

Q2

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

Increased rental income, increased earning capacity and a lower average interest rate

Results in brief for the period January-June 2022

- Rental income grew by 13 percent and amounted to SEK 341.9 million (303.3).
- The operating surplus increased by 10 percent to SEK 207.5 million (188.6) and the surplus ratio was 61 percent (62).
- The profit from property management grew by 5 percent and amounted to SEK 125.1 million (119.1).
- The net profit for the period amounted to SEK 369.2 million (519.4), equivalent to earnings per share of SEK 2.24 (3.31) before dilution and SEK 2.23 (3.30) 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 130.4 million (487.4), of which SEK 50.4 million represented project profits.
- The change in value of derivatives amounted to SEK 195.4 million (39.4).

Results in brief, second quarter of 2022

- Rental income grew by 12 percent and amounted to SEK 171.4 million (152.6).
- The operating surplus increased by 6 percent to SEK 107.3 million (101.0) and the surplus ratio was 63 percent (66).
- Profit from property management was unchanged as a percentage and amounted to SEK 66.2 million (66.4).
- The net profit for the period amounted to SEK 144.9 million (221.4), equivalent to earnings per share of SEK 0.87 (1.41) before dilution and SEK 0.86 (1.41) 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 37.1 million (208.0), of which SEK 27.7 million represented project profits.
- The change in value of derivatives amounted to SEK 67.8 million (-2.2).

Profit from
property
management

+5%

Return on
equity

14%

Net letting

SEK **5.1** million

Long-term
net worth

SEK **37.27**
per share

TRIANON 

Refer to the period January-June 2022

Significant events

Letting

- Continued strong net letting of SEK 5.1 million during the first six months of the year.
- New ten-year lease contract signed with Envidia, previously Aleris röntgen, in Entré in Malmö.

Transactions

- Acquisition of the remaining 50 percent of retail and residential property in Svedala.
- Realised gains in the swap portfolio amounted to SEK 15.4 million, which had a positive effect on changes in value and cash flow.

Project portfolio

- An agreement was signed with Peab to build 391 residential units for young people in central Malmö.
- Project profits of SEK 50.4 million were recognised during the first half 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.

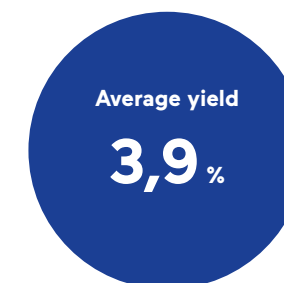
Value-generating investments

- 64 apartments were renovated in the first half of the year. The target is to renovate 200 apartments per year.

Events after the end of the period

- An agreement was signed with Wilhem regarding the sale of 391 residential units for young people in central Malmö.

January-June 2022



Share split:

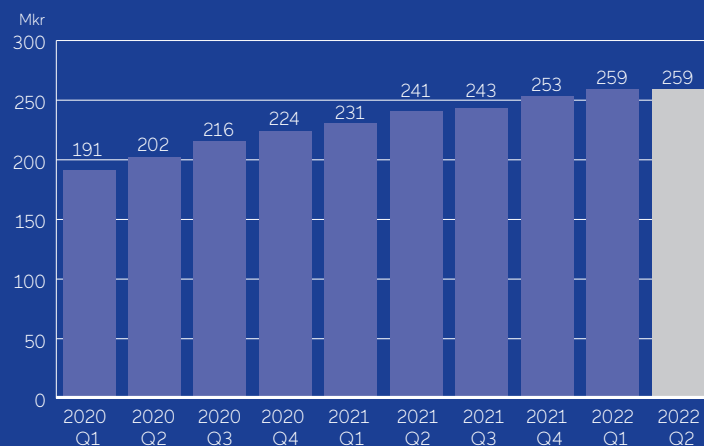
A 4:1 share split was carried out on 27 May 2022.

Financial objectives

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

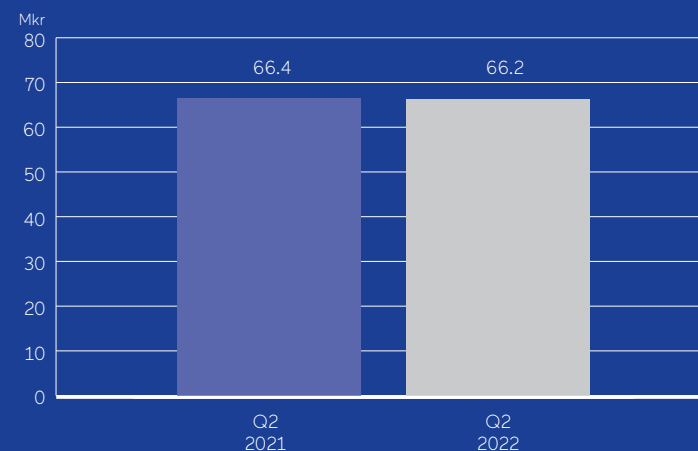
- The profit from property management shall increase by 12% annually.
- Return on equity shall exceed 12% over an economic cycle.
- The loan-to-value ratio shall not exceed 60%.
- The interest coverage ratio shall exceed 1.75 times.
- Annual investment income from the project portfolio shall be at least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

