

Q3

Interim Report January–September 2022
Fastighets AB Trianon (publ)

Increased rental income, increased net operating profit and increased profit from property management

Results in brief for the period January–September 2022

- Rental income grew by 12 percent and amounted to SEK 514.7 million (458.2).
- The operating surplus increased by 13 percent to SEK 333.2 million (294.5) and the surplus ratio was 63 percent (64).
- The profit from property management grew by 4 percent and amounted to SEK 196.5 million (189.1).
- The net profit for the period amounted to SEK 481.1 million (778.2), equivalent to earnings per share of SEK 2.90 (4.96) before dilution and SEK 2.89 (4.95) after dilution. Corresponding figures per share were recalculated after a 4:1 share split in May 2022.
- Changes in the value of investment properties totalled SEK 177.6 million (702.7), of which SEK 92.0 million represented project profits.
- The change in value of derivatives amounted to SEK 202.7 million (52.7).

Results in brief, third quarter of 2022

- Rental income grew by 12 percent and amounted to SEK 172.8 million (154.9).
- The operating surplus increased by 19 percent to SEK 125.6 million (105.9) and the surplus ratio was 68 percent (68).
- The profit from property management grew by 2 percent and amounted to SEK 71.4 million (70.0).
- The net profit for the period amounted to SEK 111.9 million (258.8), equivalent to earnings per share of SEK 0.66 (1.66) before dilution and SEK 0.66 (1.65) after dilution. Corresponding figures per share were recalculated after a 4:1 share split in May 2022.
- Changes in the value of investment properties totalled SEK 47.2 million (215.3), of which SEK 41.6 million represented project profits.
- The change in value of derivatives amounted to SEK 7.3 million (13.3).

Rental income
+12 %

Return on equity
12 %

Net letting
SEK 12.3 million

Long-term net worth
38.83
per share

TRIANON 

Refers to the period January–September 2022

Significant events

- Continued strong net letting of SEK 12.3 million during the first nine months of the year.
 - Sale of 391 residential units for young people in central Malmö. Sale of new construction project via forward funding.
 - Sale of Hanna district project with 111 apartments in Burlöv to Burlöv Center Fastighets AB. The project will be carried out through a joint venture with Wallfast.
 - Four teams of architects have been selected for new designs of the silos at Limhamn, including 15 000 m² gross total area. This will be a tenant-owner project in the best location in Limhamn.
 - Project profits of SEK 92.0 million were recognised during the first nine months of the year. The target is to achieve project profits of SEK 100 million per year.
- For more information on the project portfolio, see page 10.
- 112 apartments were renovated in the first nine months of the year. The target is to renovate 200 apartments per year.

Events after the end of the period

- Sale via joint venture of development rights for 12,500 m² to Tornet to generate additional opportunities in the urban development project in Burlöv.
- Signing a sustainability-linked finance agreement with Handelsbanken for SEK 1,9 billion, which increases the fixed-interest period to around 3.2 years.

January-September 2022



Share split:

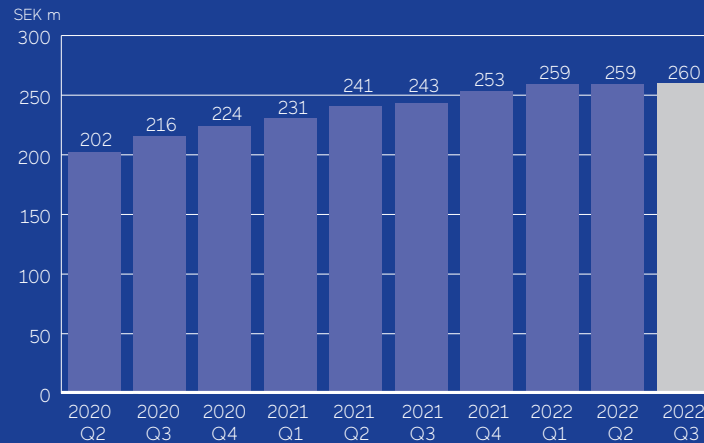
A 4:1 share split was carried out on 27 May 2022.

Financial objectives

Trianon's financial objectives for the period 2022–2024 were set in 2021.

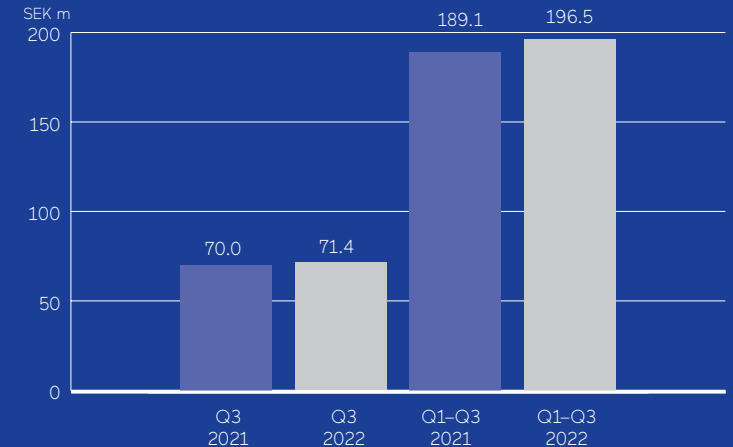
- The profit from property management shall increase by 12 % annually.
- Return on equity shall exceed 12% over an economic cycle.
- The loan-to-value ratio shall not exceed 60 %.
- The interest coverage ratio shall exceed 1.75 times.
- Annual investment income from the project portfolio shall be at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

Profit from property management, rolling 12 months, SEK million



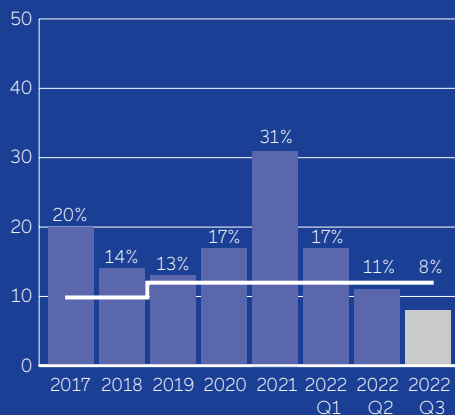
Increase of 7 %

Profit from property management, SEK million



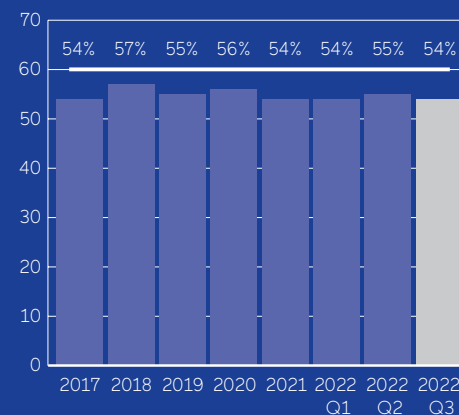
Target annual increase of 12 %

Average return on equity, %



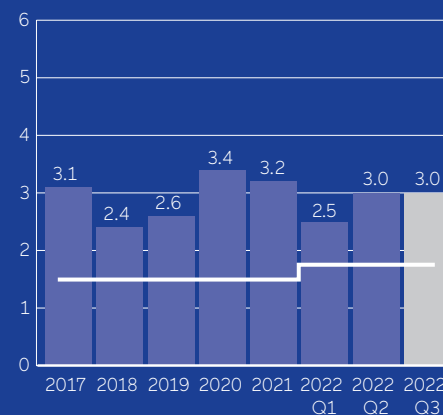
— Target to exceed 12 % over a business cycle

Loan-to-value ratio, %



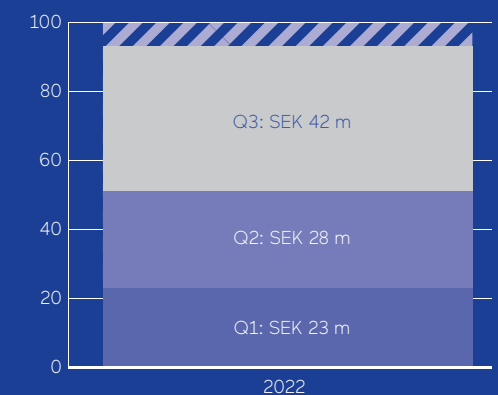
— Target not to exceed 60 %

Interest coverage ratio, times



— Target to exceed 1.75 times

Annual investment profit from the project portfolio, SEK million



The target is to exceed SEK 100 million per year



Still optimistic despite everything

Sailing in stormy waters. The war in Ukraine continues to rage, inflation is rising, interest rates are moving upwards and energy prices are beginning to reach critical levels. In such a perfect storm in the daily news it is tempting to retreat to the bunker and wait for better times. That's not how we think at Trianon.

