

# Q1

Interim Report January-March 2022  
Fastighets AB Trianon (publ)

## Stable in challenging times

### Results in brief, first quarter of 2022

- Rental income grew by 13 percent and amounted to SEK 170.5 million (150.7).
- The operating surplus increased by 14 percent to SEK 100.2 million (87.6) and the surplus ratio was 59 percent (58).
- Rental income grew by 12 percent and amounted to SEK 58.9 million (52.7).
- The net profit for the period amounted to SEK 224.3 million (298.0), equivalent to earnings per share of SEK 5.49 (7.59) before dilution and SEK 5.48 (7.58) after dilution.
- Changes in the value of investment properties totalled SEK 93.3 million (279.4), of which SEK 22.7 million represented project profits.
- The change in value of derivatives amounted to SEK 127.6 million (41.6).

TRIANON 

Profit from  
property  
management

**12 %**

Return on  
equity

**17 %**

Net letting

SEK **3.7** million

Long-term net  
worth, SEK

**148.15**  
per share



# Significant events during the quarter

## Letting

- Continued strong net letting of SEK 3.7 million during the period.
- New leases were signed with tenants in the public sector/community services segment at Limhamn, in Rosengård Centrum, in Entré in Malmö and in the Hanna district in Burlöv.

## Transactions

- After restructuring our swap portfolio we have hedged 45 percent of our interest expenses, with a swap of SEK 2.5 billion during 3 years at an interest rate of 0.6 percent.
- Acquisition of the remaining non-controlling participations (3.9 %) in Signatur Fastigheter. This completed the compulsory purchase process, and Trianon now owns 100 percent of the company.

## Project portfolio

- Project profits of SEK 22.7 million were recognised during the period. The target is to achieve project profits of SEK 100 million per year.

For more information on the project portfolio, see page 9.

## Value-generating investments

- 46 apartments were renovated in the first quarter. The target is to renovate 200 apartments per year.
- Investment in the rebuilding of the Entré property, Torghuset. The tenant, Statens servicecenter moved in during the quarter.

Rental income  
SEK  
**171**  
million

Operating surplus  
SEK  
**100**  
million

Profit from property  
management  
SEK  
**59**  
million

Profit/loss for  
the period  
SEK  
**224**  
million

Property value  
SEK  
**12,863**  
million

### The Board of Directors proposes that the Annual General Meeting approves:

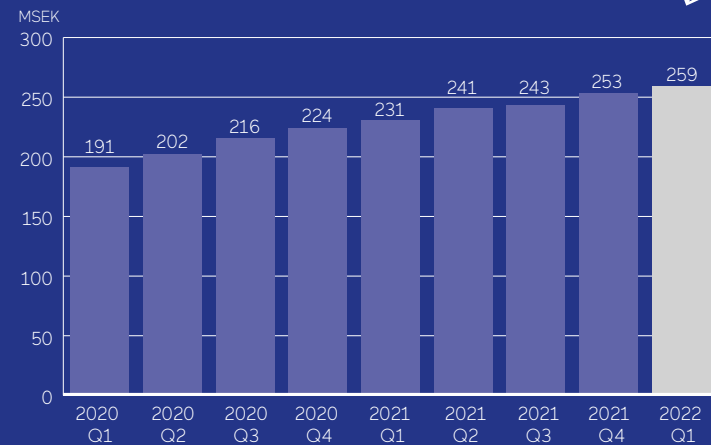
- A dividend of SEK 2 per share
- A 4:1 share split

# Financial objectives

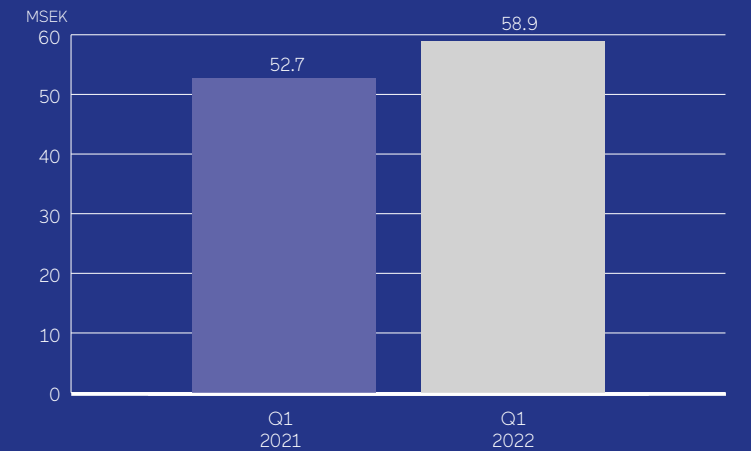
Trianon's financial objectives for the period 2022-2024 were set in 2021.

- 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 month

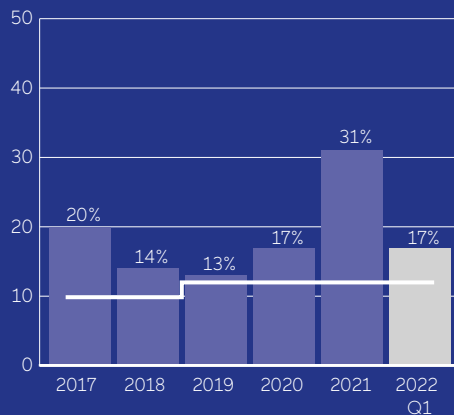


Profit from property management, SEK million



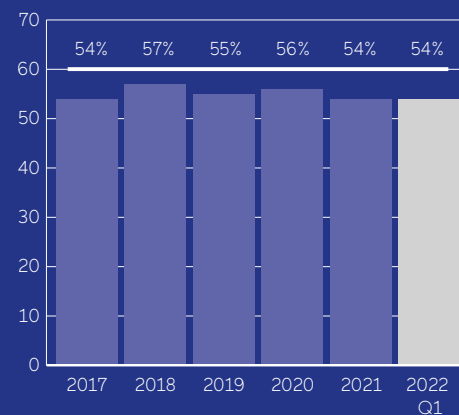
Target annual increase of 12 %

Average return on equity, %



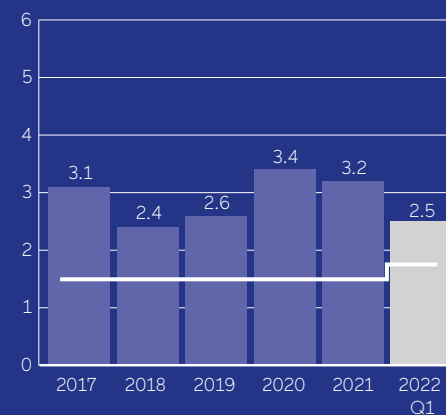
— Target to exceed 12 % over a business cycle