Profit from property management, rolling 12 months, SEK million



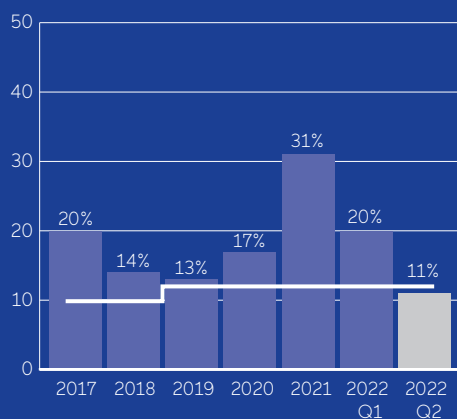
Increase of 7%

Profit from property management, SEK million



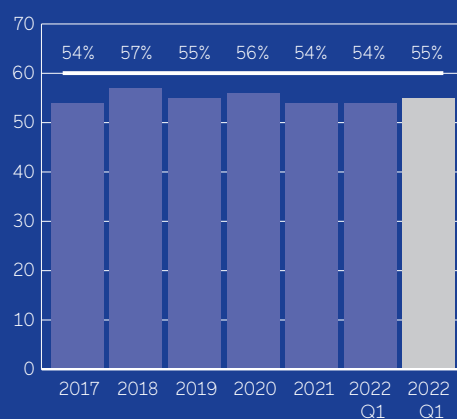
Target annual increase of 12%

Average return on equity, %



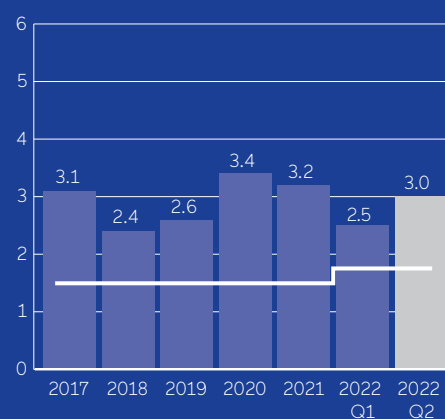
— Target to exceed 12% over a business cycle

Loan-to-value ratio, %



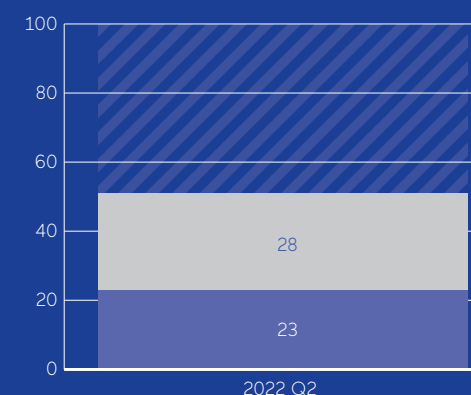
— Target not to exceed 60%

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



Increased rental income, increased earning capacity and a lower average interest rate

At the half-way mark of the year, Trianon has reported yet another stable quarter despite global unease. We have increased our rental income by 12 percent to SEK 171.4 million (152.6), increased net operating profit by 6 percent to SEK 107.3 million (101.0), recognised profit from property management of SEK 66.2 million (66.4) and continued increased earning capacity. The average interest rate has decreased from 1.90 to 1.75 percent since the last quarter.

In a changing world fraught with rising inflation, concerns about interest rates and increasing energy costs, Trianon is stable. Our profit from property management remains unchanged, despite being burdened by approximately SEK 4 million in increased energy costs. Thanks to our successful letting efforts during the quarter, we are continuing to grow our earning capacity. Although rising inflation indicates an increase in interest expense in the future, the effect on our profit is limited as 43 percent of our loan portfolio is covered by interest hedging. Based on the Swedish Central Bank's interest rate path, we have reported an alternative earning capacity, see page 8.

In the right place, in the right segment

Trianon's business focus is in Malmö, the city with the fastest growing population in Sweden. According to the latest statistics*, Malmö's population increased by 2,675 over the past six months – a reassuring figure for owners of housing in the city. It is clear that steady population growth, coupled with a likely decrease in construction due to rising construction costs, will further reinforce the housing shortage going forwards. This is corroborated by the fact that during the quarter we had an average of 55 applicants for each let apartment. There will continue to be a shortage of accommodation in our portfolio of housing with reasonable rents for the foreseeable future. Inflation has historically been a good friend of the long-term property owner. As an owner of rental properties with

regulated rents, we have comfortably been protected against inflation over the past 23 years. During this time, rent in our region has increased by an average of 2.17 percent a year, while the consumer price index (CPI) has increased by an average of 1.43 percent over the same period.

Stable financing

A strong financial position combined with strong, long-term primary shareholders means we can leverage the opportunities that always present themselves in troubled times. Furthermore, 93 percent of Trianon's debt portfolio is financed by banks, making us less dependent on the bond market. The renegotiations held during the quarter have largely resulted in unchanged or more favourable terms, which means we have reduced our average interest rate to 1.75 percent. We will manage our sustainable hybrid bond, which matures in March 2023, in accordance with practice. Solutions are already in place should the bond market not be functioning in March.

Cost efficiency of the business

Trianon's management team has renovated 18 apartments during the quarter in a very professional way and with a keen emphasis on cost efficiency. We have not had any price rises during the period, which means we have a return of 6.5 percent on invested capital, i.e. on a par with previous quarters. We have four new construction projects in progress to build housing with reasonable

rents. Two of the projects are in Hyllie and Sege Park in Malmö and two are in the surrounding municipalities of Burlöv and Svedala. All of the projects have been procured at fixed prices and will probably be built using investment aid from applications submitted before the end of 2021. It is pleasing to note that our most recent procurement, which, incidentally, is the largest new construction project in Trianon's history, could be carried out at a reasonable cost. At the beginning of July we sold the whole project for approximately SEK 50,000/m². The project profits will be recognised in the income statement over the course of the project on the basis of the costs incurred, which will have a positive impact on Trianon's target of SEK 100 million of investment profit a year from the project portfolio.

Goals and focus going forward

We have stability thanks to our interest rate hedging, bank financing, our stable cash flow and local roots. It is clear that renewed sustainability efforts with investments in energy savings and safer residential environments will make a difference, both for the environment and Trianon's business. Despite a challenging world, our strategy remains unchanged and we envisage achieving our growth targets during the 2022-2024 business plan period.

Finally, I owe my warmest thanks to our strong team whose dedicated work continues to deliver excellent results, day after day.



Olof Andersson
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 154 properties, and is part-owner of an additional 6 properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 491,200 m² excluding around 3,000 garage and parking spaces. The property value totalled SEK 13.0 billion as at 30 June 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-JUNE 2022

The profit/loss items below refer to the period January-June 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 341.9 million (303.3), which corresponds to an increase of 13 percent. The increase is attributable in particular to acquired properties and to letting. Net rentals for the period amounted to SEK 5.1 million (5.5). The economic occupancy rate was 96 percent (95). The total rental value amounted to SEK 750.9 million (648.9). The increase is due in particular to acquired properties and letting.

