

Q3

Interim Report January-September 2021
Fastighets AB Trianon (publ)

Results in brief for the period January-September 2021

- Rental income grew by 13 percent and amounted to SEK 458.2 million (405.5).
- The operating surplus increased by 9 percent to SEK 294.5 million (269.6) and the surplus ratio was 64 percent (66).
- Rental income grew by 11 percent and amounted to SEK 189.1 million (170.3).
- The profit for the period totalled SEK 778.2 (344.8) million of which SEK 771.3 (339.0) million is attributable to the Parent's shareholders, equivalent to earnings per share for the period of SEK 19.85 (8.65).
- The changes in value of investment properties amounted to SEK 702.7 million (320.8).
- The change in value of derivatives amounted to SEK 52.7 million (-72.4).

Results in brief, third quarter of 2021

- Rental income grew by 9 percent and amounted to SEK 154.9 million (142.3).
- The operating surplus increased by 4 percent to SEK 105.9 million (102.3) and the surplus ratio was 68 percent (72).
- Rental income grew by 3 percent and amounted to SEK 70.0 million (67.8).
- The profit for the period totalled SEK 258.8 (230.0) million of which SEK 258.3 (228.1) million is attributable to the Parent's shareholders, equivalent to earnings per share for the period of SEK 6.63 (5.93).
- The changes in value of investment properties amounted to SEK 215.3 million (217.2).
- The change in value of derivatives amounted to SEK 13.3 million (-2.5).

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 contact persons listed on page 38 for release on 10 November 2021 at 08.00.

Significant events during the quarter

- The sale of 50 percent of Rosengård Centrum in Malmö to Fastighets AB Hemmaplan, a company jointly-owned by Brunswick Real Estate and Bonnier Fastigheter. The company is recognised after taking possession on 1 September as a joint venture.
- Acquisition of a centrally-located residential project in Svedala covering 3,700 m² comprising 53 apartments.
- Acquisition of additional B shares in Signatur Fastigheter, which takes the holding to 45.8 percent. Accordingly, the mandatory bid threshold was passed. A mandatory bid for Signatur Fastigheter was announced, and the offer documents subsequently sent to the shareholders. The outcome of the mandatory bid was announced on 21 September, with Trianon holding 96.1 percent of the shares. The company is recognised from and including 1 September as a Group company.

- Acquisition of non-controlling interests corresponding to 50 percent of the retail property, Skrattnåsen 13 in central Limhamn. This acquisition brings ownership of 100 percent of the company and the property.
- After the sale of Rosengård Centrum and the acquisition of Signatur Fastigheter, Trianon achieves its goal of 80 percent of the property value consisting of residential and public sector/community properties.

Events after the end of the period

- Issues further corporate bonds of SEK 150 million to finance new property projects and current operations.
- Acquisition of retail property in the Hermodsdal residential area in Malmö.
- The green light to start construction on 500 residential units in Rosengård and Norra Sorgenfri after the zoning plan took effect in October.
- Trianon's Board of Directors resolves on adjusted financial targets and adjusted sustainable targets for 2022-2024. For further details, see page 6.

January-September 2021

Rental income	Operating surplus	Profit from property management	Profit for the period	Property value
458	295	189	778	11,042
SEK million	SEK million	SEK million	SEK million	SEK million

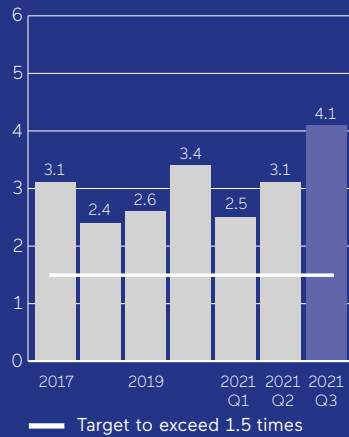
Key performance indicators	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Rental income, SEK million	155	142	458	406	553
Operating surplus, SEK million	106	102	295	270	368
Profit from property management, SEK million	70	68	189	170	224
Change in value of investment properties, unrealised, SEK million	215	217	703	321	406
Comprehensive income for the period, SEK million	259	230	778	345	537
Investment properties, carrying amount	11,042	9,391	11,042	9,391	9,462
Total assets, SEK million	11,881	9,906	11,881	9,906	10,303
Interest coverage ratio, times	4.1	3.0	3.2	2.8	3.4
Average return on equity, %	25 %	29 %	26 %	15 %	17 %
Loan-to-value ratio, %	56 %	55 %	56 %	55 %	56 %
Equity-assets ratio, %	36 %	35 %	36 %	35 %	35 %
Equity per share, SEK	114.05	89.71	114.05	89.71	94.28
Equity per share, SEK*	102.89	76.58	102.89	76.58	82.33
Earnings per share, SEK	6.63	5.93	19.85	8.65	13.24
Long-term net worth per share, SEK	133.38	107.82	133.38	107.82	112.86
Long-term net worth per share, SEK*	122.22	94.69	122.22	94.69	100.90
Rental value, SEK million	688	644	688	644	653
Economic occupancy rate, %	95 %	95 %	95 %	95 %	95 %
Rentable area excluding garage, thousand m ²	460	401	460	401	402

* After the deduction of equity attributable to hybrid bonds

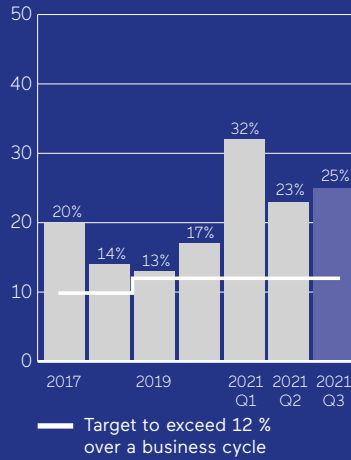


Financial objectives

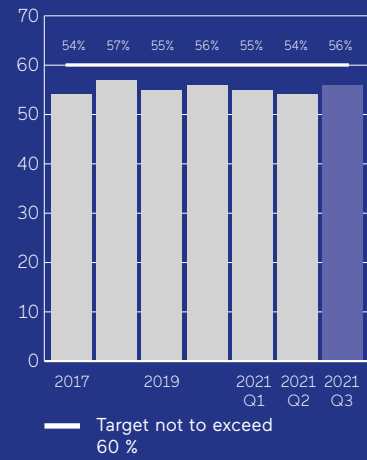
Interest coverage ratio, times



Average return on equity, %

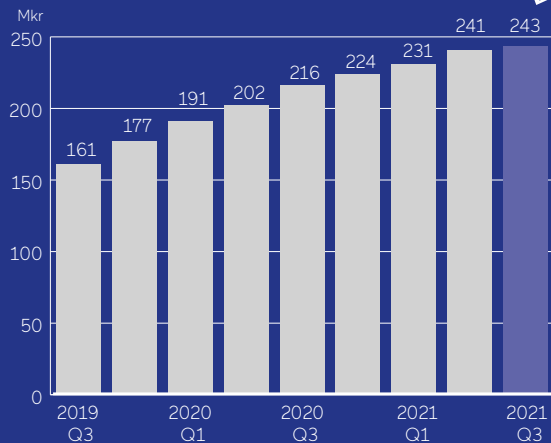


Loan-to-value ratio, %

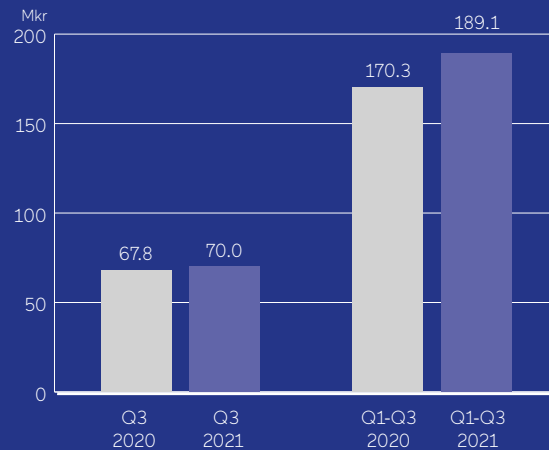


New financial target 1.75 times

Profit from property management, rolling 12 month

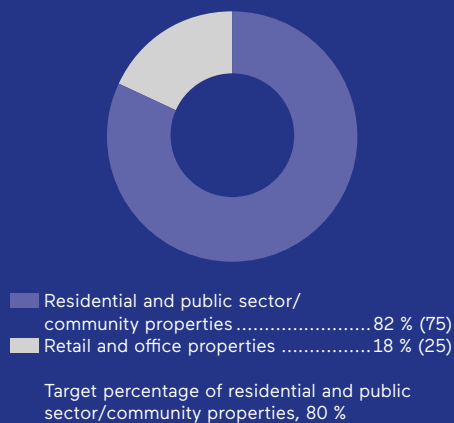


Profit from property management, SEK million

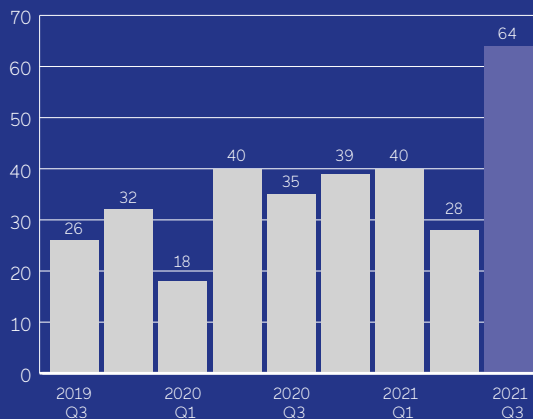


Target annual increase of 12 %

Percentage of property value



Number of renovated apartments per quarter



This target has been achieved and has been removed from the new goals 2022-2024



The CEO's view

Strategic transactions increase earning capacity



After a transaction-intensive and very eventful quarter, at the end of the period our property holdings are worth SEK 11.0 billion. We passed our goal of having 80 percent residential and public sector/community properties in our portfolio by a clear margin.