Despite the unsettled world, I am optimistic. I have lived through many crises and economic downturns, and if I have learned anything it's how important it is to ensure adequate liquidity and strong financials. This generates confidence at the same time as it provides opportunities for advantageous deals. The best long-term deals are often made when the challenges are at their greatest.

In the midst of the prevailing restrictions and uncertainties in 2020, we made major acquisitions which are currently proving to be exceptionally value-generating. The fact that we can overcome challenges of this type during a crisis is a tribute to our exceptional resilience and our financial resources. When we see opportunities for attractive deals we don't let a sky full of storm clouds put us off.

Stable financing

This does not mean that we are treating the crisis lightly. We have worked hard on our financing, and during Q3 we refinanced loans of over SEK 2 billion on essentially the same terms and conditions as previously. The majority of this has been linked to a sustainable framework in which our approach to social sustainability and our energy savings provide us with better terms and conditions. We have exceptionally good relationships with our banks, and the fact that our debt portfolio is 93 percent bank-financed makes us less dependent on other forms of financing. We are carefully evaluating options for our sustainable hybrid bond and as I mentioned in

the Q2 report, we have solutions in place that are independent of bond market sentiment.

During the quarter, we realised the profits (SEK 127 million) in our swaps, and after the end of the quarter, we have started work on increasing the fixed interest rate again. We will bank finance our senior bonds which mature in August 2023 if the bond market is still not functioning or is too expensive. In the immediate future, however, we will be affected by higher interest rates, and this will have a negative impact on our performance. We believe that we will see lower interest rates and lower inflation during the second half of 2023.

Strong region, secure revenue

The transaction market for properties in Malmö and the surrounding area is very hesitant. Contracts have been concluded on several residential properties during the quarter at levels which are above our carrying amounts, but, for precautionary reasons, we have not revalued our properties historically. With an average yield of almost 4 percent on our portfolio and a carrying amount of SEK 26,700 per m², there are good margins on the contracts which have been concluded – a fact which has also been confirmed through cross-checks with our valuers. The population growth in Malmö, the continuing urbanisation and the 50–150 people queueing up for every vacant apartment are confirmation that residential units in attractive regions are a secure source of revenue even in an unsettled world. As far as rental increases are concerned, we are confident that all the parties involved will

honour the current agreements which provide us with reasonable compensation for our increased energy costs and interest expense.

Spiralling energy prices

Despite the fact that 40 percent of our electricity contracts are fixed, the current high prices are having a major impact. Eon has announced a price rise on district heating in Malmö of 20 percent, which is pure margin enhancement and is totally unreasonable from a company in a monopoly position. If this becomes a reality, we will not do business with Eon where other alternatives are available. How raised market interest rates affects Trianon's management results, see page 13.

Growth trajectory continues

The third quarter provided increased rental income of 12 percent, increased net operating profit and increased profit from property management. Net letting amounted to SEK 7.2 million, including our joint venture companies. Profits from our projects are running according to plan. During the quarter, we sold the Hanna district to our joint venture company in Burlöv, which generated a capital gain of SEK 36 million. After the end of the quarter, through our joint venture, we sold a development right in Burlöv for SEK 45 million to Tornet. The capital gain will be recognised in Q4. Our profit from property management benefited from non-recurring income, but has been charged for increased electricity costs of SEK 5 million and increased interest expense. How increased market interest rates affect Trianon's management results, see page 13.



I began by painting a grim picture of the situation we are currently facing, but every storm passes. Trianon is solidly based in a constantly growing Malmö, where the high level of interest in our apartments generates secure revenue. With our exceptional staff, positive net letting and strong financial position I am convinced that Trianon is well placed to face the future.

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 to 2024 includes 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 areas.
- Reduce homelessness.

In addition, our work continues with safety-creating measures in our residential areas. Read more about Trianon's sustainability work at trianon.se.

Property portfolio

Trianon's property portfolio consists of residential, public sector/community and commercial properties in Malmö and in multiple municipalities across Skåne. Trianon owns a total of 154 properties, and is part-owner of an additional seven properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 491,200 m² excluding around 3,000 garage and parking spaces. The property value totalled SEK 13.1 billion as at 30 September 2022.

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.

VISION

Trianon will be the most profitable and the 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

> SEK 100 million

Loan-to-value

< 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

Every building in the 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/loss, income and expense

JANUARY–SEPTEMBER 2022

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

Rental income

Rental income for the period amounted to SEK 514.7 million (458.2), which corresponds to an increase of 12 percent. The increase is attributable in particular to acquired properties and to letting. Net rentals for the period amounted to SEK 12.3 million (4.8) including joint ventures. The economic occupancy rate was 96 percent (95). The total rental value amounted to SEK 755.3 million (687.8). The increase is due in particular to acquired properties and letting.

Other income

Other income amounted to SEK 14.1 million (2.0), and the increase is attributable to income from the sale of parking places and from property management.

Property costs

Net sales amounted to SEK 204.0 million (165.7). 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 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 affected property costs negatively by around SEK 13 million during the first nine months. The renovation work on apartments continued, with 112 (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.

Lower turnover in the unrenovated portfolio has affected the number of renovated apartments during the year.

Net operating income

Net operating profit for the period totalled SEK 333.2 million (294.5), which represents an increase of 13 percent. The operating surplus was 63 percent (64).

Central administration

Central administrative expenses amounted to SEK 51.4 million (39.9). 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 87 (90) of whom 44 (46) were white-collar staff.

Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 18.5 million (22.6) 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 12.3 million (2.3). The increase over 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 94.5 million (64.7). The average interest rate for the period including swap rates amounted to 2.0 percent (1.9), and excluding swap rates to 1.8 percent (1.4). Financial expense rose as a

result of increased 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 4.6 million (5.0).

Changes in the value of properties and financial instruments

Changes in the value of investment properties for the period totalled SEK 177.6 million (702.7), of which SEK 92.0 million (0.0) represented changes in value related to projects. The changes in value are due primarily to value-generating investments in the portfolio, the signing of new leases in the commercial portfolio and project profits in ongoing projects. Parts of the property portfolio have 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 yield on the full property portfolio was 3.9 percent (4.1) excluding project properties, and the yield on residential properties was 3.6 percent (4.0).

The change in the value of derivative instruments for the period amounted to SEK 202.7 million (52.7). Of this, SEK -10.9 million (-20.8) relates to swap rates paid during the period. Realised gains 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 13.

Tax

Reported tax for the period amounted to SEK -101.8 million (-186.6). Deferred tax attributable to investment properties totalled SEK -51.3 (-169.5) and changes in the value of derivative instruments to SEK -50.5 million (-15.5).

Comprehensive income

The comprehensive income for the period was SEK 481.1 million (778.2), of which SEK 481.1 million (771.3) was attributable to the Parent's shareholders. The profit for the period is equivalent to earnings per share of SEK 2.90 (4.96) before dilution, and SEK 2.89 (4.95) after dilution. Earnings per share for comparative periods have been recalculated taking into account the 4:1 share split on 27 May 2022. The return on equity was 12 percent (26), and is primarily due to changes in the value of investment properties and derivatives.

Parent

Net sales amounted to SEK 54.3 million (46.8). The operating loss was SEK -15.7 million (-21.5). The change in value of derivatives amounted to SEK 149.6 million (53.7), 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 -30.4 million (-13.6), and relates to deferred tax on changes in the value of derivatives.