Property costs

Net sales amounted to SEK 139.5 million (116.0). 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 64 (68) 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 207.5 million (188.6), which represents an increase of 10 percent. The operating surplus was 61 percent (62).

Central administration

Central administrative expenses amounted to SEK 35.3 million (24.9). 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 85 (75) of whom 44 (36) 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 9.0 million (0.0) 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 9.5 million (0.5). 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 55.0 million (42.3). The average interest rate for the period including swap rates amounted to 1.83 percent (2.10), and excluding swap rates to

1.52 percent (1.54). 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 3.0 million (3.4).

Changes in the value of properties and financial instruments

Changes in the value of investment properties totalled SEK 130.4 million (487.4), of which SEK 50.4 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 yield on the full property portfolio was 3.9 percent (4.4), and the yield on residential properties was 3.6 percent (4.1).

The change in the value of derivative instruments for the period amounted to SEK 195.4 million (39.4). Of this, SEK -10.9 million (-15.4) relates to swap rates paid during the period. Realised gains in the swap portfolio amounted to SEK 15.4 million, which had a positive effect on changes in value and cash flow. 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. For further information, please see page 13.

Tax

Reported tax for the period amounted to SEK -81.1 million (-126.0). Deferred tax attributable to investment properties totalled SEK -56.3 (-114.8) and changes in the value of derivative instruments to SEK -24.8 million (-11.2).

Comprehensive income

The comprehensive income for the period was SEK 369.2 million (519.4), of which SEK 369.2 million (513.0) was attributable to the Parent's shareholders. The profit for the period is equivalent to earnings per share of SEK 2.24 (3.31) before dilution, and SEK 2.23 (3.30) 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 14 percent (27), and is primarily due to changes in the value of investment properties and derivatives.

Parent

Net sales amounted to SEK 35.5 million (30.4). The operating loss was SEK -13.8 million (-16.8). The change in value of derivatives amounted to SEK -3.3 million (54.0), 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 3.8 million (-11.1), and relates to deferred tax on changes in the value of derivatives.



Profit/loss, income and expense

APRIL– JUNE 2022

The profit/loss items below refer to the period April–June 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 171.4 million (152.6), 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 1.4 million (1.8).

Property costs

Net sales amounted to SEK 66.6 million (52.6). 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, 18 (28) apartments were renovated. The decrease is mainly due to a lower turnover rate in the 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 profit

Net operating profit for the period totalled SEK 107.3 million (101.0), which represents an increase of 6 percent. The operating surplus was 63 percent (66).

Central administration

Central administrative expenses amounted to SEK 17.3 million (13.3). 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 5.6 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 5.4 million (0.3). 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 28.4 million (20.0). The average interest rate for the period including swap rates amounted to 1.75 percent (1.97), and excluding swap rates to 1.56 percent (1.43). 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 37.1 million (208.0), of which SEK 27.7 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 change in the value of derivative instruments for the period amounted to SEK 67.8 million (-2.2). Of this, SEK -3.4 million (-7.5) 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. During the quarter, SEK 15.0 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 -26.3 million (-50.7). Deferred tax attributable to investment properties totalled SEK -14.7 million (-49.7) and changes in the value of derivative instruments to SEK -11.6 million (-1.0).

Comprehensive income

The comprehensive income for the period was SEK 144.9 million (221.4), of which SEK 144.9 million (219.9) was attributable to the Parent's shareholders. The profit for the period is equivalent to earnings per share of SEK 0.87 (1.41) before dilution, and SEK 0.86 (1.41) 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 11 percent (23), 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 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	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
Rental value	750.9	746.3	737.8	687.8	648.9
Vacancies	-20.2	-20.9	-22.3	-24.3	-24.7
Contracted vacancies	-6.7	-11.8	-11.6	-8.5	-1.2
Reductions	-5.1	-4.5	-3.1	-2.2	-4.2
Other income	6.1	6.0	6.2	6.4	
Rental income	724.9	715.1	707.0	659.2	618.8
Property costs	-222.7	-221.8	-221.1	-196.9	-186.4
Property administration	-22.1	-22.1	-21.4	-21.4	-19.6
Operating surplus	480.0	471.2	464.5	440.9	412.8
Surplus ratio	66%	66%	66%	67%	67%
Central administration	-56.0	-56.0	-56.0	-56.0	-44.0
Profit/loss from participations in associates and joint ventures	24.4	23.5	20.2	20.4	10.6
Ground rent	-6.1	-6.1	-6.0	-5.5	-6.7
Financial income and expenses	-126.4	-133.9	-128.3	-116.9	-104.2
Profit from property management	316.0	298.7	294.4	282.8	268.5
Profit from property management attributable to:					
Parent shareholders	316.0	298.7	293.7	281.1	266.5
Holdings with a non-controlling interest	0.0	0.0	0.7	1.7	2.0

Alternative earnings capacity

SEK million	2023	2024
Interest expense calculated according to the Swedish Central Bank's interest rate path*	190	210
Average interest rate calculated on closing liabilities, 30 June 2022	2.64%	2.91%
Profit from property management after adjusted interest expense according to the Swedish Central Bank's interest rate path**	252.4	232.4

* Calculated according to the Swedish Central Bank's interest rate path in June 2022 with the addition of bank margins and after interest rate hedging in accordance with our current swap portfolio.

** Profit from property management has not been adjusted for rent increases in 2023 and 2024.

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

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%
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 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 213.8 million (112.5) 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 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.

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 13,048.6 million (9,720.8). Changes in the value of investment properties amounted to SEK 130.4 million (487.4) for the first six months 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, value-generating apartment renovations and project profits from the project portfolio. The accumulated total for project profits was SEK 50.4 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 (4.4), and the yield on residential properties was 3.6 percent (4.1). 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 June 2022

The property category table on page 11 shows a summary of the properties owned by Trianon on 30 June 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 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.