During the third quarter, we carried out strategic transactions in which we first sold and then purchased, which increased earning capacity by 5 percent compared with the second quarter and by 17 percent over Q3 2021. Rental income increased by 9 percent to SEK 154.9 million (142.3), net operating profit rose by 4 percent to SEK 105.9 million (102.3) and profit from property management grew by 3 percent to SEK 70.0 million (67.8). If the transactions had taken place at the turn of the quarter, the increase in profit from property management would be on a level with our objective.

Transactions, joint venture and associates

The market is extremely strong, and the tempo remained high in the third quarter, with our bid for and later acquisition of Signatur Fastigheter being the most important event. The acquisition of Signatur Fastigheter with a property portfolio valued at SEK 1.5 billion was made possible by the sale of the commercial section of Multihuset at Limhamn and 50 percent of Rosengård Centrum. These are two commercial properties which we developed over the years, and which have now attracted new investors on their own merits.

We are very pleased with the acquisition of Signatur Fastigheter, the largest acquisition in our history which brings 800 apartments along with a number of public sector/community properties, particularly in Malmö and the surrounding area. In addition, the yield is almost 4.3 percent. This acquisition will have a positive impact on our future growth and also reduce our risks, since 82 percent of our property portfolio now consists of residential units and public sector/community properties. We are looking forward to welcoming 13 new colleagues from Signatur Fastigheter to join us on Trianon's continued growth.

In July, we acquired a centrally-situated residential project in Svedala, with 53 rental apartments which Wästbygg recently started building. The estimated completion date is 2023. The apartments are adjacent to Svedala centrum and the railway station. The acquisition complements our existing residential portfolio in Svedala.

During the quarter, we sold 50 percent of Rosengård Centrum to Fastighets AB Hemmaplan, a company jointly-owned by Brunswick Real Estate and Bonnier Fastigheter. As a joint venture, we will develop Rosengård Centrum with new retail units, new public services and new homes, at the same time as we ramp up our commitment to sustainability in the area.

Burlöv Center is now 50 years old, and it is still developing in the right direction with new, stable rentals. It is also gratifying that sales are now starting of 111 apartments in Hanna Tower in the Hanna district. We are looking forward to building over 1,000 homes in this expanding area close to what will be Burlöv Central station, with trains to Malmö and Lund departing every 10th minute for the 5-7 minute journey.

I am convinced that joint ventures such as Rosengård Centrum and Burlöv Center will prove to be profitable urban development projects with a large measure of value creation, both for Trianon's owners and for the people who live and work in the areas.



Goals and focus going forward

Trianon's Board of Directors has reached a decision on updated financial targets and sustainable goals for 2022-2024. Together with a fantastic team consisting of 90 committed employees, I feel comfortable that we will continue to deliver on our new goals as well. Our focus on an expanding Malmö and its surrounding area, a stable base of over 80 percent residential units and public sector/community properties, as well as our sound financial position put us in an excellent position to continue to grow and generate value.

My heartfelt thanks to everyone who is contributing to our success.



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.

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.

Financial targets

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

- The profit from property management shall increase by 12 percent annually. (remains)
- The average annual return on equity will not fall below 12 percent over an economic cycle. (remains)
- The loan-to-value ratio shall not exceed 60 percent of the property value. (remains)
- The interest coverage ratio must not fall below 1.75 times the financial expense including the interest expense of derivatives. (new, was earlier 1.5 times)
- The average annual project profit shall not fall below SEK 100 million. (new)

New financial targets 2022-2024



Sustainability goals

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 goal has been added in 2022-2024, which aims to increase the focus on the company's work with environmental sustainability:

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

Previous sustainability goals to build more rental apartments with reasonable rents and renovate 200 apartments per year remain. In addition, our social work continues with job and security-creating measures in our areas.

Trianon's sustainable hybrid bond includes both social and environmentally-related sustainability objectives for developing those areas in southern and eastern Malmö were parts of Trianon's holdings are located. The outcome of the sustainable goals is reported annually in May, as well as in the company's Annual Report and Sustainability Report, see Trianon's website, www.trianon.se.

Strategy

- Focus on its local presence and on properties in Malmö and its environs.
- Acquire new properties with development potential in with a focus on residential and public sector/community properties.
- Develop the existing property portfolio through value-generating investment and improvements in efficiency.
- Expand the property portfolio through continued new construction of residential properties in Malmö and its environs.
- Once properties are fully developed, they can be sold.
- Work actively to achieve the sustainability targets with a sustainability work that permeates the entire organisation.

Property portfolio

Trianon's property portfolio consists of residential, retail, office and public sector/community properties situated in Malmö and in the Municipalities of Svedala, Burlöv and Skurup. With the acquisition of Signatur Fastigheter, Trianon also owns properties in Trelleborg, Lund, Landskrona, Eslöv, Bjuv, Klippan, Helsingborg, Hässleholm, Osby, Vimmerby and Stockholm. Trianon consolidates a total of 145 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 460,000 m² excluding around 3,000 garage and parking spaces. The value of the properties totalled SEK 11.0 billion at the close of the period.



Shares

The company has a total of 37,751,490 shares, divided into 1,521,118 Class A shares and 36,230,372 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 5,144,155. The share capital amounted to SEK 94,378,725, 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, Mid Cap. The closing price on 30 September 2021 was SEK 210.00 per share. The company's total market capitalisation was SEK 7.6 billion on 30 September 2021.

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.

Share information

Ticker symbol: TRIAN B

ISIN code: SE0009921471

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

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
Total				1,521,118	36,230,372	37,751,490		94,378,725



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 27 percent of the Company's total shares and approximately 33 percent of the Company's total votes.

The ownership of the total number of shares in the Company is shown in the table below.

Shareholders on 30 September 2021

Name	Total Holdings	Holdings %	Total Votes	Votes, (%)
Olof Andersson privately and through companies	10,359,235	27.44 %	1,686,394.9	32.78 %
Briban Invest AB	10,350,763	27.42 %	1,685,547.7	32.77 %
AB Grenspecialisten	3,752,524	9.94 %	375,252.4	7.29 %
Länsförsäkringar Fastighetsfond	3,646,001	9.66 %	364,600.1	7.09 %
Mats Cederholm privately and through companies	1,008,985	2.67 %	168,961.9	3.28 %
SEB Sverigefond Småbolag	1,366,515	3.62 %	136,651.5	2.66 %
The Eklund family privately and through companies	915,000	2.42 %	91,500.0	1.78 %
Verdipapirfondet Odin Eiendom	740,917	1.96 %	74,091.7	1.44 %
SEB Nanocap	469,475	1.24 %	46,947.5	0.91 %
Idoffs Fastigheter AB	450,000	1.19 %	45,000.0	0.87 %
Other shareholders	4,692,075	12.43 %	469,207.5	9.12 %
Total	37,751,490	100.00 %	5,144,155.2	100.00 %

Share price trend, SEK per share



Financial income and expenses

January–September 2021

The profit/loss items below refer to the period January–September 2021. Corresponding figures in parentheses refer to the amount from the corresponding period last year.

Rental income

Rental income for the period amounted to SEK 458.2 million (405.5), which corresponds to an increase of 13 percent. The increase is attributable in particular to acquired properties and to letting. Rental income has been affected by SEK 7.1 million through the acquisition of Signatur Fastigheter, which has been consolidated since 1 September 2021.

Net rentals for the period amounted to SEK 4.8 million (7.2). The economic occupancy rate was 95 percent (95).

The total rental value as at 30 September 2021 amounted to SEK 687.8 million (644.2). The increase is due in particular to acquired properties and letting.

Property costs

Net sales amounted to SEK 165.7 million (137.3). The increase is due in particular to acquired properties.

Operating costs were affected by the usual seasonal variations in respect of electricity and heating costs, the greatest impact of which is felt during the first and second quarters.

The renovation work on apartments continued, with 132 (93) 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 294.5 million (269.6), which represents an increase of 9 percent. The operating surplus was 64 percent (66).

Rental income, operating costs and net operating profit have been affected during the third quarter by the transactions relating to Rosengård Centrum

and Signatur Fastigheter. Rosengård Centrum is recognised since 1 September 2021 as a joint venture, and Signatur Fastigheter is consolidated from and including the same date.

Central administration

The cost of central administration, which consists of personnel costs for joint Group functions, as well as the costs for IT, marketing, financial reports and audit fees amounted to SEK 39.9 million (32.6). The total number of employees including both joint Group functions and property administration was 90 (67) of whom 46 (31) were white-collar staff. With the acquisition of Signatur Fastigheter, the number of employees has increased by 14.

Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 22.6 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 2.3 million (0.3). Changes in value of SEK 21.3 million are attributable to the revaluation of participations and associates in Signatur Fastigheter in connection with the transition to consolidation as a subsidiary. During the revaluation, the price paid for the shares which gave Trianon control of the company has been used.

Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 64.7 million (62.4). The average interest rate for the period, including swap rates, was 1.9 percent (2.2). Financial expense rose as a result of increased borrowing in connection with acquisitions of investment properties, while the renegotiation of loans and lower costs for bond financing have reduced the average interest expense.

Interest expense for access rights in respect of site-leasehold rights amounted to SEK 5.0 million (4.8).



Changes in the value of properties and financial instruments

Changes in the value of investment properties for the period amounted to SEK 702.7 million (320.8). The changes in value are due primarily to value-generating investments in the portfolio, the signing of new leases in the commercial portfolio and changes in market value in the residential portfolio.

All properties have been 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 4.1 percent (4.5), and the yield on residential properties was 4.0 percent (4.3).

The change in the value of derivative instruments for the period amounted to SEK 52.7 million (-72.4). Of this, SEK -20.8 million (-20.4) 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.

Tax

Reported tax for the period amounted to SEK -186.6 million (-73.3). Deferred tax attributable to changes in the value of investment properties totalled SEK -205.5 million (-84.5), and changes in the value of derivative instruments to SEK 18.9 million (11.2).

Comprehensive income

The comprehensive income for the period was SEK 778.2 million (344.8), of which SEK 771.3 million (339.0) was attributable to the Parent's shareholders. Earnings per share were SEK 19.85 (8.65) before dilution, and SEK 19.81 (8.64) after dilution.