Profit/loss, income and expense

JULY–SEPTEMBER 2022

The profit/loss items below refer to the period July to September 2022. Corresponding figures in parentheses refer to the amount from the corresponding period last year.

Rental income

Rental income for the period amounted to SEK 172.8 million (154.9), which corresponds to an increase of 12 percent. The increase is attributable in particular to acquired properties and to letting. Net letting for the period amounted to SEK 7.2 million (-0.7) including joint ventures.

Other income

Other income amounted to SEK 8.9 million (0.7), and the increase is attributable to income from the sale of parking places and from property management.

Property costs

Net sales amounted to SEK 64.5 million (49.7). The increase is due in particular to acquired properties. The high price of electricity in the region has had a negative impact on property costs compared with the preceding year. During the period, 48 (64) 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 profit for the period totalled SEK 125.6 million (105.9), which represents an increase of 19 percent. The operating surplus was 68 percent (68).

Central administration

Central administrative expenses amounted to SEK 16.1 million (15.0). Central administration consists of personnel costs for joint Group functions, as well as the costs for IT, marketing, financial reports and audit fees.

Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 9.5 million (22.6) 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 2.8 million (1.8).

Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 39.4 million (22.4). The average interest rate for the period including swap rates amounted to 2.2 percent (1.9), and excluding swap rates to 2.2 percent (1.5). Financial expense rose as a result of increased 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 (1.6).

Changes in the value of properties and financial instruments

Changes in the value of investment properties totalled SEK 47.2 million (215.3), of which SEK 41.6 million (0.0) represented project profits. The changes in value are due primarily to value-generating investments in the portfolio, the signing

of new leases in the commercial portfolio and project profits in ongoing projects. Parts of the property portfolio have 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 the value of derivative instruments for the period amounted to SEK 7.3 million (13.3). Of this, SEK 0.0 million (-5.4) relates to swap rates paid during the period. During the quarter, SEK 127.7 million (0.0) was recognised as the realised change in value of swaps. For further information, please see page 13.

Tax

Reported tax for the period amounted to SEK -20.7 million (-60.6). Deferred tax attributable to investment properties amounted to SEK 5.0 (-56.3) and changes in the value of derivative instruments to SEK -25.7 million (-4.3).

Comprehensive income

The comprehensive income for the period was SEK 111.9 million (258.8), of which SEK 111.9 million (258.3) was attributable to the Parent's shareholders. The profit for the period is equivalent to earnings per share of SEK 0.66 (1.66) before dilution, and SEK 0.66 (1.65) after dilution. Earnings per share for comparative periods have been recalculated taking into account the 4:1 share split on 27 May 2022. The return on equity was 8 percent (25), 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 instruments calculated on the net liability.

Actual earning capacity, 12 months

Group companies SEK million	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Rental value	755.3	750.9	746.3	737.8	687.8
Vacancies	-24.6	-20.2	-20.9	-22.3	-24.3
Contracted vacancies	-5.4	-6.7	-11.8	-11.6	-8.5
Reductions	-6.5	-5.1	-4.5	-3.1	-2.2
Other income	6.1	6.1	6.0	6.2	6.4
Rental income	724.9	724.9	715.1	707.0	659.2
Property costs	-222.7	-222.7	-221.8	-221.1	-196.9
Property administration	-21.2	-22.1	-22.1	-21.4	-21.4
Operating surplus	481.0	480.0	471.2	464.5	440.9
Surplus ratio	66 %	66 %	66 %	66 %	67 %
Central administration	-56.0	-56.0	-56.0	-56.0	-56.0
Profit/loss from participations in associates and joint ventures	26.2	24.4	23.5	20.2	20.4
Ground rent	-6.1	-6.1	-6.1	-6.0	-5.5
Financial income and expenses	-153.7	-126.4	-133.9	-128.3	-116.9
Profit from property management	291.4	316.0	298.7	294.4	282.8
Profit from property management attributable to:					
Parent shareholders	291.4	316.0	298.7	293.7	281.1
Holdings with a non-controlling interest	0.0	0.0	0.0	0.7	1.7

Current earning capacity of associates and joint ventures

The table below shows the earning capacity of associates and joint ventures 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. 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	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Rental value	155.8	154.2	149.6	154.0	152.0
Vacancies	-19.0	-17.4	-13.7	-25.4	-30.6
Contracted vacancies	-1.4	-5.8	-4.9	-5.9	-1.5
Reductions	-6.0	-5.2	-5.8	-6.6	-4.1
Rental income	129.4	125.9	125.2	116.1	115.9
Property costs	-43.8	-43.8	-44.7	-44.0	-45.0
Property administration	-3.8	-3.8	-3.9	-3.6	-3.7
Operating surplus	81.8	78.3	76.6	68.5	67.2
Surplus ratio	63 %	62 %	61 %	59 %	58 %
Central administration	-10.2	-10.2	-10.4	-9.7	-8.6
Ground rent	-1.7	-1.7	-1.7	-1.7	-1.7
Financial income and expenses	-17.6	-17.6	-17.6	-16.8	-16.2
Profit from property management	52.4	48.9	46.9	40.3	40.8

Shareholdings in associates and joint ventures

Property	Trianon's holding
Burlöv Arlöv 22:189	50 %
Burlöv, Hanna District	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 corresponding figures refer to the position at the close of the period. Corresponding figures in parentheses refer to from 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 491,200 m², 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 416.4 million (185.0) was invested in existing properties. The investment consisted of ongoing apartment renovations in the residential portfolio, adaptations to meet tenants' requirements in business premises, reconstructions including the Entré property Rolf 6, and new construction projects.

Acquisitions and disposals

During the first quarter, the remaining non-controlling participations 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 m². The transaction was made through forward funding, with possession when the properties are completed.

In addition, a project property, the Hanna district 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. The green light to start construction on 500 residential units in Rosengård and Norra Sorgenfri in Malmö was given after the zoning plan took effect. The ongoing projects in Hyllie, Sege Park, Svedala and in Burlöv (Hanna district) involving around 300 apartments have been procured at fixed prices without indexation adjustments. It is probable that all of these will be built with investment aid to ensure reasonable rent levels since the applications were submitted during December 2021.

Property valuation

The fair value of investment properties amounted to SEK 13,136.2 million (11,042.4). Changes in the value of investment properties amounted to SEK 177.6 million (702.7) for the first three quarters of the year. The changes in value are due to 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 related to projects amounted to SEK 92.0 million. Parts of the property portfolio have 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 yield on the full property portfolio was 3.9 percent (4.1) excluding project properties, and the yield on residential properties was 3.6 percent (4.0). Construction rights and potential construction rights have not been valued on existing properties apart from the Entré property Rolf 6, where a construction rights value is included in the project costing, since the project for the property is now being realised.

Trianon's property portfolio, 30 September 2022

The property category table on page 11 shows a summary of the properties owned by Trianon on 30 September 2022, and reflects the contracted revenue on an annual basis on 1 July 2022, and costs on an annual basis, as if the properties had been owned throughout the preceding 12-month period, whereupon the acquired and completed properties are 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.

Project portfolio

Project properties	Number of apartments	Gross total area, m²	Living area/Area of premises m²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Projects involving existing properties								
Entré - Torghuset/Rolf 6**	0	11,900	7,100	236	206	17	2021	2022
Total projects involving existing properties	0	11,900	7,100	236	206	17		
Projects with valid zoning plan								
Badmössan 1, Hyllie (premises and rental properties)	73	5,450	4,200	150	80	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,850	3,750	122	56	6	2021	2023
Svedala 1:87 (rented apartments)	53	4,700	3,700	112	0	6	2021	2023
Norra Sorgenfri, phase 1 and phase 2*	391	22,200	16,650	726	72	37	2022	2026
Centralköket 1, Sege Park (tenant-owner homes)	11	1,600	1,300	49	12	0	2023	2025
Fjällrutan 1 (tenant-owner homes)	12	1,050	900	35	0	0	2023	2025
Total projects with valid zoning plans	605	39,850	30,500	1,194	220	57		
Projects subject to zoning plans								
Björnen 6, Skurup	50	4,500			1		2023	2025
Svedala 25:18	143	10,000			1		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			1		2023	2025
Mjölkboden 4, Stockholm	36	3,999			2		2024	2026
Vallhunden 8, Stockholm	28	2,670			1		2024	2026
Spiralen 10, Malmö	123	17,000			0		2025	
Total projects subject to zoning plans	546	55,469	0	0	9	0		
Total project portfolio	1,151	107,219	37,600	1,430	436	74		
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. Reconstruction of existing building.