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	159	17	2021	2022
Total projects involving existing properties	0	11,900	7,100	236	159	17		
Projects with valid zoning plan								
Badmössan 1, Hyllie (premises and rental properties)	73	5,450	4,200	150	53	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,850	3,750	122	27	6	2021	2023
Centralköket 1, Sege Park (tenant-owner homes)	11	1,600	1,300	49	9	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	16,600	11,500	463	87	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	726	62	37	2022	2025
Total projects with valid zoning plans	716	56,450	42,000	1,657	238	75		
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	8	0		
Total project portfolio	1,262	123,819	49,100	1,893	405	92		

Future potential zoning plans

Alven 26, Malmö

Bunkeflostrand 155:3

* Norra Sorgenfri Phase 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	57	6	2020	2022
Rosengård Centrum, phase 1 South	54	5,400			2		2022	2024
Tågarp 15:4 phase 1 (Burlöv Center)	525	48,000			8		2022	2025
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			
Total	1,634	162,400	0	75	71	6		

Future potential zoning plans

Rosengård Centrum, phases 2 and 3

Smedjan 2, Malmö



Change in the fair value of investment properties

SEK million	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
Fair value at the start of the period	12,863.4	12,665.5	11,042.4	9,720.8	10,000.3
Investments through companies*	39.0	0.0	889.8	1,575.3	36.6
Investments in new investment properties	0.0	0.0	0.0	50.1	0.0
Investments in existing properties	109.1	104.6	124.8	72.5	45.8
Sales	0.0	0.0	0.0	0.0	-492.1
Sales to associates and joint ventures	0.0	0.0	0.0	-591.6	-77.8
Changes in value	37.1	93.3	608.5	215.3	208.0
Fair value at the end of the period	13,048.6	12,863.4	12,665.5	11,042.4	9,720.8

* Acquisition of property through companies

Earning capacity per segment

	Number properties	Number apartments	Rentable area, m ²	SEK million	Property value SEK/m ²	Rental value SEK million	SEK/m ²
Property category							
Residential	104	4,766	350,860	9,414	26,830	508	1,448
Public sector/community	21	214	56,718	1,373	24,201	100	1,756
Commercial*	19	62	65,011	1,877	28,876	136	2,084
Total excluding project properties	144	5,042	472,589	12,663	26,796	743	1,572**
Projects	10	2	18,621	385	-	8	-
Total including project properties	154	5,044	491,210	13,049	26,796	751	1,572

	Economic occupancy rate	Rental income SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin
Property category						
Residential	99%	501	325	65%	341	3.6%
Public sector/community	88%	87	62	71%	64	4.7%
Commercial*	92%	124	86	69%	89	4.7%
Total excluding project properties	96%	712	472	66%	494	3.9%
Projects	-	6	2	-	2	-
Total including project properties	96%	719	474	66%	496	3.8%

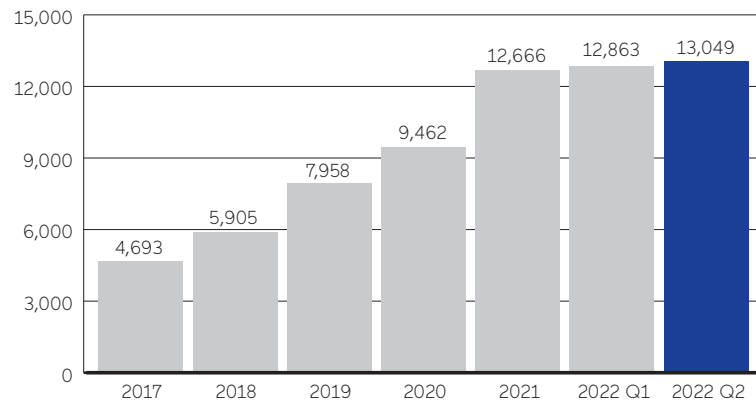
The division of the properties in accordance with the above is based on the predominant share of rental value.

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

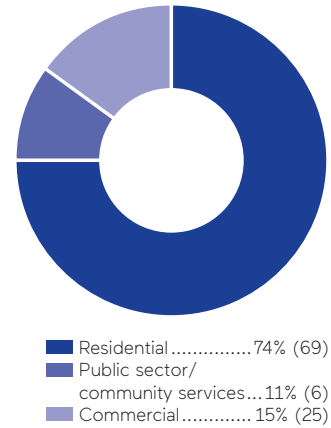
** The rental value solely of apartments in the full property portfolio averaged SEK 1,337 per m².



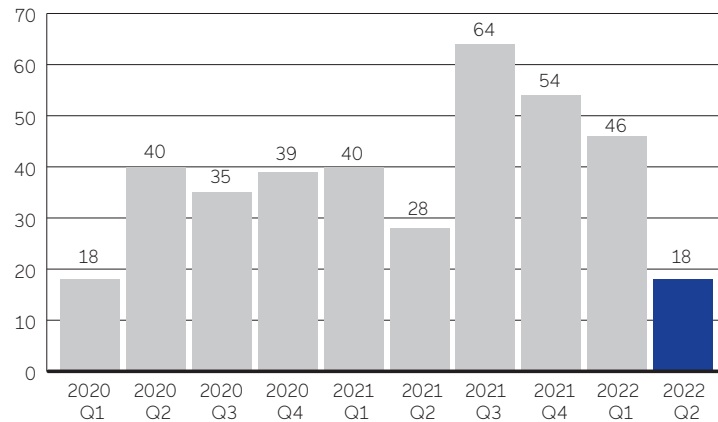
Fair value of investment properties, SEK million



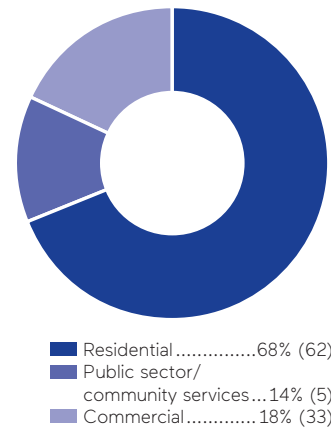
Property value per segment



Number of renovated apartments per quarter



Rental value per segment



The preceding year is within parenthesis.