The return on equity was 26 percent (15), 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 46.8 million (46.1). The operating loss was SEK -21.5 million (-17.5).

The change in value of derivatives amounted to SEK 53.7 million (-7.9), 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 -13.6 million (1.7), and relates to deferred tax on changes in the value of derivatives as well as current tax.

Emelie Thufvesson, Jonas Karlsryd and Anna-Lena Mårtensson.



Financial income and expenses

July-September 2021

The profit/loss items below refer to the period July to September 2021. Corresponding figures in parentheses refer to the amount from the corresponding period last year.

Rental income

Rental income for the period amounted to SEK 154.9 million (142.3), which corresponds to an increase of 9 percent. The increase is attributable in particular to acquired properties and to letting. Rental income has been affected by SEK 7.1 million through the acquisition of Signatur Fastigheter, which has been consolidated since 1 September 2021. Net rentals for the period amounted to SEK -0.7 million (2.6).

Property costs

Net sales amounted to SEK 49.7 million (40.1). The increase is due in particular to acquired properties. Property costs have been negatively affected by high electricity prices during the period.

The renovation work on apartments continued at a high tempo, with 64 (35) 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 105.9 million (102.3), which represents an increase of 3 percent. The operating surplus was 68 percent (72).

Rental income, operating costs and net operating profit have been affected during the third quarter by the transactions relating to Rosengård Centrum and Signatur Fastigheter. Rosengård Centrum is recognised since 1 September 2021 as a joint venture, and Signatur Fastigheter is consolidated from and including the same date.

Central administration

Central administrative expenses amounted to SEK 15.0 million (11.0). Central administration consists of personnel costs for joint Group functions, as well as the costs for IT, marketing, financial reports and audit fees.

Other income including participations in associates and joint ventures

Profit/loss from participations in associates and joint ventures amounted to SEK 22.6 million (-0.4) including changes in the value of properties and tax. The profit/loss from the management of properties owned by associates and joint ventures totalled SEK 1.8 million (0.1).

Changes in value of SEK 21.3 million are attributable to the revaluation of participations and associates in Signatur Fastigheter in connection with the transition to consolidation as a subsidiary. During the revaluation, the price paid for the shares which gave Trianon control of the company has been used.

Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 22.4 million (22.1). The average interest rate for the period, including swap rates, was 1.9 percent (2.3).

Interest expense for access rights in respect of site-leasehold rights amounted to SEK 1.6 million (1.6).

Changes in the value of properties and financial instruments

Changes in the value of investment properties for the period amounted to SEK 215.3 million (217.2). The changes in value are due primarily to value-generating investments in the portfolio, the signing of new leases in the commercial portfolio and changes in market value in the residential portfolio. All properties have been 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 13.3 million (-2.5). Of this, SEK -5.4 million (-7.3) 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.

Tax

Reported tax for the period amounted to SEK -60.6 million (-52.0).



Comprehensive income

The comprehensive income for the period was SEK 258.8 million (230.0), of which SEK 258.3 million (228.1) was attributable to the Parent's shareholders. Earnings per share were SEK 6.63 (5.93) before dilution, and SEK 6.61 (5.92) after dilution.

The return on equity was 25 percent (29), and the decrease is primarily due to changes in the value of investment properties and derivatives.

Current earnings capacity

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 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
Rental value	687.8	648.9	675.3	653.4	644.2
Vacancies*	-24.3	-24.7	-27.1	-25.4	-28.9
Contracted vacancies**	-8.5	-1.2	-2.5	-4.3	
Reductions	-2.2	-4.2	-5.6	-6.5	-5.1
Other income	6.4				
Rental income	659.2	618.8	640.0	617.2	610.2
Property costs	-196.9	-186.4	-190.9	-183.6	-186.1
Property administration	-21.4	-19.6	-19.2	-18.0	-18.0
Operating surplus	440.9	412.8	430.0	415.6	406.1
Surplus ratio	67 %	67 %	67 %	67 %	67 %
Central administration	-56.0	-44.0	-44.0	-41.6	-41.6
Profit/loss from participations in associates and joint ventures	20.4	10.6	4.3	4.3	0.4
Ground rent	-5.5	-6.7	-7.0	-7.0	-6.7
Financial income and expenses	-116.9	-104.2	-118.0	-120.6	-117.2
Profit from property management	282.8	268.5	265.3	250.7	241.0
Profit from property management attributable to:					
Parent shareholders	281.1	266.5	257.7	243.1	233.4
Holdings with a non-controlling interest	1.7	2.0	7.6	7.6	7.6

* Vacancies in the retail segment have been affected by the pandemic

** From and including 2020 Q4, reported vacancies let with admission within 12 months



Current earning capacity of associates and joint ventures

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

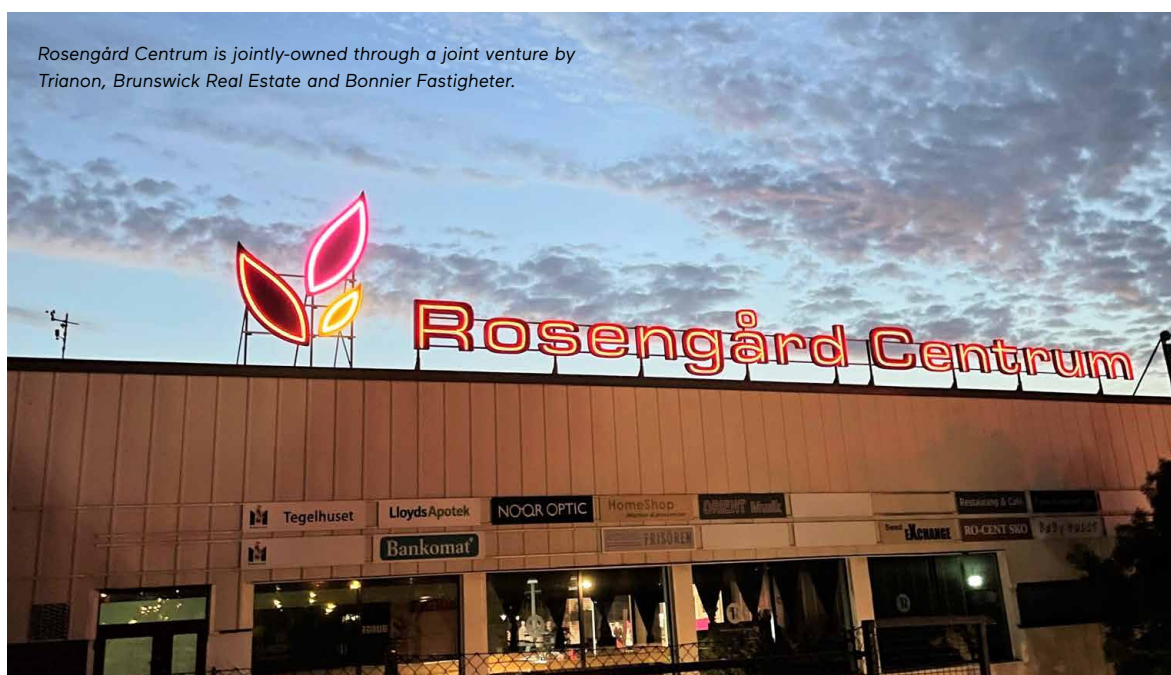
Trianon, jointly with Wallfast, acquired the Burlöv Center property at the end of 2020, a major urban development project with a potential development of 1,000 homes. Rosengård Centrum has been jointly-owned since 1 September 2021 through a joint venture by Trianon, Brunswick Real Estate and Bonnier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

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

Actual earning capacity, 12 months

Joint Venture SEK million	30 Sep 2021
Rental value	152,0
Vacancies	-30,6
Contracted vacancies	-1.5
Reductions	-4.1
Other income	0.0
Rental income	115,9
Property costs	-45,0
Property administration	-3.7
Operating surplus	67,2
Surplus ratio	58 %
Central administration	-8.6
Ground rent	-1,7
Financial income and expenses	-16.2
Profit from property management	40,8

Rosengård Centrum is jointly-owned through a joint venture by Trianon, Brunswick Real Estate and Bonnier Fastigheter.



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 its environs, and consist of residential properties, offices, retail properties and public sector/community 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, Bjurup, Klippan, Helsingborg, Hässleholm, Osby, Vimmerby and Stockholm.

The property portfolio consists of 145 properties with a total rentable area of 460,000 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 82 percent of the property value.

During the quarter, SEK 185.0 million (98.4) 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 and conversions.

Acquisitions and disposals

First quarter 2021

Taking possession of the Macken 1 development property in Slottsstaden in Malmö. The property extends over 1,000 m² of ground and 60 parking spaces, with the potential for housing development. The property value is SEK 15 million.

Acquisition and possession of the Vallen 15 development property in central Malmö. The property covers 800 m² and consists of a partly vacant office area. The intention is to convert the property for residential use. The property value is SEK 16 million.

The acquisition of a residential property in Svedala covering 14,000 m², divided into 208 apartments, as well as construction rights and a development property of 1,600 m² with possible residential densification. The property value is SEK 169 million.

Letter of intent signed for the sale of 50 percent of the Landshövdingen 1 retail property, Rosengård Centrum.

Second quarter 2021

Acquisition of non-controlling shareholdings corresponding to 32.5 percent of the Häggen 13 property in Central Malmö and 50 percent of the Ugglan 21 property at Limhamn. After these acquisitions, Trianon owns 100 percent of both companies and, consequently, of the properties.

The sale and vacating of the Bryggan 2 property at Limhamn, including the commercial sections of the Multihuset building comprising approximately 7,600 m². The property value is SEK 430 million.

Acquisition and possession of the Spiralen 10 development property on Norra Sorgenfri in Malmö. The property comprises around 10,000 m², of which 4,300 m² is let, as well as potential construction rights for around 15-20,000 m². Work on the zoning plan for the development of residential units is expected to start immediately.

The sale of the completed Concordia 14 tenant-owner housing project in central Malmö.

The sale of 50 percent of the Arlöv 22:189 property, comprising 50 apartments in the Municipality of Burlöv.

Acquisition of 25.6 percent of Signatur Fastigheter, listed on the Nasdaq First North Growth Market.