Loan-to-value ratio, %



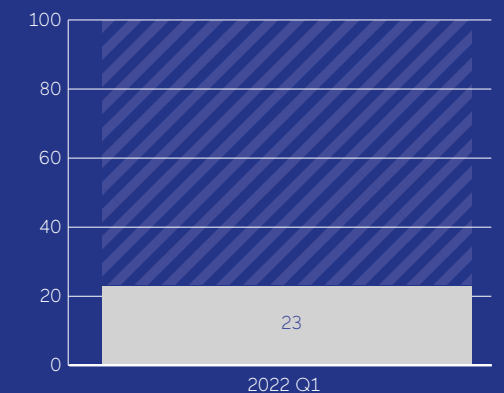
— Target not to exceed 60 %

Interest coverage ratio, times



— Target to exceed 1.75 times

Annual investment profit from the project portfolio



The target is to exceed SEK 100 million per year



# Stable in challenging times

**During the first three months of the year, Trianon reported continued increased earnings and high growth, despite a challenging environment. Thanks to our successful letting efforts and our value-generating investments, rental income rose by 13 percent and the profit from property management by 12 percent.**

During the first quarter of the year, Russia started a war in Europe. Russia's actions in Ukraine are nothing short of an atrocity and a crime against humanity. I have been following developments with dismay, and I am convinced that the verdict of history will go hard against Putin and his followers. Everything else fades in importance compared with the suffering that the people of Ukraine are undergoing.

## Challenging environment

As a company, we are, of course, affected in various ways, partly through rising inflation and increased energy costs which will probably also involve higher financing costs in the long term. As a residential property company, we naturally wanted to help, and, right from the start of the war, we offered a large number of residential units to the Swedish Migration Agency and the City of Malmö.

## Delivering on all financial objectives

Despite the challenging environment, we are continuing to grow, and we are delivering on all our financial objectives. We increased rental income by 13 percent, net operating profit by 14 percent and profit from property management by 12 percent. This was despite the fact that results were charged with around SEK 3 million

in extraordinary costs attributable to bad debts and restructuring expenses in connection with the merger with Signatur Fastigheter. During the quarter, we signed a large number of leases in the public sector/community services segment, with the emphasis on Malmö and reached a positive net letting of SEK 3.7 million. New construction is proceeding according to plan, with a profit of SEK 23 million from our project portfolio. Interest in acquisitions remains high and it is still challenging to find good deals.

## Financing

For many years now we have been operating in the best of worlds, focusing on homes in an expanding metropolis with a shortage of housing, low financing costs and low inflation. The shortage of housing persists, particularly in our segment with reasonable rents. But we must point out that we are now facing rising energy costs and probably higher financing costs as well in the long term. After restructuring our swap portfolio during the quarter, however, we have hedged 45 percent of our interest expenses, with a swap of SEK 2.5 billion during 3 years at an interest rate of 0.6 percent. By sticking to our strategy of effective cost control and local focus, I believe that we will continue on our growth trajectory and deliver on our financial objectives.

## Goals and focus going forward

Trianon's new business plan was adopted in November, with updated financial targets and sustainability objectives. The company has a strong focus on residential units and public sector/community properties, and is highly active in letting, value-generating investments, new construction and acquisitions. Within the framework of our commitment to sustainability, we are gearing up our sustainability initiatives in energy saving and security. Overall, all this is creating highly favourable conditions for continued value-generation and growth.

Finally, my warmest thanks are due to all our dedicated colleagues whose hard work continues to deliver excellent results, day after day.



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.

A new sustainability objective has been adopted for 2022-2024, with an increased focus on environmental sustainability:

- Reduce energy consumption by 10 percent in kWh 2022-2024.

The previous sustainability objective of building more rental apartments with reasonable rents and to renovate 200 apartments per year remains in place. Moreover, our social commitment to creating jobs and improving security in our areas will continue.

## 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 153 properties, and is part-owner of an additional 7 properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 487,800 m<sup>2</sup> excluding around 3,000 garage and parking spaces. The property value totalled SEK 12.9 billion as at 31 March 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-MARCH 2022

The profit/loss items below refer to the period January-March 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 170.5 million (150.7), which corresponds to an increase of 13 percent. The increase is attributable in particular to acquired properties and to letting.

Net letting for the period amounted to SEK 3.7 million (3.8). The economic occupancy rate was 95 percent (95).

The total rental value amounted to SEK 746.3 million (675.3). The increase is due in particular to acquired properties and letting.

## Property costs

Net sales amounted to SEK 72.9 million (63.4). 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. The high price of electricity in the region has had a negative impact on property costs compared with the preceding year.

The renovation work on apartments continued, with 46 (40) 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.

## Net operating profit

Net operating profit for the period totalled SEK 100.2 million (87.6), which represents an increase of 14 percent. The operating surplus was 59 percent (58).

## Central administration

Central administrative expenses amounted to SEK 18.0 million (11.6). 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 (67) of whom 48 (32) were white-collar staff. Central administration is charged with non-recurring costs in respect of bad debts and restructuring costs of around SEK 3.0 million.

## Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 3.4 million (-0.2) 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 4.1 million (0.2). 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 26.6 million (22.3). The average interest rate for the period including swap rates amounted to 1.9 percent (2.1), and excluding swap rates to 1.5 percent (1.6). 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 (1.7).

## Changes in the value of properties and financial instruments

Changes in the value of investment properties for the period totalled SEK 93.3 million (279.4), of which SEK 22.7 million 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 yield on the full property portfolio was 3.9 percent (4.5), and the yield on residential properties was 3.6 percent (4.2).

The change in the value of derivative instruments for the period amounted to SEK 127.6 million (41.6). Of this, SEK -7.5 million (-7.9) relates to swap rates paid during the period. The change in the value of derivatives does not affect cash flow, and the value of the derivative at the end of its term is always zero. The swap portfolio

was restructured during the quarter, and hedging has increased to 45 percent from 35 percent. For further information, please see page 12.

## Tax

Reported tax for the period amounted to SEK -54.8 million (-75.3). Deferred tax attributable to investment properties totalled SEK -27.0 (-65.1) and changes in the value of derivative instruments to SEK -27.8 million (-10.2).

## Comprehensive income

The comprehensive income for the period was SEK 224.3 million (298.0), of which SEK 224.3 million (293.1) was attributable to the Parent's shareholders. The profit for the period is equivalent to earnings per share of SEK 5.49 (7.59) before dilution, and SEK 5.48 (7.58) after dilution.

The return on equity was 17 percent (32), and the increase is primarily due to increased profit from property management and to changes in the value of investment properties and derivatives.

## Parent

Net sales amounted to SEK 17,6 million (15,3). The operating loss was SEK -8.2 million (-9.5). The change in value of derivatives amounted to SEK -10.6 million (49.0), and was due to changes in the value of market interest rates. The change in the value of derivatives does not affect cash flow, and the value of the derivative at the end of its term is always zero.

Tax on the profit/loss for the period amounted to SEK 2.2 million (-10.1), and relates to deferred tax on changes in the value of derivatives.