Joint venture	Number of apartments	Gross total area, m²	Living area/Area of premises m²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Rosengårdsbiblioteket	0	2,000		75	68	6	2020	2022
Hanna district, Burlöv (premises, rental properties and tenant-owner homes)	111	16,600	11,500	463	103	18	2022	2024
Rosengård Centrum, phase 1 South	54	5,400			2		2022	2024
Tågarp 15:4 phase 1 (Burlöv Center)	525	48,000			9		2022	2025
Rosengård Centrum, phase 1 North	75	7,000			2		2023	2025
Bojen 1 and Fendern 1 (Silos at Limhamn)	125	15,000			0		2024	2027
Tågarp 15:4 phase 2 (Burlöv Center)	910	85,000			2			
Total	1,800	179,000	11,500	538	186	24		

Future potential zoning plans

Rosengård Centrum, phases 2 and 3

Smedjan 2, Malmö



Change in the fair value of investment properties

SEK million	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
Fair value at the start of the period	13,048.6	12,863.4	12,665.5	11,042.4	9,720.8
Investments through companies*	0.0	39.0	0.0	889.8	1,575.3
Investments in new investment properties	0.0	0.0	0.0	0.0	50.1
Investments in existing properties	202.6	109.1	104.6	124.8	72.5
Sales to associates and joint ventures	-86.6	0.0	0.0	0.0	-591.6
Sale to development property	-75.5	0.0	0.0	0.0	0.0
Changes in value	47.2	37.1	93.3	608.5	215.3
Fair value at the end of the period	13,136.2	13,048.6	12,863.4	12,665.5	11,042.4

* Acquisition of property through companies.

Earning capacity per segment

Property category	Number properties	Number apartments	Rentable area, m²	Property value		Rental value	
				SEK million	SEK/m²	SEK million	SEK/m²
Residential	104	4,766	350,860	9,451	26,936	509	1,451
Public sector/community	21	214	56,718	1,451	25,579	101	1,776
Commercial*	19	62	65,011	1,887	29,021	137	2,114
Total excluding project properties	144	5,042	472,589	12,789	27,060	747	1,581**
Projects	10	2	18,621	347	-	8	-
Total including project properties	154	5,044	491,210	13,136	27,060	755	1,581

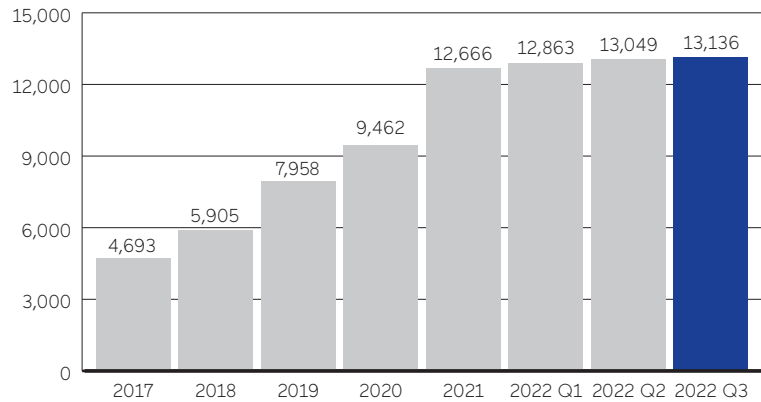
Property category	Economic occupancy rate	Rental income SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin
Residential	99 %	502	326	65 %	341	3.6 %
Public sector/community	85 %	85	60	70 %	62	4.3 %
Commercial*	91 %	125	87	70 %	90	4.8 %
Total excluding project properties	95 %	712	473	66 %	493	3.9 %
Projects	-	7	2	-	3	-
Total including project properties	95 %	719	475	66 %	496	3.8 %

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

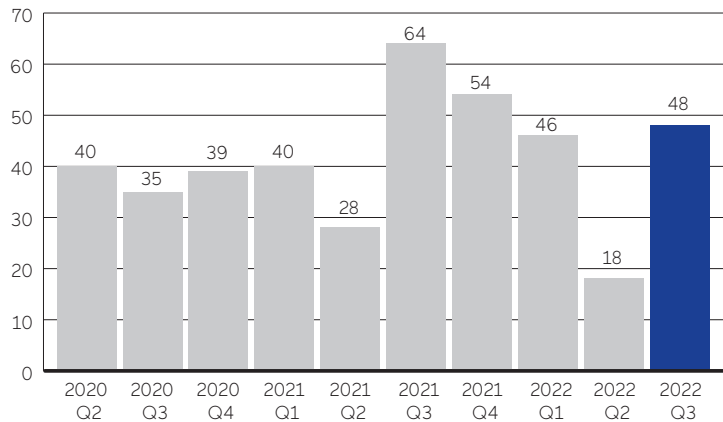
* With effect from and including the first quarter of 2022, retail and office properties are reported jointly under the designation commercial.

** The rental value solely of apartments, excluding block contracts, in the full property portfolio averaged SEK 1,362 per m².

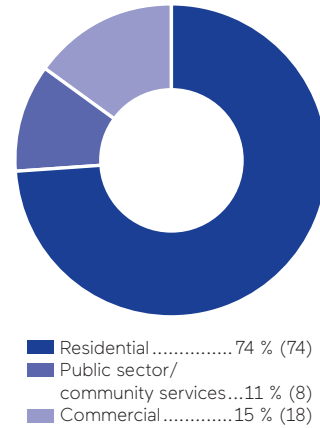
Fair value of investment properties, SEK million



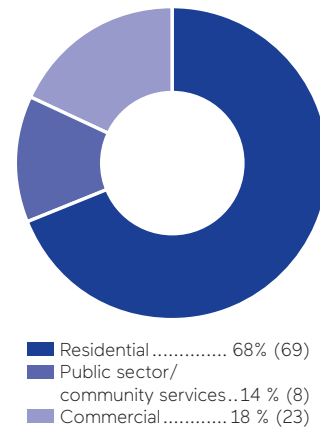
Number of renovated apartments per quarter