Signatur is a property company which owns residential and public sector/community properties in southern Sweden and elsewhere. The acquisition makes Trianon the largest owner, and Signatur was recognised as an associate up to and including 31 August.

Third quarter 2021

The sale of 50 percent of Rosengård Centrum in Malmö to Fastighets AB Hemmaplan, a company jointly-owned by Brunswick Real Estate and Bonnier Fastigheter. The company is recognised after taking possession on 1 September as a joint venture.

Acquisition of a centrally-located residential project in Svedala covering 3,700 m² comprising 53 apartments.



Acquisition of additional B shares in Signatur Fastigheter, which takes the holding to 45.8 percent. Accordingly, the mandatory bid threshold was passed. The outcome of the mandatory bid was announced on 21 September, with Trianon holding 96.1 percent of the shares. The company is recognised from and including 1 September as a Group company.

Acquisition of non-controlling interests corresponding to 50 percent of the retail property, Skratmåsen 13 in central Limhamn. This acquisition brings ownership of 100 percent of the company and the property.

The sale of Rosengård Centrum to a joint venture and the acquisition of Signatur Fastigheter mean that the goal of 80 percent of the property value consisting of residential and public sector/community properties has been achieved. All of the acquisitions during the year have been judged to be asset acquisitions. Given that the acquisition of Signatur Fastigheter was made a short time before the reporting date, the calculations associated with consolidation of this company are to be regarded as preliminary, that is they may be subject to change.

Estimated capital gains on sales where the completion accounts and purchase price calculations have not been determined are to be treated as preliminary.

New construction

Our organisation has been strengthened to enable us to start construction of around 700 apartments within 10-12 months.

Project portfolio

On the following page, there is a summary of the current project portfolio. The project list includes land allocation agreements for the properties at Centralköket 1 in Sege Park, Badmössan 1 in Hyllie and Svedala 25:18 in Svedala.

Next in line for a new construction project start are the apartments at Hyllie, Sege Park and the Hanna district, with construction expected to commence during 2021. Within the next 10-12 months, the construction of a total of 700 new apartments is planned.

The green light to start construction on 500 residential units in Rosengård and Norra Sorgenfri after the zoning plan took effect in October.



The acquisition of Signatur Fastigheter is the largest acquisition in Trianon's history. Signatur Fastigheter is a housing company with a property portfolio mainly in the Öresund region. The acquisition has added 50 properties to Trianon with a property value of SEK 1.5 billion.

Project portfolio

Project properties	Number of apartments	Gross total area, m ²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Projects involving existing properties							
Entré - Rolf 6**	0	11,900	185	46	17	2021	2022
Total projects involving existing properties	0	11,900	185	33	17		
Projects with valid zoning plan							
Badmössan 1, Hyllie (premises and rental properties)	73	5,500	134	30	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,800	111	5	6	2021	2023
Svedala 1:87 (rented apartments)	53	4,700	112	0	6	2021	2023
Hanna district, Burlöv (premises, rental properties and tenant-owner homes)	111	15,400	405	10	16	2021	2024
Fjällrutan 1 (tenant-owner homes)	12	1,000	34	0	0	2022	2024
Total projects with valid zoning plans	314	31,400	795	44	36		
Projects subject to zoning plans							
Norra Sorgenfri, phase 1*	253	14,000	403	8	24	2021	2024
Norra Sorgenfri, phase 2*	136	8,000	196	4	11	2022	2024
Björnen 6	22	2,200				2022	2024
Svedala 25:18	155	12,000				2023	2024
Svedala 22:8	39	4,500				2023	2024
Östergård 3	65	4,200				2023	2024
Macken 1	35	1,600				2023	2024
Spiralen 10		15,000				2024	
Total projects subject to zoning plans	705	61,500	599	12	35		
Total project portfolio	1,019	104,800	1,579	89	88		

Future potential zoning plans

Bunkeflostrand 155:3

*Not taken into possession, possession taken when the detailed plan gained legal force. Norra Sorgenfri Phase 1 sold, with possession when the property is completed. A ruling on the appealed zoning plan is expected in autumn 2021.

**Office in accordance with zoning plan.

Joint Venture	Number of apartments	Gross total area, m ²	Estimated investment, SEK million	Accrued expenses, SEK million	Estimated rental value, SEK million	Expected construction start	Expected completion
Bojen 1 and Fendern 1 (Silos at Limhamn)	70	15,000				2024	2027
Tågarp 15:4 Phase 1 (Burlöv Center)	525	48,000				2022	2025
Rosengårdsbiblioteket	0	2,000	75	16	6	2020	2022
Rosengård Centrum, phase 1 South	65	5,400				2022	2024
Rosengård Centrum, phase 1 North	65	6,000				2023	2025
Total	725	76,400	75	16	6		

Future potential zoning plans

Tågarp 15:4 Phases 2 and 3 (Burlöv Center)

Rosengård Centrum, phases 2 and 3



Property valuation

The fair value of investment properties amounted to SEK 11,042.4 million (9,390.7). Changes in the value of investment properties for the first three quarters of 2021 amounted to SEK 702.7 million (320.8).

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 an adjustment to the yield in the residential portfolio.

The property portfolio was valued internally at the end of the period. The yield on the full property portfolio was 4.1 percent (4.5), and the yield on residential properties was 4.0 percent (4.3).

The Bunkeflostrand 155:3 property has been valued at cost, and involves land without detailed plans. The property was acquired for SEK 500,000, and covers 74,500 m² of land situated at the Öresundsbron Bridge.

Non detailed planned construction rights or construction rights not yet taken into possession have not been valued.

Construction rights and potential construction rights have not been valued on existing properties apart from the property at Rolf 6, where a small amount has been included in the valuation for unutilised construction rights.

Trianon's property portfolio, 30 September 2021

The table on the next page shows a summary by property category of the properties owned by Trianon on 30 September 2021, and reflects the contracted revenue on an annual basis on 1 October 2021, and costs on annual basis, as if the properties had been owned throughout the preceding 12-month period, whereupon the acquired and completed properties are recalculated as if they had been owned or completed during the preceding 12-month period.

Centrally-located residential project in Svedala covering 3,700 m² comprising 53 apartments.



Change in the fair value of investment properties

SEK million	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
Fair value at the start of the period	9,720.8	10,000.3	9,462.3	9,390.7	8,732.3
Investments through companies*	1,575.3	36.6	191.9	0.0	0.0
Investments in new investment properties	50.1	0.0	0.0	0.0	421.1
Investments in existing properties	72.5	45.8	66.7	61.2	20.1
Sales	0.0	-492.1	0.0	0.0	0.0
Sales to associates and joint ventures	-591.6	-77.8	0.0	-75.0	0.0
Changes in value	215.3	208.0	279.4	85.4	217.2
Fair value at the end of the period	11,042.4	9,720.8	10,000.3	9,462.3	9,390.7

* Acquisition of property through companies

Earning capacity per segment

	Number properties	Number apartments	Rentable area, m²	Property value		Rental value	
				SEK million	SEK/m²	SEK million	SEK/m²
Property category							
Residential	102	4,604	338,347	8,040	23,764	471	1,392
Public sector/community	18	139	36,285	851	23,445	53	1,470
Retail	10	91	56,442	1,435	25,428	127	2,245
Offices	6	1	12,025	496	41,220	31	2,541
Total excluding project properties	136	4,835	443,099	10,822	24,424	682	1,538
Projects	9	-	17,231	220	-	6	-
Total including project properties	145	4,835	460,330	11,042	24,424	688	1,538

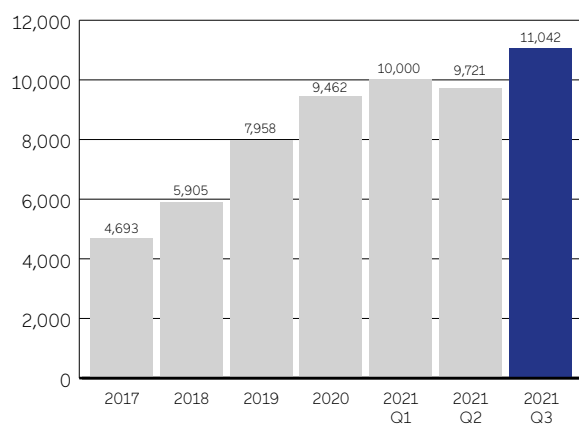
	Economic occupancy ratio	Rental income SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin*
Property category						
Residential	99 %	465	304	65 %	319	4.0 %
Public sector/community	95 %	51	38	75 %	39	4.6 %
Retail	81 %	102	69	68 %	72	5.0 %
Offices	95 %	29	22	74 %	22	4.5 %
Total excluding project properties	95 %	647	433	67 %	452	4.2 %
Projects	-	6	3	-	4	-
Total including project properties	95 %	653	436	67 %	456	4.1 %

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

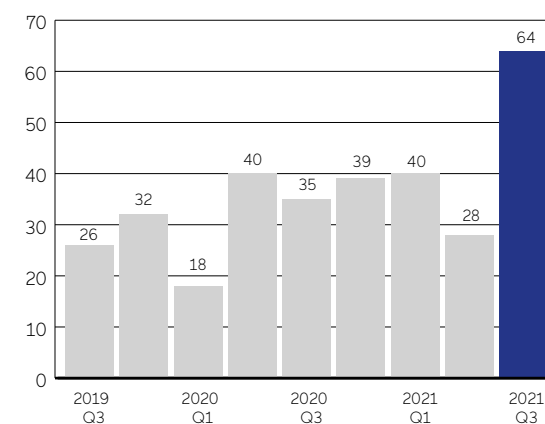
*Net operating profit excl. admin, SEK million in relation to Property value, SEK million.