## Current earning capacity, Group companies

The table below shows earning capacity on a twelve-month basis. It is important to note that the current earning capacity is not to be equated with a forecast for the coming 12 months.

For example, the earning capacity does not include assessment of rent trends, vacancies, or changes in interest rates. Trianon's income statement is also affected by the trend in the value of the property portfolio as well as upcoming acquisitions and/or property sales. In addition, the income statement is also affected by changes in value in respect of derivatives. None of the foregoing factors have been taken into account in the current earning capacity.

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

### Actual earning capacity, 12 months

Group companies SEK million	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Rental value	746.3	737.8	687.8	648.9	675.3
Vacancies	-20.9	-22.3	-24.3	-24.7	-27.1
Contracted vacancies	-11.8	-11.6	-8.5	-1.2	-2.5
Reductions	-4.5	-3.1	-2.2	-4.2	-5.6
Other income	6.0	6.2	6.4		
<b>Rental income</b>	<b>715.1</b>	<b>707.0</b>	<b>659.2</b>	<b>618.8</b>	<b>640.0</b>
Property costs	-221.8	-221.1	-196.9	-186.4	-190.9
Property administration	-22.1	-21.4	-21.4	-19.6	-19.2
<b>Operating surplus</b>	<b>471.2</b>	<b>464.5</b>	<b>440.9</b>	<b>412.8</b>	<b>430.0</b>
Surplus ratio	66 %	66 %	67 %	67 %	67 %
Central administration	-56.0	-56.0	-56.0	-44.0	-44.0
Profit/loss from participations in associates and joint ventures	23.5	20.2	20.4	10.6	4.3
Ground rent	-6.1	-6.0	-5.5	-6.7	-7.0
Financial income and expenses	-133.9	-128.3	-116.9	-104.2	-118.0
<b>Profit from property management</b>	<b>298.7</b>	<b>294.4</b>	<b>282.8</b>	<b>268.5</b>	<b>265.3</b>
Profit from property management attributable to:					
Parent shareholders	298.7	293.7	281.1	266.5	257.7
Holdings with a non-controlling interest	0.0	0.7	1.7	2.0	7.6

## Current earning capacity of associates and joint ventures

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

Trianon, jointly with Wallfast, acquired the Burlöv Center property at the end of 2020, a major urban development project with a potential development of 1,000 residential units. Rosengård Centrum has been owned since 1 September 2021 through a joint venture involving Trianon, Brunswick Real Estate and Bonnier Fastigheter. The joint venture will develop Rosengård Centrum with new retail units, new public sector/community services and new homes.

### Actual earning capacity, 12 months

Associates and joint ventures SEK million	31 Mar 2022	31 Dec 2021	30 Sep 2021
Rental value	149.6	154.0	152.0
Vacancies	-13.7	-25.4	-30.6
Contracted vacancies	-4.9	-5.9	-1.5
Reductions	-5.8	-6.6	-4.1
<b>Rental income</b>	<b>125.2</b>	<b>116.1</b>	<b>115.9</b>
Property costs	-44.7	-44.0	-45.0
Property administration	-3.9	-3.6	-3.7
<b>Operating surplus</b>	<b>76.6</b>	<b>68.5</b>	<b>67.2</b>
Surplus ratio	61 %	59 %	58 %
Central administration	-10.4	-9.7	-8.6
Ground rent	-1.7	-1.7	-1.7
Financial income and expenses	-17.6	-16.8	-16.2
<b>Profit from property management</b>	<b>46.9</b>	<b>40.3</b>	<b>40.8</b>

### Shareholdings in associates and joint ventures

Property	Trianon's holding
Arlöv 22:189	50 %
Bojen 1	50 %
Fendern 1	50 %
Landshövdingen 1, Rosengård Centrum	50 %
Smedjan 2	50 %
Svedala 8:16	50 %
Tågarp 15:4, Burlöv Center	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 153 properties with a total rentable area of 487,800 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 104.0 million (66.7) was invested in existing properties. The investment consisted of ongoing apartment renovations in the residential portfolio, adaptations to meet tenants' requirements in business premises, rebuildings including the Entré property Rolf 6 and new construction projects.

### Acquisitions and disposals

During the period, 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. No disposals were made during the period.

### 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 716 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 zoning planned 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 12,863.4 million (10,000.3). Changes in the value of investment properties amounted to SEK 93.3 million (279.4). The changes in value are due to the renovation of apartments in the residential portfolio, the signing of new contracts in the commercial portfolio, value-generating apartment renovations and project profits from the project portfolio. Project profits amounted to SEK 22.7 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 (4.5), and the yield on residential properties was 3.6 percent (4.2). Construction rights and potential construction rights have not been valued on existing properties apart from the 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, 31 March 2022

The table on the next page shows a summary of the properties owned by Trianon on 31 March 2022, and reflects the contracted revenue on an annual basis on 1 April 2022, and costs on annual basis, as if the properties had been owned throughout the preceding twelve-month period, whereupon the acquired and completed properties are recalculated as if they had been owned or completed during the preceding twelve-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, m²	BOA/LOA m²	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	235	118	17	2021	2022
<b>Total projects involving existing properties</b>	<b>0</b>	<b>11,900</b>	<b>7,100</b>	<b>235</b>	<b>118</b>	<b>17</b>		
<b>Projects with valid zoning plan</b>								
Badmössan 1, Hyllie (premises and rental properties)	73	5,450	4,200	150	41	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,850	3,750	122	19	6	2021	2023
Centralköket 1, Sege Park (tenant-owner homes)	11	1,600	1,300	49	5	0	2021	2023
Svedala 1:87 (rented apartments)	53	4,700	3,700	112	0	6	2021	2023
Hanna district, Burlöv (premises, rental properties and tenant-owner homes)	111	16,450	11,500	463	29	18	2022	2024
Fjällrutan 1 (tenant-owner homes)	12	1,050	900	35	0	0	2022	2024
Norra Sorgenfri, phase 1* and phase 2	391	22,200	16,650	720	53	37	2022	2025
<b>Total projects with valid zoning plans</b>	<b>716</b>	<b>56,300</b>	<b>42,000</b>	<b>1 651</b>	<b>148</b>	<b>75</b>		
<b>Projects subject to zoning plans</b>								
Björnen 6, Skurup	50	4,500			1		2023	2025
Svedala 25:18	143	10,000			1		2023	2025
Svedala 22:8	41	4,100			1		2023	2025
Östergård 3, Skurup	65	4,200			1		2023	2025
Husie 172:75, Malmö	60	9,000			0		2023	2025
Mjölkboden 4, Stockholm	46	2,800			1		2024	2026
Vallhunden 8, Stockholm	29	2,000			0		2024	2026
Alven 26, Malmö	30	2,000			0		2024	2026
Spiralen 10, Malmö	123	17,000			0		2025	
<b>Total projects subject to zoning plans</b>	<b>587</b>	<b>55,600</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>		
<b>Total project portfolio</b>	<b>1,303</b>	<b>123,800</b>	<b>49,100</b>	<b>1,886</b>	<b>272</b>	<b>92</b>		

### Future potential zoning plans

Bunkeflostrand 155:3

\* Norra Sorgenfri Phase 1 sold, with possession when the property is completed.