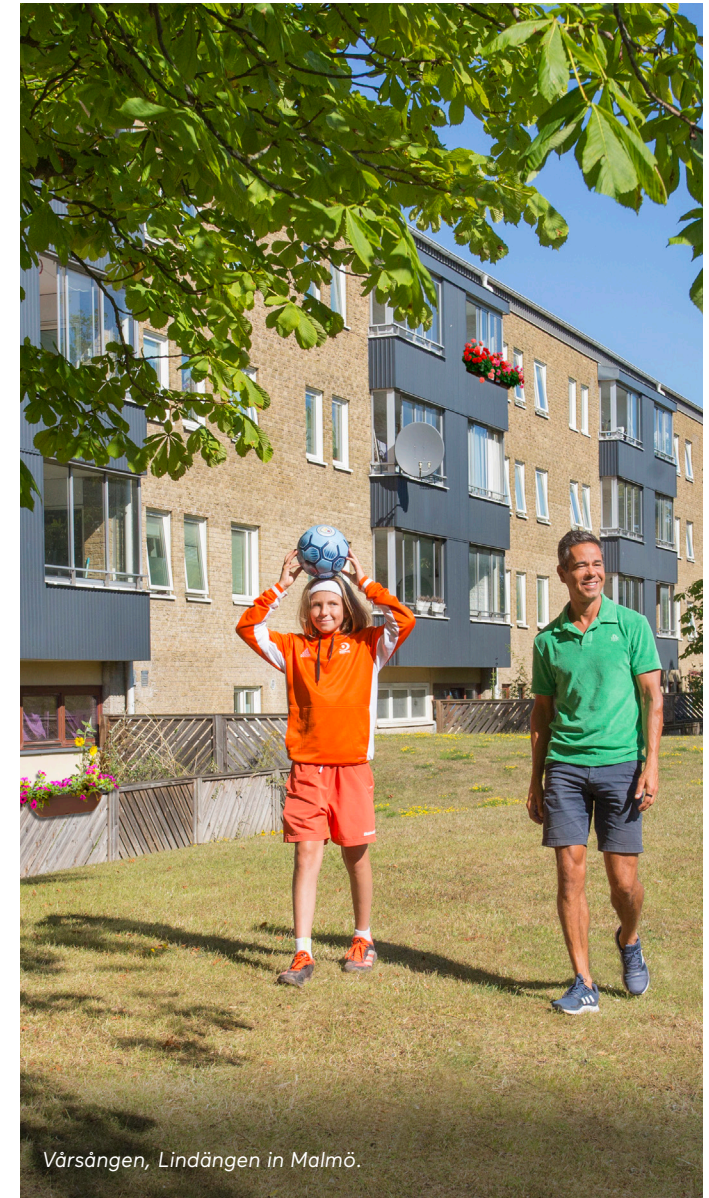
Property value per segment



Rental value per segment



The preceding year is within parenthesis.



Vårsången, Lindängen in Malmö.

Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 7,204.3 million (6,369.5). The increase consists primarily of investments in existing properties and the acquisition of properties. 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 498.3 million (347.1) recognised net after the deduction of transaction expenses.

The unsecured bond loan has a total framework of SEK 500 million, which is fully utilised. 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. Convertible loans to staff totalled SEK 3.4 million (11.4) at the end of the period. An amount of SEK 8.0 million was converted to 407,690 B shares during the quarter. The convertible loan carries an interest rate of 2.25 percent over a three-year period, and expires at the end of 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 effect on the cash flow with a total of SEK 142.7 million and the loan-to-value ratio positively with approximately 1 percentage point. The average interest rate for the period including swap rates amounted to 2.2 percent (1.9), and excluding swap rates to 1.8 percent (1.5). The derivative portfolio amounted to SEK 0.0 million (92.0) in liabilities and SEK 0.0 million (0.0) in receivables at the end of the period. Realised gains in the swap portfolio amounted to SEK 142.7 million, which had a positive effect on changes in value and cash flow. After the end of the period, a sustainability-linked finance agreement was signed with Handelsbanken for around SEK 2 billion, which increases the fixed-interest period to around 3.2 years.

The refinancing means that all outstanding credits with Handelsbanken have been refinanced with terms of three and six years.

The loan-to-value ratio was SEK 53.6 percent (56.3). The loan-to-value ratio was positively affected by the closing of the swap portfolio.

Calculated on total assets, the loan-to-value ratio is about 49.8 percent.

Hybrid bond

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 bond is 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 bond 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 was posted on Trianon's website, www.trianon.se.

Equity, equity/assets ratio and cash and cash equivalents

Equity amounted to SEK 5,599.0 million (4,333.7), of which SEK 5,599.0 million (4,305.7) was attributable to shareholders in the Parent. After the acquisition of non-controlling participations in Signatur Fastigheter during the period, holdings without control amounted to SEK 0.0 million (28.0). The dividend linked to the hybrid bonds has reduced equity by SEK 26.4 million (26.4). Equity attributable to the Parent's

shareholders has been affected by the acquisition of a non-controlling stake of SEK -2.5 million (35.7). The conversion of the convertible programme for staff increased equity by SEK 8.0 million (0.0). Equity per share amounted to SEK 35.57 (28.51), and to SEK 33.12 per share (25.72) after the deduction of equity attributable to the hybrid bonds. The equity/assets ratio was 39.6 percent (36.5) at the end of the period. Consolidated cash and cash equivalents amounted to SEK 163.6 million (148.9). Unutilised bank overdraft facilities at the end of the period amounted to SEK 35 million (25).

Cash flow

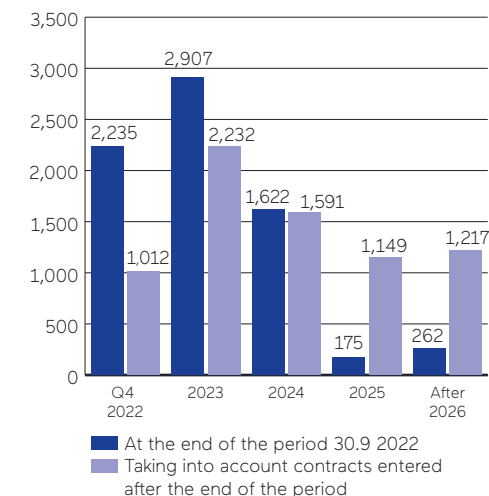
Cash flow for the period totalled SEK 76.2 million (-131.2). Cash flow was affected by investments in existing properties of SEK -416.4 million (-235.1), as well as acquisitions of SEK -7.7 million (-966.8). Financing activities were affected by loans taken out on existing and acquired properties of SEK 467.2 million (991.2), the amortisation of loans of SEK -149.1 Million (-558.9), the dividend on hybrid bonds of SEK -26.4 million (-26.4) and a dividend of SEK -78.5 million (-68.4). The cash flow from operating activities for the period before changes in working capital totalled SEK 308.7 million (160.8), 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 163.6 (148.9) million.

Earning capacity, impact of market interest rates

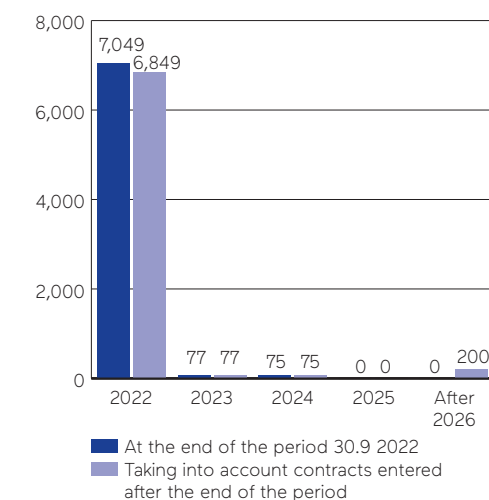
SEK million	30 Sep 2022	Interest rate, 4%	Interest rate, 5%
Rental income	725	781	781
Property costs	-223	-229	-229
Property administration	-21	-22	-22
Operating surplus	481	530	530
Surplus ratio	66%	68%	68%
Central administration	-56	-58	-58
Profit/loss from participations in associates and joint ventures	26	26	26
Ground rent	-6	-6	-6
Financial income and expenses	-154	-282	-352
Profit from property management	291	211	140

The table shows the impact on profit from property management at an average interest rate of 4 % and 5 % respectively. The interest expense was calculated from interest-bearing liabilities minus cash and cash equivalents; i.e. net liabilities. Rental income has been adjusted upwards by 7 % and expenses by 3 %. Contracted vacancies have been added to rental income.

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, the conversion of the convertible programme for staff increase the number of shares by 407,690 B shares.

The company has a total of 157,413,650 shares, divided into 6,084,472 Class A shares and 151,329,178 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 21,217,398.8. The share capital amounted to SEK 98,393,531, and the quota value per share is SEK 0.625. On 21 June 2017, Trianon's B shares were listed on the Nasdaq First North Premier Growth Market. Since 17 December 2020, Trianon's B shares have been listed on Nasdaq Stockholm, in the Mid Cap segment. The closing price on 30 September 2022 was SEK 23.20 per share. The company's total market capitalisation was SEK 3.7 billion on 30 September 2022.

Convertible loan

The incentive programme for staff in the form of a convertible loan was subscribed during 2019 to an amount of SEK 11.4 million, in accordance with a resolution of the Company's Annual General Meeting on 7 May 2019. About one-third of all employees participated in the programme. The conversion price is SEK 19.5. In the event of full conversion, this means that 584,615 new B shares will be created and the Company's share capital will increase by SEK 365,382.50, which corresponds to a dilution of approximately 0.4 percent of the capital and around 0.3 percent of the votes. The convertible loan will run for three years, with conversion taking place at the end of 2022. 407,690 B shares were converted during the quarter.