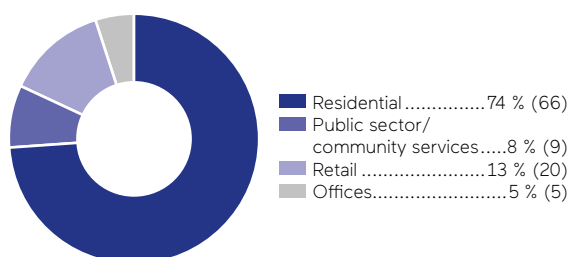
Fair value of investment properties, SEK million



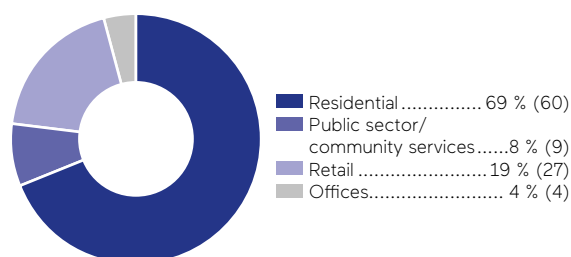
Number of renovated apartments per quarter



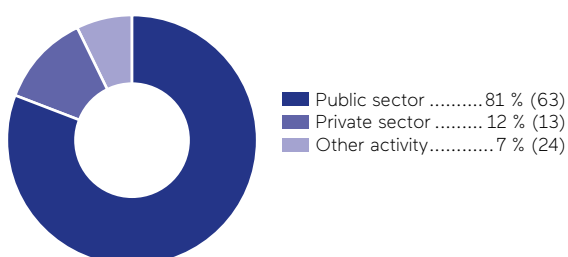
Property value per segment



Rental value per segment



Community services proportion of rental value



Retail proportion of rental value



The preceding year is within parenthesis.



Residential properties

Property portfolio	Type	Area	Rentable area, m ²	Number of apartments
Alven 26	Residential	Malmö	3,963	48
Ankan 2	Residential	Malmö	748	11
Ankan 14	Residential	Malmö	2,307	32
Arlöv 21:181	Residential	Burlöv	1,350	21
Beckasinen 11	Residential	Malmö	3,112	42
Billesholms Gård 12:1	Residential	Bjuv	540	6
Björnen 6	Residential	Skurup	6,319	73
Björnen 8	Residential	Skurup	1,674	23
Bokhandlaren 4 & 5	Residential	Eslöv	3,986	36
Bollbro 11	Residential	Helsingborg	1,292	6
Bollbro 7	Residential	Helsingborg	1,014	6
Brockfågeln 11	Residential	Malmö	1,359	10
Bryggan 1	Residential	Malmö	2,273	30
Bryggaren 1	Residential	Trelleborg	502	11
Bryggaren 14	Residential	Trelleborg	480	7
Bäverungen 5*	Residential	Stockholm	1,864	32
Böckaren 12	Residential	Trelleborg	200	4
Böckaren 13	Residential	Trelleborg	230	4
Böckaren 14	Residential	Trelleborg	218	4
Concordia 35	Residential	Malmö	3,106	25
Delfinen 14	Residential	Malmö	5,876	63
Docenten 1*	Residential	Malmö	6,556	93
Docenten 4*	Residential	Malmö	4,023	51
Docenten 7*	Residential	Malmö	5,151	75
Docenten 8*	Residential	Malmö	3,655	54
Draken	Residential	Landskrona	6,036	84
Drömmen 12	Residential	Malmö	2,143	29
Ekorren 4	Residential	Eslöv	1,239	24
Folkvisan 3	Residential	Malmö	5,434	162
Fritz 14	Residential	Malmö	2,760	40
Fritz 2	Residential	Malmö	601	10
Gjörloff 5	Residential	Landskrona	757	12
Gymnasiet 4	Residential	Klippan	959	20
Gåsen 2	Residential	Malmö	232	2
Gåsen 8	Residential	Malmö	2,070	22
Hermosdal 4*	Residential	Malmö	5,160	80
Hermosdal 5*	Residential	Malmö	5,160	80
Hoppet 8	Residential	Landskrona	279	5
Häggen 13	Residential	Malmö	17,746	232
Hälsingör 2	Residential	Malmö	2,357	22
Hämplingen 8	Residential	Malmö	1,071	6
Hässleholm 3:422	Residential	Hässleholm	3,515	38
Jordlotten 9	Residential	Malmö	2,113	26
Kil 1	Residential	Malmö	1,602	13
Korpen 14	Residential	Landskrona	1,986	24
Korpen 42	Residential	Malmö	9,090	97
Laboratorn 1*	Residential	Malmö	7,032	98
Laboratorn 6*	Residential	Malmö	5,425	80
Lektorn 5*	Residential	Malmö	2,706	44
Lerteglet 1	Residential	Malmö	3,965	71
Lerteglet 2	Residential	Malmö	6,028	100
Linjalen	Residential	Osby	10,176	98
Linjalen 13	Residential	Osby	1,270	16
Motetten 2	Residential	Malmö	22,021	275
Murteglet 1	Residential	Malmö	4,058	73
Notarien 1	Residential	Malmö	1,960	21
Niccolo & Linne	Residential	Landskrona	3,425	52
Odenslunda 1:646	Residential	Upplands Väsby	2,040	30
Onsjö 7	Residential	Malmö	2,077	40
Orten 8	Residential	Malmö	7,897	95



Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Professorn 14*	Residential	Malmö	6,001	85
Professorn 15*	Residential	Malmö	4,496	54
Professorn 4*	Residential	Malmö	2,849	48
Professorn 5*	Residential	Malmö	3,060	40
Professorn 6*	Residential	Malmö	2,852	48
Repslagaren 1	Residential	Trelleborg	565	10
Repslagaren 7	Residential	Trelleborg	585	10
Safiren 1	Residential	Landskrona	377	5
Slussen 2	Residential	Malmö	1,120	25
Stacken 1*	Residential	Malmö	5,199	71
Stacken 13*	Residential	Malmö	5,317	80
Stacken 9*	Residential	Malmö	4,641	80
Strutsen 26	Residential	Malmö	1,278	25
Svedala 59:2	Residential	Svedala	4,736	64
Svedala 59:3	Residential	Svedala	9,324	144
Toarp 9:1	Residential	Malmö	510	4
Torna 8	Residential	Malmö	991	16
Uret 2	Residential	Malmö	1,138	23
Vakteln 10	Residential	Malmö	893	8
Vakteln 3	Residential	Malmö	5,585	34
Vallhunden 8*	Residential	Stockholm	2,080	64
Vågen 6	Residential	Malmö	832	19
Vårsången 6*	Residential	Malmö	30,737	400
Vårsången 8*	Residential	Malmö	14,220	154
Östergård 3	Residential	Skurup	14,193	197
Östra Förstaden 27	Residential	Landskrona	580	8
Total			338,347	4,604

* Site leasehold

Public sector/community properties

Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Apollo 15	Public sector/ community	Klippan	2,547	
Basen 58	Public sector/ community	Malmö	2,600	35
Blåklöckan 13	Public sector/ community	Vimmerby	2,660	
Bokbindaren 6	Public sector/ community	Malmö	511	12
Fjällrutan 1	Public sector/ community	Malmö	1,712	21
Fälgen 1	Public sector/ community	Lund	340	6
Gullvivan 5	Public sector/ community	Vimmerby	2,588	
Gunghästen 1	Public sector/ community	Malmö	9,375	
Hyllie 9:5	Public sector/ community	Malmö	4,815	
Håkanstorp 9*	Public sector/ community	Malmö	903	16
Katrinelund 19*	Public sector/ community	Malmö	318	
Kvarnskon 1	Public sector/ community	Lund	1,493	
Månskäran 1*	Public sector/ community	Malmö	443	
Paulina 47	Public sector/ community	Malmö	733	13
Skvadronen 9	Public sector/ community	Klippan	987	
Stammen 15	Public sector/ community	Malmö	381	10
Storken 32	Public sector/ community	Malmö	2,537	
Ugglan 21	Public sector/ community	Malmö	1,342	26
Total			36,285	139

* Site leasehold



Retail properties

Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Antilopen 1	Retail	Malmö	707	
Gefion 1	Retail	Malmö	1,500	
Nötskrikan 18	Retail	Malmö	907	
Rolf 6	Retail	Malmö	10,695	37
Siljan 22	Retail	Malmö	6,827	48
Skrattmåsen 13	Retail	Malmö	2,170	
Torshammaren 9	Retail	Malmö	740	
Uno 5	Retail	Malmö	26,954	
Vakteln 14	Retail	Malmö	923	6
Vipan 9	Retail	Malmö	5,019	
Total			56,442	91

* Site leasehold

Office properties

Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Druvan 1	Offices	Malmö	2,706	
Helmer 4	Offices	Malmö	280	
Liljan 12*	Offices	Malmö	682	
Mercurius 5	Offices	Malmö	4,312	
Residenset 4	Offices	Malmö	3,235	1
Vallen 15	Offices	Malmö	810	
Total			12,025	1

* Site leasehold

Project properties

Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Badmössan 1	Project	Malmö		
Balken 4	Project	Malmö	1,970	
Bunkeflostrand 155:3	Project	Malmö		
Husie 172:75	Project	Malmö	2,370	2
Macken 1	Project	Malmö		
Mjölkboden 4*	Project	Stockholm		
Spiralen 10	Project	Malmö	10,176	
Svedala 22:8	Project	Svedala	1,600	
Terapisalen 2	Project	Malmö	1,115	
Total			17,231	2

Agreements for acquisitions, properties not taken into possession

Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Centralköket 1	Project	Malmö		
Gnistan 4	Residential	Malmö	2,274	22
Hermosdal 9	Retail	Malmö	1,712	
Smedjan 13	Project	Malmö		
Smedjan 15	Project	Malmö		
Svedala 1:87	Residential	Svedala	3,670	53
Total			5,944	75

Part-owned properties

Property portfolio	Type	Area	Rentable area, m²	Number of apartments
Arlöv 22:189*	Residential	Burlöv	5,137	50
Bojen 1	Project	Malmö		
Fendern 1	Project	Malmö		
Landshövdingen 1*	Retail	Malmö	31,860	
Svedala 8:16	Retail	Svedala	3,405	6
Tågarp 15:4 (Burlöv Center)	Retail	Burlöv	43,000	
Total			83,402	56

* Site leasehold



Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 6,369.5 million (5,367.7). Bank overdraft facilities granted amounted to SEK 25 million (25) of which SEK 0 million (0) was utilised. The increase consists of investments in existing properties and the acquisition of properties.