Liljan 12, Malmö

Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 7,204.9 million (5,446.0). 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 497.8 million (346.9) 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 (0.0). 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 (2,320) 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 1.4 years. The average interest rate for the period including swap rates amounted to 1.83 percent (2.10), and excluding swap rates to 1.52 percent (1.54). The derivative portfolio amounted to SEK 25.2 million (112.6) in liabilities and SEK 145.6 million (0.0) in receivables. Realised gains in the swap portfolio amounted to SEK 15.4 million, which had a positive effect on changes in value and cash flow. 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 2.3 years. The loan-to-value ratio was SEK 54.6 percent (54.1). Calculated on total assets, the loan-to-value ratio is about 51 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 was posted on Trianon's website, www.trianon.se.

Equity, equity/assets ratio and cash and cash equivalents

Equity amounted to SEK 5,487.9 million (4,020.0), of which SEK 5,487.9 million (3,992.1) 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 (27.9). The dividend linked to the hybrid bonds has reduced equity by SEK 17.6 million (17.8). Equity attributable to the Parent's shareholders has been affected by the acquisition of a non-controlling stake of SEK -2.5 million (0.0). Equity per share amounted to SEK 34.95 (26.64), and to SEK 32.44 per share (23.77) after

the deduction of equity attributable to the hybrid bonds. The equity/assets ratio was 39.2 percent (37.9) at the end of the period. Consolidated cash and cash equivalents amounted to SEK 83.2 million (184.9). 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 -4.2 million (-95.2). Cash flow was affected by investments in existing properties of SEK -213.8 million (-112.4), as well as acquisitions of SEK -7.7 million (-282.9). Financing activities were affected by loans taken out on existing and acquired properties of SEK 401.7 million (728.0), amortisations and repayments of loans of SEK -97.2 Million (-494.1) and the dividend on the hybrid bond of SEK -17.6 million (-17.8). The cash flow from operating activities for the period before changes in working capital totalled SEK 134.7 million (103.4), due to the acquisition of properties. Cash and cash equivalents at the end of the period totalled SEK 83.2 (184.9) million.

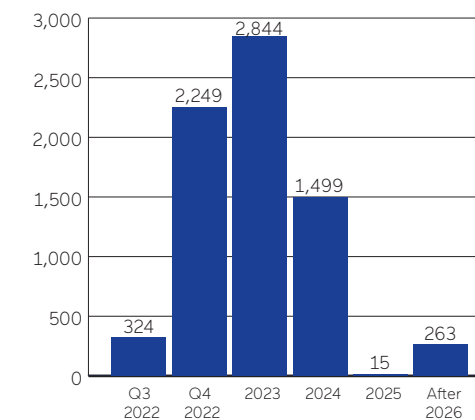
Financial derivatives

Falls due, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2025	2,950	145.6	0.8
	2,950	145.6	0.8

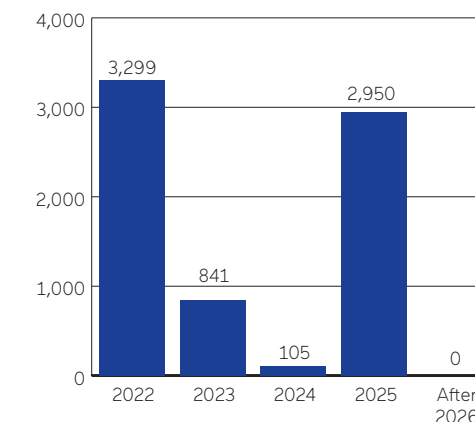
An interest rate cap has been arranged on a nominal amount of SEK 1,000 million, with a term of 3 years at an interest rate of 2 percent.

The derivative liability linked to the instrument amounts to SEK 25.2 million.

Capital tied up, SEK million



Fixed interest, SEK million



Shares

In May, Trianon carried out the share split adopted by the Annual General Meeting on 12 May 2022. In connection with the share split, each existing share was divided into four new shares of the same share class (a 4:1 split).

After the share split, the Company has a total of 157,005,960 shares, divided into 6,084,472 Class A shares and 150,921,488 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 21,176,620. The share capital amounted to SEK 98,128,725, 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 June 2022 was SEK 22.84 per share. The company's total market capitalisation was SEK 3.6 billion on 30 June 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.

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
27 May 2022	Share split (4:1)	0	0	6,084,472	150,921,488	157,005,960	0	98,128,725
Total				6,084,472	150,921,488	157,005,960		98,128,725



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: SE0009921471

Shareholders on 30 June 2022

Namn	Class A shares	Class B shares	Total Holdings	Holdings %	Total Votes	Votes, (%)
Olof Andersson privately and through companies	2,890,984	38,685,956	41,576,940	26.48%	6,759,579.6	31.92%
Briban Invest AB	2,890,984	38,512,068	41,403,052	26.37%	6,742,190.8	31.84%
Grenspecialisten Förvaltning AB	-	15,170,096	15,170,096	9.66%	1,517,009.6	7.16%
Länsförsäkringar Fastighetsfond	-	10,620,759	10,620,759	6.76%	1,062,075.9	5.02%
Mats Cederholm privately and through companies	302,504	3,333,436	3,635,940	2.32%	635,847.6	3.00%
SEB Sverigefond Småbolag	-	5,498,060	5,498,060	3.50%	549,806.0	2.60%
Familjen Eklund privately and through companies	-	4,080,000	4,080,000	2.60%	408,000.0	1.93%
Verdipapirfondet Odin Eiendom	-	3,268,248	3,268,248	2.08%	326,824.8	1.54%
Handelsbanken Microcap	-	2,559,577	2,559,577	1.63%	255,957.7	1.21%
SEB Nanocap	-	2,021,900	2,021,900	1.29%	202,190.0	0.95%
Other shareholders	-	27,171,388	27,171,388	17.31%	2,717,138.8	12.83%
Total	6,084,472	150,921,488	157,005,960	100.00%	21,176,620.8	100.00%

Share price trend, SEK per share



New number of shares after 4:1 share split

After the share split, the Company has a total of 157,005,960 shares, divided into 6,084,472 Class A shares and 150,921,488 Class B shares.