Share capital changes

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 January 1992	Exchange of convertibles	37,000	0	541,000	630,600	1,171,600	370,000	7,216,000
29 October 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 2011	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 November 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 August 2021	New non-cash issue	0	285,990	1,521,118	36,230,372	37,751,490	714,975	94,378,725
18 November 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 September 2022	Issue through conversion	0	407,690	6,084,472	151,329,178	157,413,650	254,806	98,383,531
Total				6,084,472	151,329,178	157,413,650		98,383,531

Owner

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.

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 on 30 September 2022

Name	Class A shares	Class B shares	Total Holdings	Equity %	Total Votes	Votes, (%)
Daniel Andersson privately and through companies	2,890,984	38,999,020	41,890,004	26.61 %	6,790,886.0	32.01 %
Briban Invest AB	2,890,984	38,532,568	41,423,552	26.32 %	6,744,240.8	31.79 %
Grenspecialisten Förvaltning AB	-	15,170,096	15,170,096	9.64 %	1,517,009.6	7.15 %
Länsförsäkringar Fastighetsfond	-	9,916,726	9,916,726	6.30 %	991,672.6	4.67 %
Mats Cederholm privately and through companies	302,504	3,333,436	3,635,940	2.31 %	635,847.6	3.00 %
SEB Sverigefond Småbolag	-	5,498,060	5,498,060	3.49 %	549,806.0	2.59 %
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	2.08 %	326,824.8	1.54 %
Handelsbanken Microcap	-	2,455,747	2,455,747	1.56 %	245,574.7	1.16 %
SEB Nanocap	-	1,966,900	1,966,900	1.25 %	196,690.0	0.93 %
Other shareholders	-	28,108,377	28,108,377	17.86 %	2,810,837.7	13.25 %
Total	6,084,472	151,329,178	157,413,650	100.00 %	21,217,389.8	100.00 %

Share price trend, SEK per share



New number of shares, September 2022:

After the conversion of the staff convertibles to shares, the Company has a total of 157,413,650 shares, divided into 6,084,472 Class A shares and 151,329,178 Class B shares.



Consolidated income statement

Consolidated statement of comprehensive income, summary

SEK million	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Rental income	172.8	154.9	514.7	458.2	618.1
Other income	8.9	0.7	14.1	2.0	5.5
Property costs	-64.5	-49.7	-204.0	-165.7	-227.6
Income from sale of development properties	83.9	0.0	83.9	0.0	0.0
Expenses for sale of development properties	-75.5	0.0	-75.5	0.0	0.0
Net operating income	125.6	105.9	333.2	294.5	396.0
Central administration	-16.1	-15.0	-51.4	-39.9	-55.5
Profit/loss from participations in associates and joint ventures	9.5	22.6	18.5	22.6	41.7
<i>of which profit from property management in associates and joint ventures</i>	2.8	1.8	12.3	2.3	6.5
Financial income	0.0	1.3	1.4	1.9	2.7
Interest expense right of access (site-leasehold rights)	-1.5	-1.6	-4.6	-5.0	-6.4
Financial expenses	-39.4	-22.4	-94.5	-64.7	-90.2
Profit including changes in value and tax in associates and joint ventures	78.1	90.8	202.6	209.4	288.3
Profit from property management	71.4	70.0	196.5	189.1	253.1
Change in value, investment properties	47.2	215.3	177.6	702.7	1,311.2
<i>of which changes in value related to projects</i>	41.6	0.0	92.0	0.0	0.0
Changes in value of derivatives	7.3	13.3	202.7	52.7	66.5
Profit/loss before tax	132.5	319.4	582.8	964.8	1,666.0
Tax on profit/loss for the year	-20.7	-60.6	-101.8	-186.6	-355.5
Profit/loss for the period	111.9	258.8	481.1	778.2	1,310.5
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	111.9	258.8	481.1	778.2	1,310.5
Comprehensive income for the period attributable to:					
The Parent's shareholders	111.9	258.3	481.1	771.3	1,305.0
Holdings with a non-controlling interest	0.0	0.5	0.0	6.9	5.5
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*	0.66	1.66	2.90	4.96	8.41
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution**	0.66	1.65	2.89	4.95	8.39
Average number of outstanding shares before dilution, thousand*	157,054.7	150,595.6	157,022.4	150,109.2	150,992.8
Average number of outstanding shares after dilution, thousand*	157,216.6	150,980.1	157,308.1	150,434.7	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 new issue of 407,690 shares on 20 September 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 three year convertible loan which falls due in 2022.



Balance sheet in summary

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
<i>Property, plant, and equipment</i>			
Investment properties	13,136.2	11,042.4	12,665.5
Right of access (site-leasehold rights)	181.4	166.2	163.6
<i>Property, plant, and equipment</i>	3.8	7.4	7.3
Total property, plant and equipment	13,321.4	11,216.0	12,836.4
<i>Financial assets</i>			
Participations in associates and joint ventures	269.3	208.5	244.1
Receivables, associates and joint ventures	195.1	179.7	161.7
Derivative instruments	0.0	0.0	0.0
Other long-term receivables	15.7	17.4	17.1
Total financial assets	480.1	405.6	422.9
Deferred tax asset	38.4	43.2	55.5
Total fixed assets	13,839.9	11,664.8	13,314.8
<i>Current assets</i>			
Current receivables	126.2	67.1	179.0
Cash and cash equivalents	163.6	148.9	87.4
Total current assets	289.8	216.0	266.4
TOTAL ASSETS	14,129.6	11,880.8	13,581.1

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity attributable to Parent's shareholders	5,599.0	4,305.7	5,217.3
Holdings with a non-controlling interest	0.0	28.0	26.6
Total equity	5,599.0	4,333.7	5,243.9
<i>Non-current liabilities</i>			
Interest-bearing liabilities	2,491.4	3,293.4	3,465.5
Other non-current liabilities	3.6	0.0	48.1
Lease liabilities	182.3	166.2	163.6
Derivative instruments	0.0	92.0	70.9
Deferred tax liabilities	937.7	680.9	857.3
Total non-current liabilities	3,615.0	4,232.5	4,605.4
<i>Current liabilities</i>			
Interest-bearing liabilities	4,712.9	3,076.1	3,401.0
Other current liabilities	202.7	238.5	330.8
Total current liabilities	4,915.6	3,314.6	3,731.8
TOTAL EQUITY AND LIABILITIES	14,129.6	11,880.8	13,581.1

Consolidated statement of changes in equity, summary

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Total equity at the start of the period	5,243.9	3,635.2	3,635.2
<i>Equity attributable to Parent's shareholders</i>			
Amount at the start of the period	5,217.3	3,532.3	3,532.3
New share issue	8.0	60.1	446.9
Dividend	-78.5	-67.4	-67.4
Dividend, hybrid bond	-26.4	-26.4	-35.2
Non-controlling interests acquired	-2.5	35.7	35.7
Profit/loss for the period and comprehensive income excluding holdings without control	481.1	771.3	1,305.0
Equity attributable to Parent's shareholders at the end of the period	5,599.0	4,305.6	5,217.3
<i>Equity attributable to holdings without control</i>			
Amount at the start of the period	26.6	102.9	102.9
Dividend	0.0	-1.0	-1.0
Non-controlling interests acquired	-26.6	-80.8	-80.8
Profit/loss for the period	0.0	6.9	5.5
Equity attributable to holdings without control at the end of the period	0.0	28.0	26.6
Total equity at the end of the period	5,599.0	4,333.7	5,243.9