Interest-bearing liabilities include a bond loan of SEK 347.1 million (327.1) recognised net after the deduction of transaction expenses. A bond loan of SEK 328 million was repaid during the quarter, and was replaced by bank financing at a significantly lower interest rate. The unsecured bond loan was issued in February at an amount of SEK 250 million, under a total framework of SEK 500 million. The term is 2.5 years, at a variable interest rate of Stibor 3m + 2.75 percent, without a Stibor floor, and the loan is listed on Nasdaq Stockholm. An additional SEK 100 million was issued during the second quarter under the same bond framework, which gives a total outstanding amount of SEK 350 million. After the end of the quarter, an additional SEK 150 million was issued, and, accordingly, the entire framework of SEK 500 million is utilised.

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 2,420 million (2,510) was hedged through interest swaps. The average fixed interest term was around 2.6 years. The average interest rate for the period, including swap rates, was 1.9 percent (2.2).

Derivative liabilities amounted to SEK 92.0 million (185.5) 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 1.2 years. Borrowing in Signatur Fastigheter has been recognised as current, insofar as where covenants on change of ownership have not been confirmed before the end of the period.

The loan-to-value ratio was SEK 56.3 percent (55.4).

Hybrid bond

During 2019, a subordinated sustainable bond loan of SEK 400 million was issued under a framework of SEK 500 million. During 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 an initial 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 4,333.7 million (3,451.9), of which SEK 4,305.7 million (3,360.9) was attributable to shareholders in the Parent. The dividend linked to the hybrid bonds has reduced equity by SEK 26.4 million (20.6).

The dividend for 2020 of SEK 1.80 per share (0.00), equivalent to SEK 67.4 million (0.0), has reduced equity.

Equity attributable to the Parent's shareholders has been affected by the acquisition of the non-controlling interest for SEK 35.7 million (0.0).

Equity per share amounted to SEK 114.05 (89.71), and to SEK 102.89 per share (76.58) after the deduction of equity attributable to the hybrid bonds.

The equity/assets ratio was 36.5 percent (34.8) at the end of the period.

Consolidated cash and cash equivalents amounted to SEK 148.9 million (163.7). Unutilised bank overdraft facilities at the end of the period amounted to SEK 25.0 million (25.0).

Cash flow

Cash flow for the period totalled SEK -131.2 million (-14.0). Cash flow was affected by acquisitions and investments in existing properties of SEK -1 201.9 million (-920.8) and by sales of SEK 577.6. Financing activities were affected by raising loans on existing and acquired properties of SEK 991.2 million (708.0), the amortisation of loans of SEK -104.9 million (-104.1), the dividend on hybrid bonds of SEK -26.4 million (-20.6) and a dividend of SEK -68.4 million (0.0). The cash flow from operating activities for the period before changes in working capital totalled SEK 160.8 million (150.5), due to the acquisition of properties.

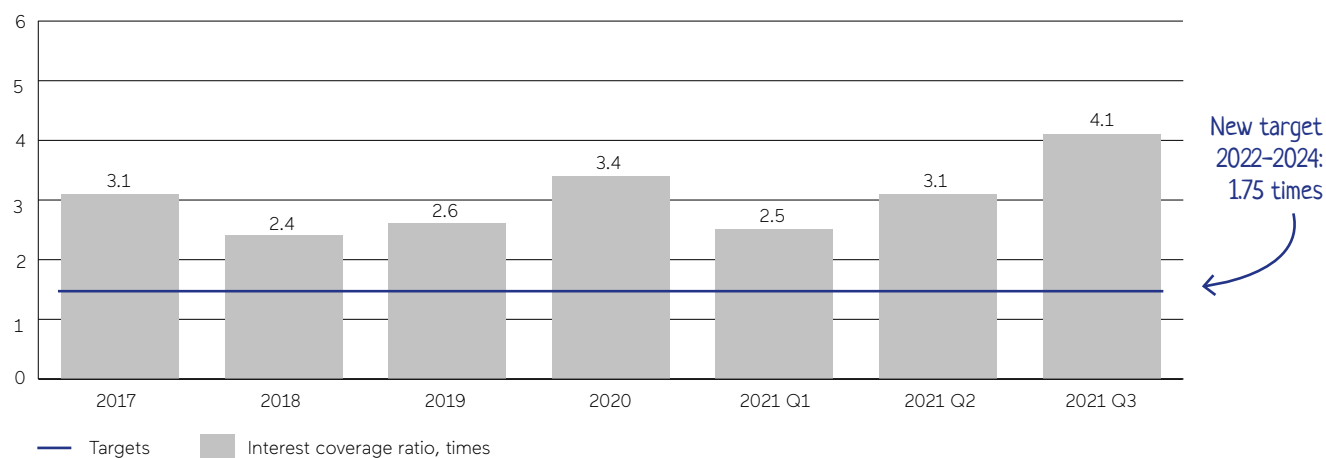
Cash and cash equivalents at the end of the period totalled SEK 148.9 (163.7) million.

Financial derivatives

Falls due, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2024	100	0.7	0.4 %
2025	350	-0.1	0.4 %
2026	300	9.1	1.1 %
2027	100	-0.8	0.5 %
2028	870	71.4	1.8 %
2029	700	11.7	0.9 %
	2,420	92.0	1.2 %



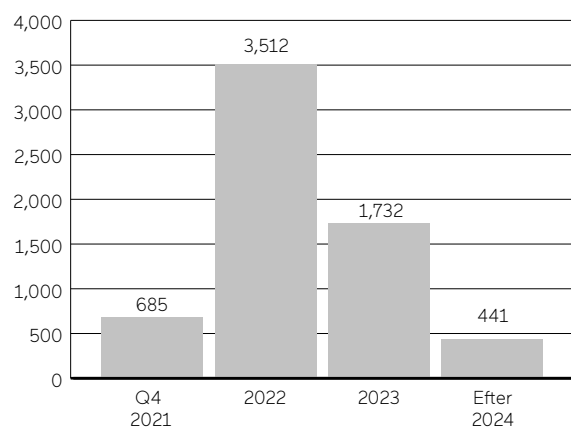
Interest coverage ratio, times



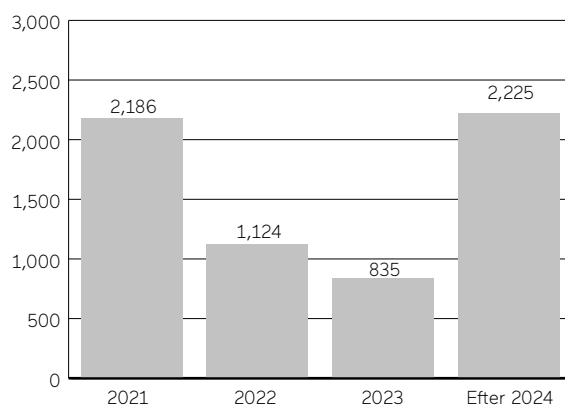
Interest Coverage Ratio

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.

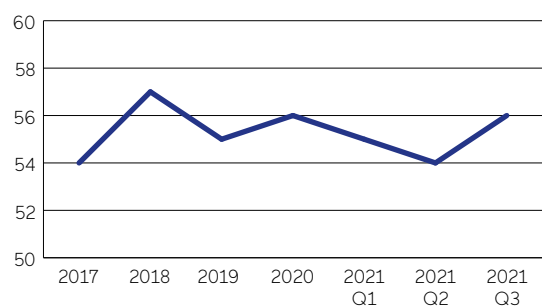
Capital tied up, SEK million



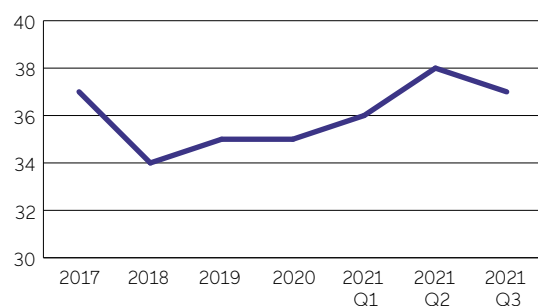
Fixed interest, SEK million



Loan-to-value ratio, %



Equity/assets ratio, %



Consolidated Income Statement

Consolidated statement of comprehensive income, summary

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Rental income	154.9	142.3	458.2	405.5	553.2
Other income	0.7	0.1	2.0	1.4	2.6
Property costs	-49.7	-40.1	-165.7	-137.3	-187.3
Net operating income	105.9	102.3	294.5	269.6	368.5
Central administration	-15.0	-11.0	-39.9	-32.6	-52.9
Profit/loss from participations in associates and joint ventures	22.6	-0.4	22.6	-0.2	83.8
<i>of which profit from property management</i>	1.8	0.1	2.3	0.3	0.5
Financial income	1.3	0.1	1.9	0.2	0.2
Interest expense right of access (site-leasehold rights)	-1.6	-1.6	-5.0	-4.8	-6.4
Financial expenses	-22.4	-22.1	-64.7	-62.4	-85.7
Profit/loss including changes in value and tax in associates and joint ventures	90.8	67.3	209.4	169.8	307.5
Profit from property management	70.0	67.8	189.1	170.3	224.2
Change in value, investment properties	215.3	217.2	702.7	320.8	406.2
Changes in value of derivatives	13.3	-2.5	52.7	-72.4	-62.3
Profit/loss before tax	319.4	282.0	964.8	418.2	651.4
Tax on profit/loss for the year	-60.6	-52.0	-186.6	-73.3	-113.9
Profit/loss for the period	258.8	230.0	778.2	344.8	537.4
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	258.8	230.0	778.2	344.8	537.4
Comprehensive income for the period attributable to:					
The Parent's shareholders	258.3	228.1	771.3	339.0	519.7
Holdings with a non-controlling interest	0.5	1.9	6.9	5.8	17.7
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*	6.63	5.93	19.85	8.65	13.24
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution**	6.61	5.92	19.81	8.64	13.23
Average number of outstanding shares before dilution, thousand*	37,648.9	37,378.5	37,527.3	36,772.1	36,946.4
Average number of outstanding shares after dilution, thousand**	37,745.0	37,429.4	37,608.7	36,812.9	36,993.3

* The average number of shares is a weighted average for the period taking into account the new issue of 1,000,000 shares on 08 July 2020 and the new issue of 285,990 shares on 3 August 2021.

