	1,042.0
<b>Total non-current liabilities</b>	<b>1,430.6</b>	<b>2,020.2</b>
<i>Current liabilities</i>		
Liabilities to credit institutions and bond loans	471.9	40.3
Liabilities to Group companies	405.4	3.8
Other liabilities	48.1	179.0
<b>Total current liabilities</b>	<b>925.4</b>	<b>223.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,498.7</b>	<b>4,313.9</b>





# Other disclosures

## Segment reporting

SEK million	Total		Residential		Public sector/community		Commercial	
	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2022	Jan–Dec 2021	Jan–Dec 2022	Jan–Dec 2021
Rental income	684.9	616.3	495.1	413.0	73.5	54.5	116.3	148.7
Property costs	-267.3	-226.1	-197.6	-158.7	-26.8	-16.4	-42.9	-51.0
<b>Net operating income</b>	<b>417.6</b>	<b>390.2</b>	<b>297.5</b>	<b>254.3</b>	<b>46.7</b>	<b>38.1</b>	<b>73.4</b>	<b>97.7</b>
Interest expense right of access (site-leasehold rights)	-6.1	-6.4	-6.0	-5.3	-0.1	-0.1	0.0	-1.0
Change in value, investment properties	-290.4	1,302.6	-325.0	1,071.8	74.6	80.1	-40.0	150.7
<b>Segment profit</b>	<b>121.1</b>	<b>1,686.4</b>	<b>-33.5</b>	<b>1,320.8</b>	<b>121.2</b>	<b>118.1</b>	<b>33.4</b>	<b>247.4</b>
<b>Unallocated items</b>								
Net operating profit/loss from project properties	5.7	0.3						
Other income and central administration	-56.6	-50.0						
Profit/loss from participations in associates and joint ventures	22.2	41.7						
Net financial income/expense excluding site-leasehold rights	-142.7	-87.5						
Change in value, project properties	55.9	8.6						
Changes in value of derivatives	196.4	66.5						
<b>Profit/loss before tax</b>	<b>202.0</b>	<b>1,666.0</b>						
Fair value per segment	12,452.2	12,319.4	9,086.5	9,283.9	1,514.8	1,241.0	1,850.9	1,794.5
Fair value, projects	410.4	346.1						
<b>Fair value, investment properties</b>	<b>12,862.6</b>	<b>12,665.5</b>	<b>9,086.5</b>	<b>9,283.9</b>	<b>1,514.8</b>	<b>1,241.0</b>	<b>1,850.9</b>	<b>1,794.5</b>
Surplus ratio, %	62.6	64.1	60.1	61.6	63.5	69.9	63.1	65.7

## Segment reporting

Operations are followed up per segment. The property portfolio is divided into three segments: residential, public sector/community services and commercial. Since the first quarter of 2022, retail and office properties are reported jointly under the designation commercial. The aspect which is predominant in relation to the rental value of the property determines the segment to which a property belongs.

Rental income, property costs, net operating income, change in value of investment properties, fair value and surplus ratio are followed up.



## Accounting policies

### Group accounting policies

In its consolidated financial statements, Trianon complies with IFRS (International Financial Reporting Standards) and their interpretations (IFRIC) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In addition, the relevant provisions of the Swedish Annual Accounts Act have been applied.

In the case of the sale of two development properties during the third quarter, an assessment has been made that the revenue must be recognised over time in accordance with IFRS 15.

The properties must be delivered as two turnkey properties, so the parties have agreed that the buyer will only take over the formal ownership of the properties upon completion. The commitment involves delivering a distinct investment object with an agreed price. The total revenue is predetermined and is not affected by how the value develops until completion. As Trianon's performance commitment takes place over time, the revenue is also recognised over time.

### The Parent's accounting policies

The Parent has prepared its financial reports in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. RFR 2 requires the Parent to apply the same accounting policies as the Group, i.e. IFRS, to the extent which RFR 2 permits.

### Group and Parent

For a detailed explanation of the accounting policies, please refer to Trianon's Annual Report for 2021. The accounting policies are unchanged from those applied in the Annual Report for 2021. Rounding has been applied to certain amounts, and this may mean that the tables and calculations do not always add up.

### Information on financial instruments

All financial assets and liabilities, with the exception of interest rate derivatives, are valued at amortised cost. Interest rate derivatives, are recognised at fair value with changes in value in the income statement. Hedge accounting is not applied.

### Related party transactions

Board Members Richard Hultin and Elin Thott received consultancy fees through companies for management services provided to part-owned companies as well as for legal advice. The fees were less than SEK 30,000 each in 2022.