Cash flow analysis in summary

SEK million	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
<i>Cash flow from operating activities</i>			
Net operating income	333.2	294.5	396.0
Central administration	-51.4	-39.9	-55.5
Net financial income/expense paid	34.2	-92.1	-126.0
Items not affecting cash flow	-7.2	1.0	1.3
Income tax paid	0.0	-2.7	-3.0
Cash flow from operating activities before changes in working capital	308.8	160.8	212.8
<i>Changes in working capital</i>			
Changes in operating receivables	75.0	58.1	22.5
Changes in operating liabilities	-71.2	-21.9	26.4
Cash flow from operating activities	312.5	197.1	261.7
<i>Investing activities</i>			
Investment in investment properties	-416.4	-235.1	-359.9
Acquisitions of investment properties via subsidiaries	-7.7	-852.5	-868.1
Acquisition of associates	0.0	-114.3	-292.6
Sale of investment property via subsidiary	0.0	225.8	221.9
Sale of subsidiaries to associates and joint ventures	36.2	351.9	364.9
Investment receivables, associates and joint ventures	-35.7	-41.5	-22.6
Amortisation of financial assets	3.2	0.0	0.0
Cash flow from investing activities	-420.3	-665.7	-956.3
<i>Financing activities</i>			
Loans raised	467.2	991.2	1,424.1
Amortisation of loans	-103.9	-104.9	-132.6
Repayment of other loans and deposits	-45.2	-454.0	-660.0
Acquisition of shares from non-controlling interest	-29.0	0.0	-413.0
Issues	0.0	0.0	387.0
Hybrid bond	-26.4	-26.4	-35.2
Dividends paid	-78.5	-68.4	-68.4
Cash flow from financing activities	184.0	337.5	501.9
Cash flow for the period	76.2	-131.2	-192.7
Cash and cash equivalents at start of period	87.4	280.1	280.1
Cash and cash equivalents at end of period	163.6	148.9	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. 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 page 27.

The following financial targets were set by the Board of Directors on 9 November 2021. The first three targets are unchanged, and the target for the interest coverage ratio has been raised. The target relating to investment gains in the property portfolio is new for the period 2022–2024.

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

Financial	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Return on equity, %	8.1	24.9	11.8	26.3	31.3
Interest coverage ratio, times	3.0	3.8	2.8	3.2	3.2
Equity/assets ratio, %	39.6	36.5	39.6	36.5	38.6
Average interest rate, %	2.18	1.88	1.97	1.91	1.89
Profit from property management, SEK million	71.4	70.0	196.5	189.1	253.1
Increase in profit from property management over the corresponding period of the preceding year, %	2.0	3.3	3.9	11.1	12.9
Profit before tax, SEK million	132.5	319.4	582.8	964.8	1,666.0
Comprehensive income for the period, SEK million	111.9	258.8	481.1	778.2	1,310.5
Comprehensive income for the period attributable to Parent's shareholders, SEK million	111.9	258.3	481.1	771.3	1,305.0
Equity, SEK million	5,599.0	4,333.7	5,599.0	4,333.7	5,243.9
Equity attributable to Parent's shareholders, SEK million	5,599.0	4,305.7	5,599.0	4,305.7	5,217.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	5,213.0	3,884.4	5,213.0	3,884.4	4,804.8
Long-term net worth, SEK million	6,498.3	5,035.4	6,498.3	5,035.4	6,090.0
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	6,112.3	4,614.1	6,112.3	4,614.1	5,677.5
Total assets, SEK million	14,129.6	11,880.8	14,129.6	11,880.8	13,581.1

Share-related***	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Number of outstanding shares, thousand***	157,413.7	151,006.0	157,413.7	151,006.0	157,006.0
Average number of outstanding shares, thousand*, ***	157,054.7	150,595.6	157,022.4	150,109.2	150,992.8
Equity per share, SEK	35.57	28.51	35.57	28.51	33.23
Equity per share, SEK**	33.12	25.72	33.12	25.72	30.60
Earnings per share, SEK*	0.66	1.66	2.90	4.96	8.41
Long-term net worth per share, SEK	41.28	33.35	41.28	33.35	38.79
Long-term net worth per share, SEK**	38.83	30.56	38.83	30.56	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 recalculated taking into account the 4:1 share split on 27 May 2022.

Property-related	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Rental income, SEK million	172.8	154.9	514.7	458.2	618.1
Operating surplus, SEK million	125.6	105.9	333.2	294.5	396.0
Rental value, SEK million	755.3	687.8	755.3	687.8	737.8
Economic occupancy rate, %	95.3	94.9	95.3	94.9	95.0
Surplus ratio, %	67.8	68.4	63.1	64.3	64.1
Loan-to-value ratio, %	53.6	56.3	53.6	56.3	53.5
Proportion of residential and public sector/community properties, %	85	82	85	82	85
Rentable area excluding garage, thousand m ²	491	460	491	460	488



Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Rental income	172.8	154.9	514.7	458.2	618.1
Other income	8.9	0.7	14.1	2.0	5.5
Property costs	-64.5	-49.7	-204.0	-165.7	-227.6
Net operating income	117.2	105.9	324.8	294.5	396.0
Surplus ratio, %	67.8	68.4	63.1	64.3	64.1
Equity	5,599.0	4,333.7	5,599.0	4,333.7	5,243.9
Total assets	14,129.6	11,880.8	14,129.6	11,880.8	13,581.1
Equity/assets ratio, %	39.6	36.5	39.6	36.5	38.6
Interest-bearing liabilities, non-current	2,491.4	3,293.4	2,491.4	3,293.4	3,465.5
Interest-bearing liabilities, current	4,712.9	3,076.1	4,712.9	3,076.1	3,401.0
Cash and cash equivalents	-163.6	-148.9	-163.6	-148.9	-87.4
Interest-bearing net debt	7,040.7	6,220.6	7,040.7	6,220.6	6,779.1
Investment properties	13,136.2	11,042.4	13,136.2	11,042.4	12,665.5
Loan-to-value ratio, %	53.6	56.3	53.6	56.3	53.5
Profit/loss before tax	132.5	319.4	582.8	964.8	1,666.0
Add-back of changes in the value of investment properties and derivatives	-54.5	-228.6	-380.2	-755.4	-1,377.7
Add-back of interest expense	39.4	22.4	94.5	64.7	90.2
Adjusted profit/loss before tax	117.5	113.2	297.1	274.1	378.5
Financial expenses	-39.4	-22.4	-94.5	-64.7	-90.2
Interest expense, derivatives	0.0	-7.3	-10.9	-20.8	-30.0
Total interest expense including interest expense for derivatives	-39.4	-29.7	-105.4	-85.5	-120.2
Interest coverage ratio, times	3.0	3.8	2.8	3.2	3.2
Profit for the period attributable to the Parent's shareholders	111.9	258.3	481.1	771.3	1,305.0
Calculated annual rate	447.5	1,033.2	641.4	1,028.4	1,305.0
Average equity attributable to Parent's shareholders	5,543.4	4,148.9	5,433.7	3,911.7	4,172.8
Return on equity, %	8.1	24.9	11.8	26.3	31.3
Equity attributable to Parent's shareholders	5,599.0	4,305.7	5,599.0	4,305.7	5,217.3
Add-back of deferred tax liability	937.7	680.9	937.7	680.9	857.3
Add-back of derivative liability	0.0	92.0	0.0	92.0	70.9
Add-back of deferred tax asset	-38.4	-43.2	-38.4	-43.2	-55.5
Long-term net worth	6,498.3	5,035.4	6,498.3	5,035.4	6,090.0
Deduction of equity attributable to hybrid bonds	-386.0	-421.3	-386.0	-421.3	-412.5
Long-term net worth after the deduction of equity attributable to hybrid bonds	6,112.3	4,614.1	6,112.3	4,614.1	5,677.5