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



Balance sheet in summary

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
<i>Property, plant and equipment</i>			
Investment properties	11,042.4	9,390.7	9,462.3
Right of access (site-leasehold rights)	166.2	194.2	194.2
Property, plant and equipment	7.4	1.4	1.2
Total property, plant and equipment	11,216.0	9,586.3	9,657.8
<i>Financial assets</i>			
Participations in associates and joint ventures	208.5	5.9	93.5
Receivables, associates and joint ventures	179.7	14.6	136.5
Other long-term receivables	17.4	1.7	1.7
Total financial assets	405.6	22.2	231.7
Deferred tax assets	43.2	58.9	57.4
Total fixed assets	11,664.8	9,667.4	9,946.9
<i>Current assets</i>			
Current receivables	67.1	75.0	76.2
Cash and cash equivalents	148.9	163.7	280.1
Total current assets	216.0	238.7	356.3
TOTAL ASSETS	11,880.8	9,906.1	10,303.2
EQUITY AND LIABILITIES			
Equity attributable to Parent's shareholders	4,305.7	3,360.9	3,532.3
Holdings with a non-controlling interest	28.0	91.0	102.9
Total equity	4,333.7	3,451.9	3,635.2
<i>Non-current liabilities</i>			
Interest-bearing liabilities*	3,293.4	3,871.5	4,059.6
Lease liabilities	166.2	194.2	194.2
Derivative instruments	92.0	185.5	166.5
Deferred tax liabilities	680.9	551.9	586.8
Total non-current liabilities	4,232.5	4,803.1	5,007.1
<i>Current liabilities</i>			
Interest-bearing liabilities*	3,076.1	1,496.2	1,486.6
Derivative instruments	0.0	0.0	0.8
Other current liabilities	238.5	154.9	173.5
Total current liabilities	3,314.6	1,651.1	1,660.9
TOTAL EQUITY AND LIABILITIES	11,880.8	9,906.1	10,303.2

* The financial information for the comparison period to 30 September 2020 has been recalculated to correct errors.
For further information, please see Accounting Principles.



Consolidated statement of changes in equity, summary

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Total equity at the start of the period	3,635.2	2,916.8	2,916.8
<i>Equity attributable to Parent's shareholders</i>			
Amount at the start of the period	3,532.3	2,830.9	2,830.9
New share issue	60.1	111.9	111.9
Dividend	-67.4	0.0	0.0
Issue of hybrid bond	0.0	99.7	99.7
Dividend, hybrid bond	-26.4	-20.6	-29.9
Non-controlling interests acquired	35.7	0.0	0.0
Profit/loss for the period and comprehensive income excluding holdings without control	771.3	339.0	519.7
Equity attributable to Parent's shareholders at the end of the period	4,305.6	3,360.9	3,532.3
<i>Equity attributable to holdings without control</i>			
Amount at the start of the period	102.9	85.9	85.9
Dividend	-1.0	-0.8	-0.7
Non-controlling interests acquired	-80.8	0.0	0.0
Profit/loss for the period	6.9	5.8	17.7
Equity attributable to holdings without control at the end of the period	28.0	91.0	102.9
Total equity at the end of the period	4,333.7	3,451.9	3,635.2



Cash flow analysis in summary

SEK million	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Cash flow from operating activities			
Net operating income	294.5	269.6	368.5
Central administration	-39.9	-32.6	-52.9
Net financial income/expense paid	-92.1	-87.5	-120.4
Items not affecting cash flow	1.0	1.0	1.3
Income tax paid	-2.7	0.0	0.0
Cash flow from operating activities before changes in working capital	160.8	150.5	196.5
Changes in working capital			
Changes in operating receivables	58.1	-18.9	-27.9
Changes in operating liabilities	-21.9	-4.4	10.0
Cash flow from operating activities	197.1	127.2	178.5
Investing activities			
Investment in investment properties	-235.1	-538.1	-599.2
Acquisitions of investment properties via subsidiaries	-852.5	-382.7	-382.7
Acquisition of associates	-114.3	0.0	0.0
Sale of investment property via subsidiary	225.8	0.0	0.0
Sale of subsidiaries to associates and joint ventures	351.9	0.0	59.1
Investment receivables, associates and joint ventures	-41.5	-14.5	-116.7
Cash flow from investing activities	-665.7	-935.3	-1,039.5
Financing activities			
Loans raised	991.2	708.0	908.0
Amortisation of loans	-104.9	-104.1	-125.6
Repayment of other loans and deposits	-454.0	0.0	0.0
Issues	0.0	111.9	111.9
Hybrid bond	-26.4	79.1	69.8
Dividends paid	-68.4	-0.8	-0.7
Cash flow from financing activities	337.5	794.1	963.4
Cash flow for the period	-131.2	-14.0	102.4
Cash and cash equivalents at start of period	280.1	177.7	177.7
Cash and cash equivalents at end of period	148.9	163.7	280.1



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 37.

The following financial targets were set by the Board of Directors on November 9, 2021. The first three targets are unchanged and the target for interest coverage ratio is raised. New for the period 2022-2024 is the goal regarding project profit.

- 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 return on investment shall be at least SEK 100 million.

Financial	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Return on equity, %	24.9 %	29.0 %	26.3 %	15.1 %	16.7 %
Interest coverage ratio, times	4.1	3.0	3.2	2.8	3.4
Equity/assets ratio, %	36.5 %	34.8 %	36.5 %	34.8 %	35.3 %
Average interest rate, %	1.9 %	2.3 %	1.9 %	2.2 %	2.3 %
Profit from property management, SEK million	70.0	67.8	189.1	170.3	224.2
Increase in profit from property management over the corresponding period of the preceding year, %	3.3 %	25.6 %	11.1 %	29.0 %	26.4 %
Profit before tax, SEK million	319.4	282.0	964.8	418.2	651.4
Comprehensive income for the period, SEK million	258.8	230.0	778.2	344.8	537.4
Comprehensive income for the period attributable to Parent's shareholders, SEK million	258.3	228.1	771.3	339.0	519.7
Equity, SEK million	4,333.7	3,451.9	4,333.7	3,451.9	3,635.2
Equity attributable to Parent's shareholders, SEK million	4,305.7	3,360.9	4,305.7	3,360.9	3,532.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	3,884.4	2,869.0	3,884.4	2,869.0	3,084.5
Long-term net worth, SEK million	5,035.4	4,039.4	5,035.4	4,039.4	4,228.2
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	4,614.1	3,547.5	4,614.1	3,547.5	3,780.4
Total assets, SEK million	11,880.8	9,906.1	11,880.8	9,906.1	10,303.2

Share-related	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Number of outstanding shares, thousand	37,751.5	37,465.5	37,751.5	37,465.5	37,465.5
Average number of outstanding shares, thousand*	37,648.9	37,378.5	37,527.3	36,772.1	36,946.4
Equity per share, SEK	114.05	89.71	114.05	89.71	94.28
Equity per share, SEK**	102.89	76.58	102.89	76.58	82.33
Earnings per share, SEK*	6.63	5.93	19.85	8.65	13.24
Long-term net worth per share, SEK	133.38	107.82	133.38	107.82	112.86
Long-term net worth per share, SEK**	122.22	94.69	122.22	94.69	100.90

*Definition under IFRS

**After the deduction of equity attributable to hybrid bonds

Property-related	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Rental income, SEK million	154.9	142.3	458.2	405.5	553.2
Operating surplus, SEK million	105.9	102.3	294.5	269.6	368.5
Rental value, SEK million	687.8	644.2	687.8	644.2	653.4
Economic occupancy rate, %	94.9 %	94.7 %	94.9 %	94.7 %	94.5 %
Surplus ratio, %	68.4 %	71.9 %	64.3 %	66.5 %	66.6 %
Loan-to-value ratio, %	56.3 %	55.4 %	56.3 %	55.4 %	55.7 %
Proportion of residential and public sector/community properties, %	82 %	75 %	82 %	75 %	75 %
Rentable area excluding garage, thousand m ²	460	401	460	401	402



Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Rental income	154.9	142.3	458.2	405.5	553.2
Other income	0.7	0.1	2.0	1.4	2.6
Property costs	-49.7	-40.1	-165.7	-137.3	-187.3
Net operating income	105.9	102.3	294.5	269.6	368.5
Surplus ratio, %	68.4 %	71.9 %	64.3 %	66.5 %	66.6 %
Equity	4,333.7	3,451.9	4,333.7	3,451.9	3,635.2
Total assets	11,880.8	9,906.1	11,880.8	9,906.1	10,303.2
Equity/assets ratio, %	36.5 %	34.8 %	36.5 %	34.8 %	35.3 %
Interest-bearing liabilities, non-current	3,293.4	3,871.5	3,293.4	3,871.5	4,059.6
Interest-bearing liabilities, current	3,076.1	1,496.2	3,076.1	1,496.2	1,486.6
Cash and cash equivalents	-148.9	-163.7	-148.9	-163.7	-280.1
Interest-bearing net debt	6,220.6	5,204.0	6,220.6	5,204.0	5,266.1
Investment properties	11,042.4	9,390.7	11,042.4	9,390.7	9,462.3
Loan-to-value ratio, %	56.3 %	55.4 %	56.3 %	55.4 %	55.7 %
Profit/loss before tax	319.4	282.0	964.8	418.2	651.4
Add-back of changes in the value of investment properties and derivatives	-228.6	-214.7	-755.4	-248.4	-343.9
Add-back of interest expense	22.4	22.1	64.7	62.4	85.7
Adjusted profit/loss before tax	113.2	89.4	274.1	232.2	393.2
Financial expenses	-22.4	-22.1	-64.7	-62.4	-85.7
Interest expense, derivatives	-5.4	-7.3	-20.8	-20.4	-28.4
Total interest expense including interest expense for derivatives	-27.8	-29.4	-85.5	-82.8	-114.1
Interest coverage ratio, times	4.1	3.0	3.2	2.8	3.4
Profit for the period attributable to the Parent's shareholders	258.3	228.1	771.3	339.0	519.7
Calculated annual rate	1,033.2	912.4	1,028.4	452.1	519.7
Average equity attributable to Parent's shareholders	4,148.9	3,144.2	3,911.7	2,995.8	3,103.1
Return on equity, %	24.9 %	29.0 %	26.3 %	15.1 %	16.7 %
Equity attributable to Parent's shareholders	4,305.7	3,360.9	4,305.7	3,360.9	3,532.3
Add-back of deferred tax	680.9	551.9	680.9	551.9	586.8
Add-back of derivatives	92.0	185.5	92.0	185.5	166.5
Add-back of deferred tax asset	-43.2	-58.9	-43.2	-58.9	-57.4
Long-term net worth	5,035.4	4,039.4	5,035.4	4,039.4	4,228.2
Deduction of equity attributable to hybrid bonds	-421.3	-491.9	-421.3	-491.9	-447.8
Long-term net worth after the deduction of equity attributable to hybrid bonds	4,614.1	3,547.5	4,614.1	3,547.5	3,780.4