Consolidated Income Statement

Consolidated statement of comprehensive income, summary

SEK million	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Rental income	171.4	152.6	341.9	303.3	618.1
Other income	2.6	1.0	5.2	1.3	5.5
Property costs	-66.6	-52.6	-139.5	-116.0	-227.6
Net operating income	107.3	101.0	207.5	188.6	396.0
Central administration	-17.3	-13.3	-35.3	-24.9	-55.5
Profit/loss from participations in associates and joint ventures	5.6	0.2	9.0	0.0	41.7
<i>of which profit from property management in associates and joint ventures</i>	5.4	0.3	9.5	0.5	6.5
Financial income	0.7	0.1	1.4	0.6	2.7
Interest expense right of access (site-leasehold rights)	-1.5	-1.7	-3.0	-3.4	-6.4
Financial expenses	-28.4	-20.0	-55.0	-42.3	-90.2
Profit including changes in value and tax in associates and joint ventures	66.3	66.3	124.5	118.6	288.3
Profit from property management	66.2	66.4	125.1	119.1	253.1
Change in value, investment properties	37.1	208.0	130.4	487.4	1,311.2
<i>of which investment profits in projects</i>	27.7		50.4		
Changes in value of derivatives	67.8	-2.2	195.4	39.4	66.5
Profit/loss before tax	171.2	272.1	450.3	645.4	1,666.0
Tax on profit/loss for the year	-26.3	-50.7	-81.1	-126.0	-355.5
Profit/loss for the period	144.9	221.4	369.2	519.4	1,310.5
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	144.9	221.4	369.2	519.4	1,310.5
Comprehensive income for the period attributable to:					
The Parent's shareholders	144.9	219.9	369.2	513.0	1,305.0
Holdings with a non-controlling interest	0.0	1.5	0.0	6.4	5.5
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*	0.87	1.41	2.24	3.31	8.41
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution**	0.86	1.41	2.23	3.30	8.39
Average number of outstanding shares before dilution, thousand*	157,006.0	149,862.0	157,006.0	149,862.0	150,992.8
Average number of outstanding shares after dilution, thousand*	157,293.1	150,166.4	157,338.7	150,138.5	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 and the new issue of 1,500,000 shares on 22 November 2021.

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

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



Balance sheet in summary

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
<i>Property, plant and equipment</i>			
Investment properties	13,048.6	9,720.8	12,665.5
Right of access (site-leasehold rights)	181.4	199.5	163.6
Property, plant and equipment	3.5	1.1	7.3
Total property, plant and equipment	13,233.5	9,921.4	12,836.4
<i>Financial assets</i>			
Participations in associates and joint ventures	257.0	255.4	244.1
Receivables, associates and joint ventures	171.6	155.3	161.7
Derivative instruments	145.6	0.0	0.0
Other long-term receivables	11.5	1.6	17.1
Total financial assets	585.7	412.3	422.9
Deferred tax asset	48.3	43.5	55.5
Total fixed assets	13,867.5	10,377.2	13,314.8
<i>Current assets</i>			
Current receivables	38.0	54.5	179.0
Cash and cash equivalents	83.2	184.9	87.4
Total current assets	121.2	239.4	266.4
TOTAL ASSETS	13,988.7	10,616.6	13,581.1

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity attributable to Parent's shareholders	5,487.9	3,992.1	5,217.3
Holdings with a non-controlling interest	0.0	27.9	26.6
Total equity	5,487.9	4,020.0	5,243.9
<i>Non-current liabilities</i>			
Interest-bearing liabilities	3,443.0	2,663.9	3,465.5
Other non-current liabilities	47.8	0.0	48.1
Lease liabilities	182.3	199.5	163.6
Derivative instruments	25.2	112.6	70.9
Deferred tax liabilities	927.0	689.5	857.3
Total non-current liabilities	4,625.2	3,665.5	4,605.4
<i>Current liabilities</i>			
Interest-bearing liabilities	3,762.0	2,782.1	3,401.0
Other current liabilities	113.6	149.0	330.8
Total current liabilities	3,875.6	2,931.1	3,731.8
TOTAL EQUITY AND LIABILITIES	13,988.7	10,616.6	13,581.1

Consolidated statement of changes in equity, summary

SEK million	30 Jun 2022	30 Jun 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	0.0	0.0	446.9
Dividend	-78.5	-67.4	-67.4
Dividend, hybrid bond	-17.6	-17.8	-35.2
Non-controlling interests acquired	-2.5	32.1	35.7
Profit/loss for the period and comprehensive income excluding holdings without control	369.2	513.0	1,305.0
Equity attributable to Parent's shareholders at the end of the period	5,487.9	3,992.1	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	-80.4	-80.8
Profit/loss for the period	0.0	6.4	5.5
Equity attributable to holdings without control at the end of the period	0.0	27.9	26.6
Total equity at the end of the period	5,487.9	4,020.0	5,243.9