\*\*Office in accordance with zoning plan.

Joint Venture	Number of apartments	Gross total area, m²	BOA/LOA m²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Rosengårdsbiblioteket	0	2,000		75	44	6	2020	2022
Rosengård Centrum, phase 1 South	54	5,400			2		2022	2024
Tågarp 15:4 Phase 1 (Burlöv Center)	525	48,000			6		2023	2026
Rosengård Centrum, phase 1 North	75	7,000			2		2023	2025
Bojen 1 and Fendern 1 (Silos at Limhamn)	70	15,000					2024	2027
Tågarp 15:4 Phase 2 (Burlöv Center)	910	85,000			1			
<b>Total</b>	<b>1,634</b>	<b>162,400</b>	<b>0</b>	<b>75</b>	<b>55</b>	<b>6</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 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
Fair value at the start of the period	12,665.5	11,042.4	9,720.8	10,000.3	9,462.3
Investments through companies*	0.0	889.8	1,575.3	36.6	191.9
Investments in new investment properties	0.0	0.0	50.1	0.0	0.0
Investments in existing properties	104.6	124.8	72.5	45.8	66.7
Sales	0.0	0.0	0.0	-492.1	0.0
Sales to associates and joint ventures	0.0	0.0	-591.6	-77.8	0.0
Changes in value	93.3	608.5	215.3	208.0	279.4
<b>Fair value at the end of the period</b>	<b>12,863.4</b>	<b>12,665.5</b>	<b>11,042.4</b>	<b>9,720.8</b>	<b>10,000.3</b>

\* Acquisition of property through companies

## Earning capacity per segment

	Number properties	Number apartments	Rentable area, m <sup>2</sup>	SEK million	Property value SEK/m <sup>2</sup>	Rental value SEK million	SEK/m <sup>2</sup>
<b>Property category</b>							
Residential	104	4,766	350,860	9,370	26,705	508	1,447
Public sector/community	21	214	56,718	1,322	23,300	99	1,743
Commercial*	18	55	61,606	1,832	29,731	132	2,144
<b>Total excluding project properties</b>	<b>143</b>	<b>5,035</b>	<b>469,184</b>	<b>12,523</b>	<b>26,691</b>	<b>739</b>	<b>1,574**</b>
Projects	10	2	18,621	340	-	8	-
<b>Total including project properties</b>	<b>153</b>	<b>5,037</b>	<b>487,805</b>	<b>12,863</b>	<b>26,691</b>	<b>746</b>	<b>1,574</b>

	Economic occupancy rate	Rental income SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin
<b>Property category</b>						
Residential	99 %	501	325	65 %	341	3.6 %
Public sector/community	83 %	82	56	69 %	59	4.5 %
Commercial*	91 %	120	82	69 %	85	4.6 %
<b>Total excluding project properties</b>	<b>95 %</b>	<b>703</b>	<b>464</b>	<b>66 %</b>	<b>485</b>	<b>3.9 %</b>
Projects	-	6	2	-	2	-
<b>Total including project properties</b>	<b>95 %</b>	<b>709</b>	<b>465</b>	<b>66 %</b>	<b>487</b>	<b>3.8 %</b>

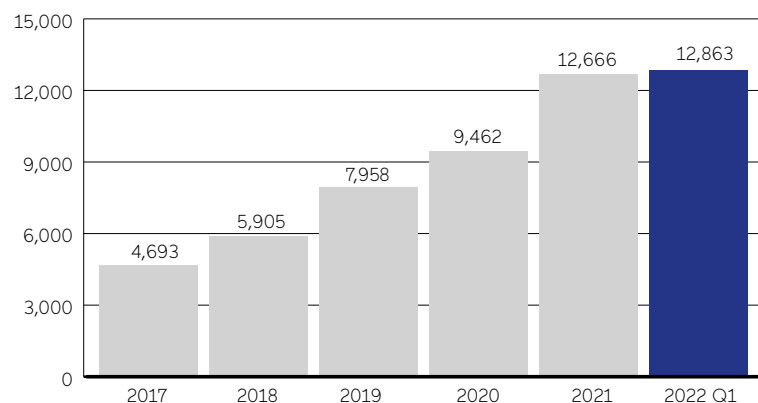
The division of the properties in accordance with the above is based on the predominant share of rental value.

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

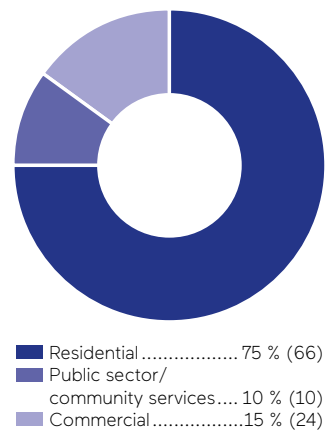
\*\* The rental value for apartments only in the entire property portfolio amounts to an average of SEK 1,325 per square meter.



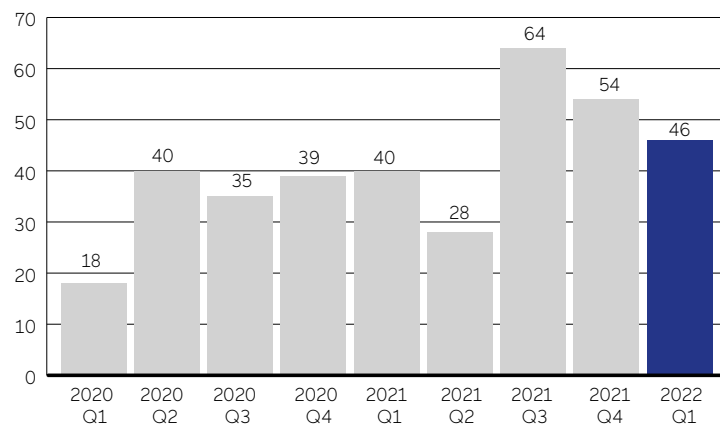
**Fair value of investment properties, SEK million**



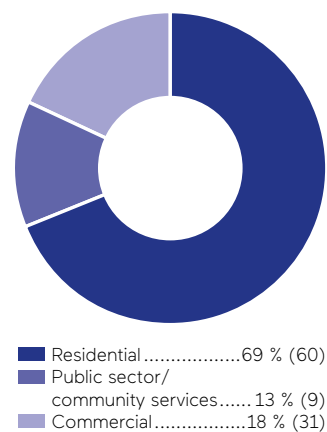
**Property value per segment**



**Number of renovated apartments per quarter**



**Rental value per segment**



The preceding year is within parenthesis.