The Parent's Financial Statements

Income statement, summary

SEK million	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
<i>Operating income</i>					
Net sales	16.4	14.8	46.8	46.1	61.1
Profit/loss from participations in associates	0.0	0.0	0.0	0.0	1.6
Other operating income	2.0	0.0	2.0	0.0	0.2
Total operating income	18.4	14.8	48.8	46.1	62.9
Operating expenses	-23.1	-20.3	-70.3	-63.6	-95.2
Operating profit	-4.8	-5.5	-21.5	-17.5	-32.3
<i>Financial items</i>					
Profit/loss from participations in Group companies	257.0	0.0	340.0	0.0	0.0
Profit/loss from participations in associates	0.0	0.0	0.0	0.0	-3.6
Interest income and similar profit/loss items	7.1	5.8	19.0	15.8	31.8
Interest expense and similar profit/loss items	-12.3	-14.0	-36.9	-39.5	-53.8
Changes in value of derivatives	-0.3	0.7	53.7	-7.9	8.8
Profit/loss after financial items	246.7	-13.0	354.3	-49.1	-49.2
Appropriations	0.0	1.0	0.0	1.0	49.4
Profit/loss before tax	246.7	-12.0	354.3	-48.1	0.2
Tax on profit/loss for the year	-2.5	-0.1	-13.6	1.7	-0.6
Profit/loss for the period	244.2	-12.2	340.7	-46.4	-0.4



Balance sheet in summary

SEK million	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	658.1	641.5	637.2
Receivables from Group companies	1,356.4	1,341.6	1,508.4
Financial assets	1,685.6	990.6	876.6
Total fixed assets	3,700.1	2,973.6	3,022.2
<i>Current assets</i>			
Current receivables	34.2	35.8	22.8
Cash and bank balances	66.3	116.9	235.9
Total current assets	100.5	152.7	258.7
TOTAL ASSETS	3,800.6	3,126.4	3,280.9
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	125.8	125.1	125.1
Non-restricted equity	1,575.1	1,232.1	1,268.9
Total equity	1,700.9	1,357.2	1,394.0
Provisions for tax	10.7	10.6	10.7
<i>Non-current liabilities</i>			
Liabilities to credit institutions and bond loans*	360.6	8.6	613.7
Other non-current liabilities	11.4	11.4	11.4
Derivative instruments	92.0	184.4	166.7
Liabilities to group companies	913.1	736.8	869.0
Total non-current liabilities	1,377.0	941.2	1,660.8
<i>Current liabilities</i>			
Liabilities to credit institutions and bond loans*	638.1	787.2	179.3
Other liabilities	73.9	30.2	36.1
Total current liabilities	712.0	817.4	215.4
TOTAL EQUITY AND LIABILITIES	3,800.6	3,126.4	3,280.9

* The financial information for the comparison period to 30 September 2020 has been recalculated to correct errors.
For further information, please see Accounting Principles.



Other disclosures

Segment reporting

SEK million	Total		Residential		Public sector/ community		Retail		Offices	
	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020
Rental income	457.8	405.3	298.6	244.3	37.7	37.8	100.3	103.1	21.2	20.1
Property costs	-165.2	-136.9	-114.0	-86.1	-9.5	-8.7	-36.1	-37.6	-5.6	-4.5
Net operating income	292.6	268.4	184.6	158.2	28.2	29.1	64.2	65.5	15.6	15.6
Interest expense right of access (site-leasehold rights)	-5.0	-4.8	-3.9	-3.7	-0.1	-0.1	-0.9	-0.9	-0.1	-0.1
Change in value, investment properties	698.2	254.4	542.1	220.4	60.2	11.0	95.9	23.0	0.0	0.0
Segment profit	985.8	518.0	722.8	374.9	88.3	40.0	159.2	87.6	15.5	15.5
Unallocated items										
Net operating profit/loss from project properties	-0.1	-0.2								
Other income and central administration	-37.9	-31.2								
Profit/loss from participations in associates and joint ventures	22.6	-0.2								
Net financial income/expense excluding site-leasehold rights	-62.8	-62.2								
Change in value, project properties	4.5	66.4								
Changes in value of derivatives	52.7	-72.4								
Profit/loss before tax	964.8	418.2								
Fair value per segment	10,822.1	9,276.5	8,040.3	6,092.7	850.7	870.9	1,435.2	1,861.2	495.9	451.7
Fair value, projects	220.3	114.2								
Fair value, investment properties	11,042.4	9,390.7								
Surplus ratio, %	64.3 %	66.5 %	61.8 %	64.8 %	74.8 %	77.0 %	64.0 %	63.5 %	73.6 %	77.6 %

Segment reporting

Operations are followed up per segment. The property portfolio is divided into four segments; residential, public sector/community services, retail and offices. The aspect which is predominant in relation to the rental value of the property determines which segment a property belongs to.

Rental income, property costs, net operating profit, 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.

During 2020, in connection with the Company's application for admission to trading on Nasdaq Stockholm, the issue of accounting for certain of the Company's non-current liabilities arose, specifically whether these should rightly be classified as current. The Company has analysed the issue, and found that certain of the liabilities are indeed of such a character that they should not have been classified as non-current. As a consequence of this, a reclassification was carried out between long-term and short-term interest-bearing liabilities. This was rectified by recalculating all the items concerned retroactively for the period to 30 September 2020 by SEK 1,458.8 million. None of Trianon's essential key performance indicators have been affected by the reclassification.

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.

The Parent has followed the Group in reclassifying non-current and current liabilities of SEK 781.5 million for the period to 30 September 2020.

Group and Parent

For a detailed explanation of the accounting principles, please refer to Trianon's Annual Report for 2020. The accounting principles are unchanged from those applied to the Annual Report for 2020. 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

During the third quarter, Briban Invest AB and Olof Andersson Förvaltnings AB each stood guarantors for SEK 100 million for temporary credit in connection with the acquisition of av Signatur Fastigheter.

During the year, Board member Richard Hultin through companies received consulting fees of SEK 0.6 million for services performed for partly-owned companies in the Group, and Board member Elin Thott via companies received SEK 0.06 million for legal advice in connection with acquisitions.

There were no transactions with related parties during the period other than remuneration 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 2020, on page 112, 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.

All of the acquisitions during the year have been judged to be asset acquisitions. Given that the acquisition of Signatur Fastigheter was made a short time before the reporting date, the calculations associated with consolidation of this company are to be regarded as preliminary, that is they may be subject to change.

Estimated capital gains on sales where the completion accounts and purchase price calculations have not been determined are to be treated as preliminary.

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 2020.



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, 9 November 2021

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



Review report

To the board in Fastighets AB Trianon (publ)
Corp. reg. nr. 556183-0281

We have reviewed the condensed interim financial information (interim report) for Fastighets AB Trianon (publ) as of September 30, 2021 and for the nine month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö November 9th 2021
Mazars AB

Anders Persson
Authorized Public Accountant

Rasmus Grahn
Authorized Public Accountant



Definitions and other

Return on equity

Comprehensive income for the period attributable to the Parent's shareholders as a percentage of average equity attributable to the Parent's shareholders.

Reason for use: The aim is to show the return generated on the capital which the shareholders have invested in the Company.

Loan-to-value

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

Reason for use: The aim is to show up how large a proportion of the value of properties is constituted by net debt.

Residential floor area

The residential floor area or usable area is the total interior area consisting of the living area, area of premises, non-living area and other areas for all floors of a building.

Gross total area

Gross area or gross total area is the total area of all floors in a building. The gross area extends to the outside surface of the walls.

Equity per share

Equity attributable to Parent's shareholders in relation to the number of shares at the end of the period.

Equity per share after the deduction of capital attributable to hybrid bonds

Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds in relation to the number of shares at the end of the period.

Economic occupancy rate

Contracted rent for leases which are running at the end of the period as a percentage of rental value.

Reason for use: The aim is to facilitate the assessment of rental income in relation to the total value of possible rentable area.

Profit from property management

Profit/loss before tax with add-back of changes in value.

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. The key performance indicator was changed in connection with the interim report for January to September 2020. Historical figures have been adjusted in line with the new definition. 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, acquires, develops and builds both residential and commercial premises in Malmö and its environs. The Company is committed to providing sustainable accommodation both socially and environmentally, and is entrepreneurial with an organisation and an approach to its work which is characterised by flexibility, speed 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.

Since 17 December 2020, the Company has been listed on Nasdaq Stockholm.

Financial calendar:

Year-end Report 2021	18 February 2022
Interim Report Q1 2022	05 May 2022
Year-end Report 2022	12 May 2022
Interim Report Q2 2022	12 July 2022
Interim Report Q3 2022	03 November 2022

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Cover: Giovanni Vera and Emilia Hasselgren in front of the apartments in Gåsen 2 in Limhamn, Malmö.

Photos on pages 1 and 10: Pernilla Wästberg, page 13: Daniel Christiansson, page 15: Signatur Fastigheter, page 17: Wästbygg, page 27: Fojab.

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.