Otherwise, there were no related party transactions during the period other than remuneration paid to senior executives.

### Significant risks and uncertainties

The preparation of financial statements in accordance with generally accepted accounting practice requires the company's management to make judgements and assumptions which affect the assets, liabilities, income and expenses reported in the accounts, as well as other

information provided. Actual outcomes may differ from these judgements. Properties under management are recognised at fair value with changes in value in profit or loss, which means that profit/loss may vary both up and down during the year.

Given developments in the outside world, there is an increased likelihood of financing risk and interest rate risk, which has already materialised towards the end of the period. Rising market interest rates have also increased the required return for the property portfolio. This has been offset to a certain extent by increased net letting and higher rents in both the residential and commercial portfolios.

Trianon remains in a strong financial position and the refinancing carried out in 2022 took place largely with unchanged bank margins. The capital tie-up was also increased during the year in order to reduce the refinancing risk.

In the Annual Report for 2021, on pages 88–89, there are detailed descriptions of the judgements and sensitivity analyses, as well as how changes in rental income, property costs, interest rate changes and other market factors can affect the property value. The Group's operations, financial position and performance can be affected by a number of risks and uncertainties. These are described in greater detail in the Annual Report for 2021, on pages 62–65.

### Annual Report and Annual General Meeting

The Annual Report for 2022 will be available on Trianon's website, [www.trianon.se](http://www.trianon.se), from week 13 of 2023 onwards. The Annual General Meeting will take place on Thursday, 11 May 2023 in Malmö. Any shareholder wishing to have a matter raised at the AGM may submit a proposal to Trianon's Board of Directors by email to [info@trianon.se](mailto:info@trianon.se) or by post to Fastighets AB Trianon, Västra Kanalgatan 5, 211 41 Malmö. For inclusion in the Notice of the meeting, a proposal for the AGM must have been received by the Board no later than 17 March 2023.

### Dividend

Despite the company's strong financial position, the Board of Directors has decided to defer a proposal for a dividend. This is in order to have the flexibility to evaluate new business opportunities. The Board will return with a proposal regarding dividend at the latest in connection with the notice of the Annual General Meeting 2023.

## Signatures

The Board of Directors and the CEO declare that the Year-end Report gives a full and fair view of the operation, position and performance of the Group and the Parent, and describes the significant risks and uncertainties faced by the Group and the Parent.

Malmö, 16 February 2023

Viktoria Bergman  
*Chair of the Board*

Olof Andersson  
*Member of the Board and CEO*

Axel Barchan  
*Member of the Board*

Richard Hultin  
*Member of the Board*

Jens Ismunden  
*Member of the Board*

Elin Thott  
*Member of the Board*

This Year-end Report has not been subject to review by the company's auditors.



# Definitions and other

## 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.*

## Loan-to-value ratio

Interest-bearing net debt in relation to property value at the end of the period.

*Reason for use: The aim is to indicate 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 interior area 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 in a building. The gross area extends to the outside surface of the walls.

## 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 equity 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.

## 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.*

## Development property

Development property refers to property that is held with the intention of developing and selling it.

## 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.

## 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.

## Investment profit from project portfolio

Refers to changes in value relating to project properties.

## 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.*

## 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.*

## Project property

Project property is property for development and buildings under construction.

## 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.

## Interest coverage ratio

The profit before tax for the period, with add-back of changes in the value of derivatives and properties, as well as finance costs, in relation to finance costs with add-back of interest expense for derivatives.

*Reason for use: Enables investors to assess the ability to meet ongoing financial commitments.*

## 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.

## 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.*

## 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.*



Trianon is a property company which owns, manages, develops and builds residential, public sector/ community and commercial properties in Malmö and its environs. The Company is committed to achieving a sustainable lifestyle, both socially and environmentally, and is entrepreneurial, with an organisation and an approach distinguished by flexibility, rapidity and a high level of service. The corporate strategy is based on responsiveness, carefully monitoring social trends and discovering new trends with the aim of identifying exciting business opportunities.

The Company is listed on Nasdaq Stockholm's main market list.

## Financial calendar:

Interim Report Q1 2023 .....	04 May 2023
Annual General Meeting 2023.....	11 May 2023
Interim Report Q2 2023 .....	13 July 2023
Interim Report Q3 2023 .....	31 October 2023

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*This information is such that Fastighets AB Trianon (publ) is obliged to disclose under the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was provided, through the above-mentioned contact persons, for release on 17 February 2023 at 07.45.*

*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.*

*Cover: Häggen 13 in Värnhem, Malmö, and pages 4, 14, 20, 21, 27, photographs by Pernilla Wästberg.*



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