Gunghästen 1, a public sector/  
community service property in Malmö.

## Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 6,940.6 million (5,705.5). 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 497.3 million (247.3) 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.

Long-term shareholders' loans at the end of the period amounted to SEK 0.0 million (26.8). Convertible loans to staff totalled SEK 11.4 million (11.4) at the end of the period. The convertible loan carries an interest rate of 2.25 percent over a three-year period, and expires at the end of 2022.

Interest rate hedging is carried out through interest rate swaps. At the end of the period, SEK 2,950 million (2,460) was hedged through interest swaps. The swap portfolio was restructured during the period and this increased the proportion of hedged debt to 45 percent from 35 percent since the previous report as at 31 December 2021. The average fixed interest term was around 2 years. The average interest rate for the period including swap rates amounted to 1.9 percent (2.1), and excluding swap rates to 1.5 percent (1.6). The derivative portfolio amounted to SEK 17.4 million (118.0) in liabilities and SEK 81.7 million (0.0) in receivables. It was recognised gross in the balance sheet at the end of the period. The change in the market value of derivative instruments does not affect cash flow, and on the final maturity date of the derivatives, the value is zero.

The fixed interest period was approximately 2.6 years. The loan-to-value ratio was SEK 53.6 percent (55.0). Calculated on total assets, the loan-to-value ratio is about 50 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 bonds are listed on the Nasdaq Stockholm Sustainable Bond List. The hybrid bond is perpetual, with a variable interest rate of Stibor 3m + 7.0 percent, and is recognised as equity after the deduction of transaction expenses. The issue proceeds of the hybrid bonds are used in accordance with Trianon's sustainable framework, focusing on social and environmental sustainability. A separate report covering the use of the issue proceeds is annually posted on Trianon's website, [www.trianon.se](http://www.trianon.se).

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

Equity amounted to SEK 5,430.5 million (3,923.3), of which SEK 5,430.5 million (3,816.5) 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 (106.8).

The dividend linked to the hybrid bonds has reduced equity by SEK 8.8 million (8.8). Equity attributable to the Parent's shareholders has been affected by the acquisition of a non-controlling stake of SEK -2.4 million (0.0).

Equity per share amounted to SEK 138.35 (101.87), and to SEK 128.07 per share (90.15) after the deduction of equity attributable to the hybrid bonds. The equity/assets ratio was

39.7 percent (36.5) at the end of the period. Consolidated cash and cash equivalents amounted to SEK 42.7 million (201.5). Unutilised bank overdraft facilities at the end of the period amounted to SEK 35.0 million (25.0).

## Cash flow

Cash flow for the period totalled SEK -44.7 million (-78.7). Cash flow was affected by investments in existing properties of SEK -104.0 million (-66.7), as well as acquisitions of SEK 0.0 million (-171.1). Financing activities were affected by loans taken out on existing and acquired properties of SEK 100.0 million (598.1), amortisations and repayments of loans of SEK -30.4 Million (-456.2) and the dividend on the hybrid bond of SEK -8.8 million (-8.8). The cash flow from operating activities for the period before changes in working capital totalled SEK 47.3 million (44.5), due to the acquisition of properties. Cash and cash equivalents at the end of the period totalled SEK 42.7 (201.5) million.

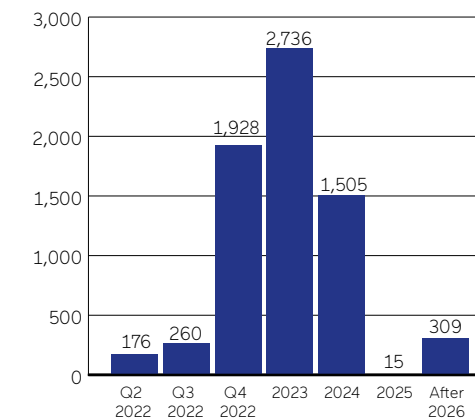
## Financial derivatives

Falls due, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2025	2,500	81.7	0.6
2029	150	-0.6	1.9
2030	150	-0.7	1.9
2032	150	-1.0	1.9
	<b>2,950</b>	<b>79.4</b>	<b>0.8</b>

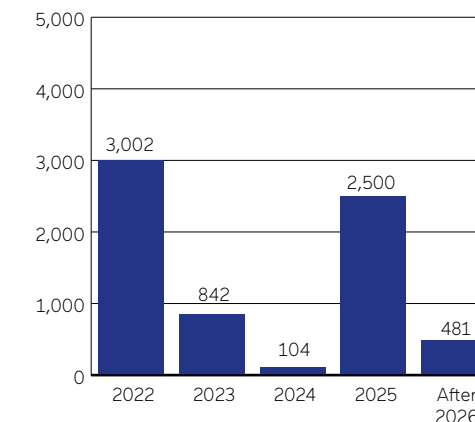
An interest rate cap has been arranged on a nominal amount of SEK 1,000 million, with a term of 3 years at an interest rate of 2 percent.

The derivative liability linked to the instrument amounts to SEK 15.2 million.

## Capital tied up, SEK million



## Fixed interest, SEK million





# Shares

The company has a total of 39,251,490 shares, divided into 1,521,118 Class A shares and 37,730,372 Class B shares. Each A share is entitled to 1 vote and each B share to 1/10 vote. Accordingly, the total number of votes is 5,294,155. The share capital amounted to SEK 98,128,725, and the quota value per share is SEK 2.50.

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 31 March 2022 was SEK 205 per share. The company's total market capitalisation was SEK 7.7 billion on 31 March 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 78. In the event of full conversion, this means that 146,153 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.

## 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 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 (1:4)	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
22 November 2021	New share issue	0	1,500,000	1,521,118	37,730,372	39,251,490	3,750,000	98,128,725
<b>Total</b>				<b>1,521,118</b>	<b>37,730,372</b>	<b>39,251,490</b>		<b>98,128,725</b>

## Shareholders on 31 March 2022

Name	Total Holdings	Holdings %	Total Votes	Votes, (%)
Olof Andersson privately and through companies	10,374,235	26.43 %	1,687,894.9	31.88 %
Briban Invest AB	10,350,763	26.37 %	1,685,547.7	31.84 %
AB Grenska Specialisten	3,792,524	9.66 %	379,252.4	7.16 %
Länsförsäkringar Fastighetsfond	2,692,046	6.86 %	269,204.6	5.08 %
Mats Cederholm privately and through companies	908,985	2.32 %	158,961.9	3.00 %
SEB Sverigefond Småbolag	1,374,515	3.50 %	137,451.5	2.60 %
The Eklund family privately and through companies	1,020,000	2.60 %	102,000.0	1.93 %
Verdipapirfondet Odin Eiendom	819,584	2.09 %	81,958.4	1.55 %
Handelsbanken Microcap	600,000	1.53 %	60,000.0	1.13 %
SEB Nanocap	505,475	1.29 %	50,547.5	0.95 %
Other shareholders	6,813,363	17.36 %	681,336.3	12.87 %
<b>Total</b>	<b>39,251,490</b>	<b>100 %</b>	<b>5,294,155</b>	<b>100 %</b>

## Share price trend, SEK per share



## Share information

Ticker symbol: TRIAN B  
ISIN code: SE0009921471

## Annual General Meeting 12 May 2022

The Annual General Meeting of Fastighets Aktiebolaget Trianon (publ) will be held on Thursday, 12 May 2022 at 16.00 at Studio Meetingpoint, Nordenskiöldsgatan 24, Malmö.