The Parent's financial statements

Income statement, summary

SEK million	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
<i>Operating income</i>					
Net sales	18.8	16.4	54.3	46.8	64.1
Other operating income	1.1	2.0	3.6	2.0	3.2
Total operating income	19.9	18.4	57.9	48.8	67.3
<i>Operating expenses</i>					
Operating expenses	-21.7	-23.1	-73.6	-70.3	-95.0
Operating profit	-1.8	-4.8	-15.7	-21.5	-27.7
<i>Financial items</i>					
Profit/loss from participations in Group companies	35.7	257.0	35.6	340.0	334.1
Profit/loss from participations in associates	0.0	0.0	0.0	0.0	-16.5
Interest income and similar profit/loss items	11.0	7.1	33.4	19.0	50.6
Interest expense and similar profit/loss items	-18.5	-12.3	-59.9	-36.9	-50.9
Changes in value of derivatives	152.9	-0.3	149.6	53.7	1.8
Profit/loss after financial items	179.3	246.7	143.0	354.3	291.3
<i>Appropriations</i>					
Appropriations	0.0	0.0	0.0	0.0	38.5
Profit/loss before tax	179.3	246.7	143.0	354.3	329.8
<i>Tax on profit/loss for the year</i>					
Tax on profit/loss for the year	-34.2	-2.5	-30.4	-13.6	-23.3
Profit/loss for the period	145.1	244.2	112.7	340.7	306.5

Balance sheet in summary

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
<i>Non-current assets</i>			
Property, plant, and equipment	809.2	658.1	697.2
Receivables from Group companies	1,629.1	1,356.4	1,672.3
Financial assets	1,809.0	1,685.6	1,729.8
Total fixed assets	4,247.3	3,700.1	4,099.3
<i>Current assets</i>			
Current receivables	259.2	34.2	199.7
Cash and bank balances	140.3	66.3	14.9
Total current assets	399.5	100.5	214.6
TOTAL ASSETS	4,646.8	3,800.6	4,313.9
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	129.8	125.8	129.6
Non-restricted equity	1,930.8	1,575.1	1,915.3
Total equity	2,060.6	1,700.9	2,044.9
Provisions for tax	41.1	10.7	25.8
<i>Non-current liabilities</i>			
Liabilities to credit institutions and bond loans	74.8	360.6	907.3
Other non-current liabilities	0.0	11.4	11.4
Derivative instruments	0.0	92.0	70.9
Liabilities to group companies	1,166.7	913.1	1,042.0
Total non-current liabilities	1,241.5	1,377.0	2,031.5
<i>Current liabilities</i>			
Liabilities to credit institutions	1,007.2	638.1	40.3
Other liabilities	296.4	73.9	171.4
Total current liabilities	1,303.6	712.0	211.7
TOTAL EQUITY AND LIABILITIES	4,646.8	3,800.6	4,313.9



Other disclosures

Segment reporting

SEK million	Total		Residential		Public sector/community		Commercial	
	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Sep 2022	Jan-Sep 2021
Rental income	512.4	457.8	370.9	298.6	53.9	37.7	87.6	121.5
Property costs	-199.7	-165.2	-149.2	-114.0	-19.5	-9.5	-31.0	-41.7
Net operating income	312.7	292.6	221.7	184.6	34.4	28.2	56.6	79.8
Interest expense right of access (site-leasehold rights)	-4.6	-5.0	-4.5	-3.9	-0.1	-0.1	0.0	-1.0
Change in value, investment properties	123.2	698.2	69.4	542.1	52.5	60.2	1.3	95.9
Segment profit	431.3	985.8	286.6	722.8	86.8	88.3	57.9	174.7
Unallocated items								
Net operating profit/loss from project properties	-2.0	-0.1						
Other income and central administration	-28.9	-37.9						
Profit/loss from participations in associates and joint ventures	18.5	22.6						
Net financial income/expense excluding site-leasehold rights	-93.1	-62.8						
Change in value, project properties	54.4	4.5						
Changes in value of derivatives	202.7	52.7						
Profit/loss before tax	582.8	964.8						
Fair value per segment	12,749.8	10,822.1	9,451.0	8,040.3	1,450.8	850.7	1,887.4	1,931.1
Fair value, projects	347.1	220.3						
Fair value, investment properties	13,136.2	11,042.4	9,451.9	8,040.3	1,450.8	850.7	1,847.2	1,931.1
Surplus ratio, %	63.1	64.3	59.8	61.8	63.8	74.8	64.6	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 which segment a property belongs to.

Rental income, property costs, net operating profit, 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 approved by the European Union. This interim report is prepared in accordance IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554). In addition, the relevant provisions of the Swedish Annual Accounts Act have been applied.

In the case of the sale of two project properties during the third quarter, an assessment has been made that the income must be reported 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 income is also reported over time.

The Parent's accounting principles

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 principles as the Group, i.e. IFRS, to the extent which RFR 2 permits.

Group and Parent

For a detailed explanation of the accounting principles, please refer to Trianon's Annual Report for 2021. The accounting principles are unchanged from those applied to 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.

Transactions with related parties

There were no transactions with related parties during the period other than remuneration paid to senior executives.

Significant risks and uncertainty factors

The preparation of financial statements in accordance with generally accepted accounting principles requires the company's management to make judgements and assumptions which affect the assets, liabilities, income and expenses, 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.

In addition to the above, given developments in the outside world, we have seen a somewhat increased probability of financing and interest rate risk materialising compared to the assessment at the turn of the year. However, it has been possible to refinance existing bank debt on largely unchanged terms and, after the end of the period, an agreement has been signed for refinancing of SEK 1.9 billion with a capital tie-up of three and six years, respectively, which increased the capital tie-up to 3.2 years.

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 uncertainty factors. These are described in greater detail in the Annual Report for 2021, on pages 62–65.



Signatures

The Board of Directors and the CEO declare that the interim 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 uncertainty factors faced by the Group and the Parent.

Malmö, 2 November 2022

Viktoria Bergman
Chairperson of the Board

Olof Andersson
Member of the Board and CEO

Axel Barchan
Member of the Board

Richard Hultin
Member of the Board

Jens Ismunten
Member of the Board

Elin Thott
Member of the Board

This interim report has been subject to review by the Company's auditors in accordance with the International Standard for Review Engagements (ISRE) 2410 Review of interim financial information.



Professorn 14 and 15 in Hermodsdal, Malmö.

Review report

To the Board of Directors of Fastighets Aktiebolaget Trianon (publ)
Corporate ID number 556183-0281

Introduction

We have carried out an auditor's review of the interim financial information in summary (interim report) for Fastighets Aktiebolaget Trianon (publ) as at 30 September 2022 and for the nine-month period which ended on that date. It is the Board of Directors and the CEO who are responsible for preparing and presenting this Interim Report in accordance with IAS 34 and the Swedish Annual Accounts Act (1995:1554). Our responsibility is to express a conclusion on this Interim Report based on our review.

The focus and scope of the auditor's review

We have carried out our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of interim financial information carried out by the Company's elected auditors. A review consists of making enquiries, in the first instance to individuals who are responsible for financial issues and accounting issues, performing an analytical review and taking other review measures. An auditor's review has a different focus and a significantly more limited scope than the focus and scope of an audit in accordance with ISA and generally accepted auditing standards.

The measures taken as part of a review do not make it possible for us to ensure with a sufficient level of certainty that we are aware of all the material circumstances which could have been identified had an audit been carried out. The conclusions expressed on the basis of a review do not, therefore, have the level of certainty of the conclusions expressed on the basis of an audit.

Conclusions

Based on our review, no circumstances have emerged which give us reason to believe that the financial statements have not, in all essentials, been prepared on behalf of the Group in compliance with IAS 34 and the Annual Accounts Act, and, on behalf of the Parent, in compliance with the Annual Accounts Act.

Malmö, 2 November 2022
Mazars AB

Anders Persson
Authorised Public Accountant

Rasmus Grahm
Authorised Public Accountant



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

Interest-bearing net debt in relation to the 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 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 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.

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.

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.

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.

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/loss for the period before tax, with add-back of changes the value of derivatives and properties, as well as financial expense, in relation to financial expense with add-back of interest expense for derivatives.

Reason for use: Enables investors to judge the ability to live up to their ongoing financial obligations.

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 premises 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:

Year-end Report 2022	17 February 2023
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 as Fastighets AB Trianon (publ) is obliged to disclose under the EU's Market Abuse Regulation and the Securities Market Act. The information was provided through the above-mentioned contact persons for release on 3 November 2022 at 08.00.

Cover: Slussen 2, Malmö and pages 4, 12, 18, 19, 24 and 25, photographs by Pernilla Wästberg.

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.



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