Cash flow analysis in summary

SEK million	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Cash flow from operating activities			
Net operating income	207.5	188.7	396.0
Central administration	-35.3	-24.9	-55.5
Net financial income/expense paid	-38.7	-61.1	-126.0
Items not affecting cash flow	1.2	0.7	1.3
Income tax paid	0.0	0.0	-3.0
Cash flow from operating activities before changes in working capital	134.7	103.4	212.8
Changes in working capital			
Changes in operating receivables	3.1	30.4	22.5
Changes in operating liabilities	-94.2	-98.5	26.4
Cash flow from operating activities	43.6	35.3	261.7
Investing activities			
Investment in investment properties	-213.8	-112.4	-359.9
Acquisitions of investment properties via subsidiaries	-7.7	-282.9	-868.1
Other investments in property, plant and equipment	0.0	-0.1	0.0
Acquisition of associates	0.0	-126.9	-292.6
Sale of investment property via subsidiary	0.0	225.8	221.9
Sale of subsidiaries to associates and joint ventures	0.0	36.6	364.9
Investment receivables, associates and joint ventures	-8.8	-18.3	-22.6
Amortisation of financial assets	3.1	0.0	0.0
Cash flow from investing activities	-227.1	-278.2	-956.3
Financing activities			
Loans raised	401.7	728.0	1,424.1
Amortisation of loans	-52.1	-66.1	-132.6
Repayment of other loans and deposits	-45.1	-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	-17.6	-17.8	-35.2
Dividends paid	-78.5	-68.4	-68.4
Cash flow from financing activities	179.3	147.7	501.9
Cash flow for the period	-4.2	-95.2	-192.7
Cash and cash equivalents at start of period	87.4	280.1	280.1
Cash and cash equivalents at end of period	83.2	184.9	87.4



Kil, 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 page 26.

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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Return on equity, %	10.6	22.5	13.7	27.1	31.3
Interest coverage ratio, times	3.0	3.1	2.7	2.8	3.2
Equity/assets ratio, %	39.2	37.9	39.2	37.9	38.6
Average interest rate, %	1.75	1.97	1.83	2.10	1.89
Profit from property management, SEK million	66.2	66.4	125.1	119.1	253.1
Increase in profit from property management over the corresponding period of the preceding year, %	-0.3	17.0	5.0	16.2	12.9
Profit before tax, SEK million	171.2	272.1	450.3	645.4	1,666.0
Comprehensive income for the period, SEK million	144.9	221.4	369.2	519.4	1,310.5
Comprehensive income for the period attributable to Parent's shareholders, SEK million	144.9	219.9	369.2	513.0	1,305.0
Equity, SEK million	5,487.9	4,020.0	5,487.9	4,020.0	5,243.9
Equity attributable to Parent's shareholders, SEK million	5,487.9	3,992.1	5,487.9	3,992.1	5,217.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	5,093.1	3,562.0	5,093.1	3,562.0	4,804.8
Long-term net worth, SEK million	6,246.1	4,750.7	6,246.1	4,750.7	6,090.0
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	5,851.3	4,320.6	5,851.3	4,320.6	5,677.5
Total assets, SEK million	13,988.7	10,616.6	13,988.7	10,616.6	13,581.1

Share-related***	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Number of outstanding shares, thousand***	157,006.0	149,862.0	157,006.0	149,862.0	157,006.0
Average number of outstanding shares, thousand*, ***	157,006.0	149,862.0	157,006.0	149,862.0	150,992.8
Equity per share, SEK	34.95	26.64	34.95	26.64	33.23
Equity per share, SEK**	32.44	23.77	32.44	23.77	30.60
Earnings per share, SEK*	0.87	1.41	2.24	3.31	8.41
Long-term net worth per share, SEK	39.78	31.70	39.78	31.70	38.79
Long-term net worth per share, SEK**	37.27	28.83	37.27	28.83	36.16

* Definition under IFRS

** After the deduction of equity attributable to hybrid bonds

***Number of shares and average number of shares recalculated taking into account the 4:1 share split on 27 May 2022.

Property-related	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Rental income, SEK million	171.4	152.6	341.9	303.3	618.1
Operating surplus, SEK million	107.3	101.0	207.5	188.6	396.0
Rental value, SEK million	750.9	648.9	750.9	648.9	737.8
Economic occupancy rate, %	95.7	95.3	95.7	95.3	95.0
Surplus ratio, %	62.6	66.2	60.7	62.2	64.1
Loan-to-value ratio, %	54.6	54.1	54.6	54.1	53.5
Proportion of residential and public sector/community properties, %	85	75	85	75	85
Rentable area excluding garage, thousand m ²	491	415	491	415	488



Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Rental income	171.4	152.6	341.9	303.3	618.1
Other income	2.6	1.0	5.2	1.3	5.5
Property costs	-66.6	-52.6	-139.5	-116.0	-227.6
Net operating income	107.3	101.0	207.5	188.6	396.0
Surplus ratio, %	62.6	66.2	60.7	62.2	64.1
Equity	5,487.9	4,020.0	5,487.9	4,020.0	5,243.9
Total assets	13,988.7	10,616.6	13,988.7	10,616.6	13,581.1
Equity/assets ratio, %	39.2	37.9	39.2	37.9	38.6
Interest-bearing liabilities, non-current	3,443.0	2,663.9	3,443.0	2,663.9	3,465.5
Interest-bearing liabilities, current	3,762.0	2,782.1	3,762.0	2,782.1	3,401.0
Cash and cash equivalents	-83.2	-184.9	-83.2	-184.9	-87.4
Interest-bearing net debt	7,121.7	5,261.1	7,121.7	5,261.1	6,779.1
Investment properties	13,048.6	9,720.8	13,048.6	9,720.8	12,665.5
Loan-to-value ratio, %	54.6	54.1	54.6	54.1	53.5
Profit/loss before tax	171.2	272.1	450.3	645.4	1,666.0
Add-back of changes in the value of investment properties and derivatives	-104.9	-205.8	-325.8	-526.8	-1,377.7
Add-back of interest expense	28.4	20.0	55.0	42.3	90.2
Adjusted profit/loss before tax	94.8	86.3	179.6	160.9	378.5
Financial expenses	-28.4	-20.0	-55.0	-42.3	-90.2
Interest expense, derivatives	-3.4	-7.5	-10.9	-15.4	-30.0
Total interest expense including interest expense for derivatives	-31.9	-27.5	-65.9	-57.7	-120.2
Interest coverage ratio, times	3.0	3.1	2.7	2.8	3.2
Profit for the period attributable to the Parent's shareholders	144.9	219.9	369.2	513.0	1,305.0
Calculated annual rate	579.6	879.6	738.4	1,026.0	1,305.0
Average equity attributable to Parent's shareholders	5,459.2	3,904.3	5,378.6	3,780.3	4,172.8
Return on equity, %	10.6	22.5	13.7	27.1	31.3
Equity attributable to Parent's shareholders	5,487.9	3,992.1	5,487.9	3,992.1	5,217.3
Add-back of deferred tax liability	927.0	689.5	927.0	689.5	857.3
Add-back of derivative liability	25.2	112.6	25.2	112.6	70.9
Addback of derivative receivables	-145.6	0.0	-145.6	0.0	0.0
Add-back of deferred tax asset	-48.3	-43.5	-48.3	-43.5	-55.5
Long-term net worth	6,246.1	4,750.7	6,246.1	4,750.7	6,090.0
Deduction of equity attributable to hybrid bonds	-394.8	-430.1	-394.8	-430.1	-412.5
Long-term net worth after the deduction of equity attributable to hybrid bonds	5,851.3	4,320.6	5,851.3	4,320.6	5,677.5