For details on notification, see [www.trianon.se/investerare](http://www.trianon.se/investerare).

The Board of Directors proposes that the Annual General Meeting approves:

- A dividend of SEK 2 per share
- A 4:1 share split

# Consolidated Income Statement

## Consolidated statement of comprehensive income, summary

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Rental income	170.5	150.7	618.1
Other income	2.6	0.3	5.5
Property costs	-72.9	-63.4	-227.6
<b>Net operating income</b>	<b>100.2</b>	<b>87.6</b>	<b>396.0</b>
Central administration	-18.0	-11.6	-55.5
Profit/loss from participations in associates and joint ventures	3.4	-0.2	41.7
<i>of which profit from property management in associates and joint ventures</i>	4.1	0.2	6.5
Financial income	0.7	0.5	2.7
Interest expense right of access (site-leasehold rights)	-1.5	-1.7	-6.4
Financial expenses	-26.6	-22.3	-90.2
<b>Profit including changes in value and tax in associates and joint ventures</b>	<b>58.2</b>	<b>52.3</b>	<b>288.3</b>
<b>Profit from property management</b>	<b>58.9</b>	<b>52.7</b>	<b>253.1</b>
Change in value, investment properties	93.3	279.4	1,311.2
<i>of which project profits</i>	22.7		
Changes in value of derivatives	127.6	41.6	66.5
<b>Profit/loss before tax</b>	<b>279.1</b>	<b>373.3</b>	<b>1,666.0</b>
Tax on profit/loss for the year	-54.8	-75.3	-355.5
<b>Profit/loss for the period</b>	<b>224.3</b>	<b>298.0</b>	<b>1,310.5</b>
Other comprehensive income	0.0	0.0	0.0
<b>Comprehensive income for the period</b>	<b>224.3</b>	<b>298.0</b>	<b>1,310.5</b>
<b>Comprehensive income for the period attributable to:</b>			
The Parent's shareholders	224.3	293.1	1,305.0
Holdings with a non-controlling interest	0.0	4.9	5.5
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*	5.49	7.59	33.64
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution**	5.48	7.58	33.57
Average number of outstanding shares before dilution, thousand*	39,251.5	37,465.5	37,748.2
Average number of outstanding shares after dilution, thousand*	39,342.7	37,526.2	37,835.4

\* 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 and the new issue of 1,500,000 shares on 22 November 2021.

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



## Balance sheet in summary

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
<i>Property, plant and equipment</i>			
Investment properties	12,863.4	10,000.3	12,665.5
Right of access (site-leasehold rights)	181.4	205.9	163.6
Property, plant and equipment	3.9	1.3	7.3
<b>Total property, plant and equipment</b>	<b>13,048.7</b>	<b>10,207.5</b>	<b>12,836.4</b>
<i>Financial assets</i>			
Participations in associates and joint ventures	262.6	93.4	244.1
Receivables, associates and joint ventures	169.8	137.0	161.7
Derivative instruments	81.7	0.0	0.0
Other long-term receivables	12.1	1.6	17.1
<b>Total financial assets</b>	<b>526.2</b>	<b>232.0</b>	<b>422.9</b>
Deferred tax asset	46.7	47.2	55.5
<b>Total fixed assets</b>	<b>13,621.5</b>	<b>10,486.7</b>	<b>13,314.8</b>
<i>Current assets</i>			
Current receivables	14.7	66.6	179.0
Cash and cash equivalents	42.7	201.5	87.4
<b>Total current assets</b>	<b>57.4</b>	<b>268.1</b>	<b>266.4</b>
<b>TOTAL ASSETS</b>	<b>13,678.9</b>	<b>10,754.8</b>	<b>13,581.1</b>

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to Parent's shareholders	5,430.5	3,816.5	5,217.3
Holdings with a non-controlling interest	0.0	106.8	26.6
<b>Total equity</b>	<b>5,430.5</b>	<b>3,923.3</b>	<b>5,243.9</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	3,643.8	3,567.3	3,465.5
Other non-current liabilities	47.8	0.0	48.1
Lease liabilities	182.3	205.9	163.6
Derivative instruments	17.4	117.6	70.9
Deferred tax liabilities	899.2	652.0	857.3
<b>Total non-current liabilities</b>	<b>4,790.5</b>	<b>4,542.8</b>	<b>4,605.4</b>
<i>Current liabilities</i>			
Interest-bearing liabilities	3,296.8	2,138.2	3,401.0
Derivative instruments	0.0	0.4	0.0
Other current liabilities	161.1	150.1	330.8
<b>Total current liabilities</b>	<b>3,457.9</b>	<b>2,288.7</b>	<b>3,731.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,678.9</b>	<b>10,754.8</b>	<b>13,581.1</b>

## Consolidated statement of changes in equity, summary

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Total equity at the start of the period</b>	<b>5,243.9</b>	<b>3,635.2</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>	<b>3,532.3</b>
New share issue	0.0	0.0	446.9
Dividend	0.0	0.0	-67.4
Dividend, hybrid bond	-8.8	-8.8	-35.2
Non-controlling interests acquired	-2.4	0.0	35.7
Profit/loss for the period and comprehensive income excluding holdings without control	224.3	293.1	1,305.0
<b>Equity attributable to Parent's shareholders at the end of the period</b>	<b>5,430.5</b>	<b>3,816.5</b>	<b>5,217.3</b>
<i>Equity attributable to holdings without control</i>			
<b>Amount at the start of the period</b>	<b>26.6</b>	<b>102.9</b>	<b>102.9</b>
Dividend	0.0	-1.0	-1.0
Non-controlling interests acquired	-26.6	0.0	-80.8
Profit/loss for the period	0.0	4.9	5.5
<b>Equity attributable to holdings without control at the end of the period</b>	<b>0.0</b>	<b>106.8</b>	<b>26.6</b>
<b>Total equity at the end of the period</b>	<b>5,430.5</b>	<b>3,923.3</b>	<b>5,243.9</b>





## Cash flow analysis in summary

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Cash flow from operating activities</i>			
Net operating income	100.2	87.6	396.0
Central administration	-18.0	-11.6	-55.5
Net financial income/expense paid	-35.5	-31.9	-126.0
Items not affecting cash flow	0.6	0.4	1.3
Income tax paid	0.0	0.0	-3.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>47.3</b>	<b>44.5</b>	<b>212.8</b>
<i>Changes in working capital</i>			
Changes in operating receivables	22.9	10.0	22.5
Changes in operating liabilities	-37.8	-27.3	26.4
<b>Cash flow from operating activities</b>	<b>32.4</b>	<b>27.2</b>	<b>261.7</b>
<i>Investing activities</i>			
Investment in investment properties	-104.6	-66.7	-359.9
Acquisitions of investment properties via subsidiaries	0.0	-171.1	-868.1
Other investments in property, plant and equipment	0.0	-0.2	0.0
Acquisition of associates	0.0	0.0	-292.6
Sale of investment property via subsidiary	0.0	0.0	221.9
Sale of subsidiaries to associates and joint ventures	0.0	0.0	364.9
Investment receivables, associates and joint ventures	-6.9	0.0	-22.6
Amortisation of financial assets	2.6	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-108.9</b>	<b>-238.0</b>	<b>-956.3</b>
<i>Financing activities</i>			
Loans raised	100.0	598.1	1,424.1
Amortisation of loans	-27.6	-28.2	-132.6
Repayment of other loans and deposits	-2.9	-428.0	-660.0
Acquisition of shares from non-controlling interest	-29.0	0.0	-413.0
Issues	0.0	0.0	387.0
Hybrid bond	-8.8	-8.8	-35.2
Dividends paid	0.0	-1.0	-68.4
<b>Cash flow from financing activities</b>	<b>31.8</b>	<b>132.1</b>	<b>501.9</b>
<b>Cash flow for the period</b>	<b>-44.7</b>	<b>-78.7</b>	<b>-192.7</b>
Cash and cash equivalents at start of period	87.4	280.1	280.1
Cash and cash equivalents at end of period	42.7	201.5	87.4



Residential apartments at Fritz 2, Malmö.

# 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 pages 24.

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

Financial	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Return on equity, %	16.9	31.9	31.3
Interest coverage ratio, times	2.5	2.5	3.2
Equity/assets ratio, %	39.7	36.5	38.6
Average interest rate, %	1.9	2.1	1.9
Profit from property management, SEK million	58.9	52.7	253.1
Increase in profit from property management over the corresponding period of the preceding year, %	11.8	15.3	12.9
Profit before tax, SEK million	279.1	373.3	1,666.0
Comprehensive income for the period, SEK million	224.3	298.0	1,310.5
Comprehensive income for the period attributable to Parent's shareholders, SEK million	224.3	293.1	1,305.0
Equity, SEK million	5,430.5	3,923.3	5,243.9
Equity attributable to Parent's shareholders, SEK million	5,430.5	3,816.5	5,217.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	5,026.8	3,377.6	4,804.8
Long-term net worth, SEK million	6,218.7	4,539.3	6,090.0
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	5,815.0	4,100.4	5,677.5
Total assets, SEK million	13,678.9	10,754.8	13,581.1

Share-related	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Number of outstanding shares, thousand	39,251.5	37,465.5	39,251.5
Average number of outstanding shares, thousand*	39,251.5	37,465.5	37,748.2
Equity per share, SEK	138.35	101.87	132.92
Equity per share, SEK**	128.07	90.15	122.41
Earnings per share, SEK*	5.49	7.59	33.64
Long-term net worth per share, SEK	158.43	121.16	155.15
Long-term net worth per share, SEK**	148.15	109.44	144.64

\*Definition under IFRS

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

Property-related	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Rental income, SEK million	170.5	150.7	618.1
Operating surplus, SEK million	100.2	87.6	396.0
Rental value, SEK million	746.3	675.3	737.8
Economic occupancy rate, %	95.1	94.8	95.0
Surplus ratio, %	58.8	58.1	64.1
Loan-to-value ratio, %	53.6	55.0	53.5
Proportion of residential and public sector/community properties, %	85	76	85
Rentable area excluding garage, thousand m²	488	419	488



## Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Rental income	170.5	150.7	618.1
Other income	2.6	0.3	5.5
Property costs	-72.9	-63.4	-227.6
Net operating income	100.2	87.6	396.0
<b>Surplus ratio, %</b>	<b>58.8</b>	<b>58.1</b>	<b>64.1</b>
Equity	5,430.5	3,923.3	5,243.9
Total assets	13,678.9	10,754.8	13,581.1
<b>Equity/assets ratio, %</b>	<b>39.7</b>	<b>36.5</b>	<b>38.6</b>
Interest-bearing liabilities, non-current	3,643.8	3,567.3	3,465.5
Interest-bearing liabilities, current	3,296.8	2,138.2	3,401.0
Cash and cash equivalents	-42.7	-201.5	-87.4
Interest-bearing net debt	6,897.9	5,504.0	6,779.1
Investment properties	12,863.4	10,000.3	12,665.5
<b>Loan-to-value ratio, %</b>	<b>53.6</b>	<b>55.0</b>	<b>53.5</b>
Profit/loss before tax	279.1	373.3	1,666.0
Add-back of changes in the value of investment properties and derivatives	-220.9	-321.0	-1,377.7
Add-back of interest expense	26.6	22.3	90.2
Adjusted profit/loss before tax	84.8	74.6	378.5
Financial expenses	-26.6	-22.3	-90.2
Interest expense, derivatives	-7.5	-7.9	-30.0
Total interest expense including interest expense for derivatives	-34.1	-30.2	-120.2
<b>Interest coverage ratio, times</b>	<b>2.5</b>	<b>2.5</b>	<b>3.2</b>
Profit for the period attributable to the Parent's shareholders	224.3	293.1	1,305.0
Calculated annual rate	897.2	1,172.2	1,305.0
Average equity attributable to Parent's shareholders	5,323.9	3,674.4	4,172.8
<b>Return on equity, %</b>	<b>16.9</b>	<b>31.9</b>	<b>31.3</b>
Equity attributable to Parent's shareholders	5,430.5	3,816.5	5,217.3
Add-back of deferred tax liability	899.2	652.0	857.3
Add-back of derivative liability	17.4	118.0	70.9
Addback of derivative receivables	-81.7	0.0	0.0
Add-back of deferred tax asset	-46.7	-47.2	-55.5
<b>Long-term net worth</b>	<b>6,218.7</b>	<b>4,538.9</b>	<b>6,090.0</b>
Deduction of equity attributable to hybrid bonds	-403.7	-438.9	-412.5
<b>Long-term net worth after the deduction of equity attributable to hybrid bonds</b>	<b>5,815.0</b>	<b>4,100.0</b>	<b>5,677.5</b>