The Parent's Financial Statements

Income statement, summary

SEK million	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<i>Operating income</i>					
Net sales	17.9	15.1	35.5	30.4	64.1
Profit/loss from participations in associates	0.0	0.2	0.0	0.0	0.0
Other operating income	1.2	0.0	2.5	0.0	3.2
Total operating income	19.1	15.4	38.0	30.4	67.3
<i>Operating expenses</i>					
Operating expenses	-24.7	-22.6	-51.8	-47.2	-95.0
Operating profit	-5.6	-7.2	-13.8	-16.8	-27.7
<i>Financial items</i>					
Profit/loss from participations in Group companies	0.0	0.0	0.0	0.0	334.1
Profit/loss from participations in associates	0.5	83.0	-0.1	83.0	-16.5
Interest income and similar profit/loss items	16.6	5.4	22.4	11.9	50.6
Interest expense and similar profit/loss items	-23.7	-11.4	-41.4	-24.6	-50.9
Changes in value of derivatives	7.3	5.0	-3.3	54.0	1.8
Profit/loss after financial items	-5.0	74.8	-36.3	107.5	291.3
<i>Appropriations</i>					
Appropriations	0.0	0.0	0.0	0.0	38.5
Profit/loss before tax	-5.0	74.8	-36.3	107.5	329.8
<i>Tax on profit/loss for the year</i>					
Tax on profit/loss for the year	1.6	-1.0	3.8	-11.1	-23.3
Profit/loss for the period	-3.4	73.8	-32.5	96.4	306.5

Balance sheet in summary

SEK million	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
<i>Non-current assets</i>			
Property, plant, and equipment	753.6	668.4	697.2
Receivables from Group companies	1,640.0	1,428.4	1,672.3
Financial assets	1,785.9	1,183.3	1,729.8
Total fixed assets	4,179.5	3,280.1	4,099.3
<i>Current assets</i>			
Current receivables	50.4	26.9	199.7
Cash and bank balances	65.0	177.7	14.9
Total current assets	115.4	204.6	214.6
TOTAL ASSETS	4,294.9	3,484.7	4,313.9
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	129.6	125.1	129.6
Non-restricted equity	1,786.8	1,280.2	1,915.3
Total equity	1,916.4	1,405.3	2,044.9
Provisions for tax	12.3	10.7	25.8
<i>Non-current liabilities</i>			
Liabilities to credit institutions and bond loans	573.0	360.4	907.3
Other non-current liabilities	0.0	11.4	11.4
Derivative instruments	25.1	112.6	70.9
Liabilities to group companies	1,259.4	1,061.9	1,042.0
Total non-current liabilities	1,857.5	1,546.3	2,031.5
<i>Current liabilities</i>			
Liabilities to credit institutions	479.6	462.4	40.3
Other liabilities	29.1	60.0	171.4
Total current liabilities	508.7	522.4	211.7
TOTAL EQUITY AND LIABILITIES	4,294.9	3,484.8	4,313.9



Other disclosures

Segment reporting

SEK million	Total		Residential		Public sector/community		Commercial	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
Rental income	340.3	302.9	246.8	193.0	35.4	27.4	58.1	82.5
Property costs	-136.2	-115.5	-102.6	-79.4	-13.7	-7.0	-19.9	-29.1
Net operating income	204.1	187.4	144.2	113.6	21.7	20.4	38.2	53.4
Interest expense right of access (site-leasehold rights)	-3.0	-3.4	-3.0	-2.7	0.0	0.0	0.0	-0.7
Change in value, investment properties	109.3	482.8	63.8	360.2	44.3	60.2	1.3	62.4
Segment profit	310.4	666.8	205.0	471.1	66.0	80.6	39.5	115.1
Unallocated items								
Net operating profit/loss from project properties	-1.8	-0.1						
Other income and central administration	-30.1	-23.6						
Profit/loss from participations in associates and joint ventures	9.0	0.0						
Net financial income/expense excluding site-leasehold rights	-53.6	-41.6						
Change in value, project properties	21.1	4.6						
Changes in value of derivatives	195.4	39.4						
Profit/loss before tax	450.3	645.4						
Fair value per segment	12,663.4	9,633.0	9,413.6	6,664.8	1,372.6	529.6	1,877.2	2,438.6
Fair value, projects	385.1	87.8						
Fair value, investment properties	13,048.6	9,720.8	9,413.6	6,664.8	1,372.6	529.6	1,877.2	2,438.6
Surplus ratio, %	60.7	62.2	58.4	58.9	61.3	74.5	65.7	64.7

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.

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.



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, 11 July 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.



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:

Interim Report Q3 2022	03 November 2022
Year-end Report 2022.....	17 February 2023
Interim Report Q1 2023	4 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 12 July 2022 at 08.00.

Cover: Mercurius 5, Malmö and pages 12, 18, 19 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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