# The Parent's Financial Statements

## Income statement, summary

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<i>Operating income</i>			
Net sales	17.6	15.3	64.1
Profit/loss from participations in associates	0.0	-0.2	0.0
Other operating income	1.3	0.0	3.2
<b>Total operating income</b>	<b>18.9</b>	<b>15.1</b>	<b>67.3</b>
Operating expenses	-27.1	-24.6	-95.0
<b>Operating profit</b>	<b>-8.2</b>	<b>-9.5</b>	<b>-27.7</b>
<i>Financial items</i>			
Profit/loss from participations in Group companies	-0.6	0.0	334.1
Profit/loss from participations in associates	0.0	0.0	-13.1
Interest income and similar profit/loss items	5.8	6.5	50.6
Interest expense and similar profit/loss items	-17.7	-13.2	-50.9
Changes in value of derivatives	-10.6	49.0	1.8
<b>Profit/loss after financial items</b>	<b>-31.3</b>	<b>32.7</b>	<b>294.7</b>
Appropriations	0.0	0.0	38.5
<b>Profit/loss before tax</b>	<b>-31.3</b>	<b>32.7</b>	<b>333.2</b>
Tax on profit/loss for the year	2.2	-10.1	-23.3
<b>Profit/loss for the period</b>	<b>-29.1</b>	<b>22.6</b>	<b>309.9</b>

## Balance sheet in summary

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant, and equipment	721.5	642.1	697.2
Receivables from Group companies	1,607.1	1,392.4	1,672.3
Financial assets	1,771.1	1,033.6	1,733.2
<b>Total fixed assets</b>	<b>4,099.7</b>	<b>3,068.1</b>	<b>4,102.7</b>
<i>Current assets</i>			
Current receivables	38.5	27.1	199.7
Cash and bank balances	20.9	139.3	14.9
<b>Total current assets</b>	<b>59.4</b>	<b>166.4</b>	<b>214.6</b>
<b>TOTAL ASSETS</b>	<b>4,159.1</b>	<b>3,234.4</b>	<b>4,317.3</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Restricted equity	129.6	125.1	129.6
Non-restricted equity	1,877.4	1,282.7	1,918.7
<b>Total equity</b>	<b>2,007.0</b>	<b>1,407.8</b>	<b>2,048.3</b>
<b>Provisions for tax</b>	<b>12.3</b>	<b>10.7</b>	<b>25.8</b>
<i>Non-current liabilities</i>			
Liabilities to credit institutions and bond loans	572.6	260.8	907.3
Other non-current liabilities	0.0	11.4	11.4
Derivative instruments	17.4	117.6	70.9
Liabilities to group companies	1,130.0	935.4	1,042.0
<b>Total non-current liabilities</b>	<b>1,720.0</b>	<b>1,325.2</b>	<b>2,031.5</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	372.5	462.6	40.3
Other liabilities	47.3	28.1	171.4
<b>Total current liabilities</b>	<b>419.8</b>	<b>490.7</b>	<b>211.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,159.1</b>	<b>3,234.5</b>	<b>4,317.3</b>





# Other disclosures

## Segment reporting

SEK million	Total		Residential		Public sector/community		Commercial	
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021
Rental income	169.1	150.7	122.5	95.1	17.9	13.7	28.7	41.9
Property costs	-71.3	-63.2	-54.2	-43.1	-7.2	-3.8	-9.9	-16.3
<b>Net operating income</b>	<b>97.8</b>	<b>87.5</b>	<b>68.3</b>	<b>52.0</b>	<b>10.7</b>	<b>9.9</b>	<b>18.8</b>	<b>25.6</b>
Interest expense right of access (site-leasehold rights)	-1.5	-1.7	-1.5	-1.3	0.0	0.0	0.0	-0.3
Change in value, investment properties	90.7	275.7	49.6	182.6	40.1	38.1	1.0	55.0
<b>Segment profit</b>	<b>187.0</b>	<b>361.5</b>	<b>116.4</b>	<b>233.3</b>	<b>50.8</b>	<b>48.0</b>	<b>19.8</b>	<b>80.3</b>
<b>Unallocated items</b>								
Net operating profit/loss from project properties	-0.2	0.1						
Other income and central administration	-15.4	-11.3						
Profit/loss from participations in associates and joint ventures	3.4	-0.2						
Net financial income/expense excluding site-leasehold rights	-25.9	-21.8						
Change in value, project properties	2.6	3.7						
Changes in value of derivatives	127.6	41.6						
<b>Profit/loss before tax</b>	<b>279.1</b>	<b>373.6</b>						
Fair value per segment	12,522.9	9,900.0	9,369.8	6,548.0	1,321.5	934.1	1,831.6	2,418.0
Fair value, projects	340.5	100.3						
<b>Fair value, investment properties</b>	<b>12,863.4</b>	<b>10,000.3</b>	<b>9,369.8</b>	<b>6,548.0</b>	<b>1,321.5</b>	<b>934.1</b>	<b>1,831.6</b>	<b>2,418.0</b>
Surplus ratio, %	58.8	58.1	55.8	54.7	59.7	72.3	65.5	61.1

## 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 (IRFRIC) 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.

### 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 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.

## Annual Report and Annual General Meeting

The Annual Report for 2021 is available on Trianon's website, [www.trianon.se](http://www.trianon.se). The Annual General Meeting of Fastighets Aktiebolaget Trianon (publ) will be held on Thursday, 12 May 2022 at 16.00 at Studio Meetingpoint, Nordenskiöldsgatan 24, Malmö

A person who, firstly, is entered as a shareholder in the share register held by Euroclear

Sweden AB with respect to the status on Wednesday, 4 May 2022, and, secondly, has given notice of his/her intention to attend the General Meeting no later than on Friday, 6 May 2022. For details on notification, see [www.trianon.se/investerare](http://www.trianon.se/investerare).

## Dividend and share split

The Board of Directors proposes a dividend for financial year 2021 of SEK 2.00 per share (1.80), totalling SEK 78.5 million, which is equivalent to around 31 percent of the profit from property management minus tax paid. Under the Company's dividend policy, the long-term dividend must amount to between 30 and 50 percent of the profit from property management after the payment of tax. During periods of strong growth, the dividend may be at the lower end of the range.

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

## 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 the Group and the Parent, and describes the significant risks and uncertainty factors faced by the Group and the Parent.

Malmö, 4 May 2022

Boris Lennerhov  
*Chairperson of the Board*

Olof Andersson  
*Member of the Board and CEO*

Axel Barchan  
*Member of the Board*

Viktoria Bergman  
*Member of the Board*

Richard Hultin  
*Member of the Board*

Jens Ismunden  
*Member of the Board*

Elin Thott  
*Member of the Board*

This interim report has not been the object of review by the company's auditors.



Karin Appehl and Anna Piper,  
at the apartments at Vårsången 8 in Malmö.

# 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:

Annual General Meeting 2022 .....12 May 2022  
Interim Report Q2 2022 .....12 July 2022  
Interim Report Q3 2022 .....03 November 2022

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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 5 May 2022 at 08.00.*

*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: The Entré properties Uno 5 and Rolf 6/Torghuset in Malmö. Pages 11, 16, 17 and 23, photographs by Pernilla Wästberg.*



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