

Q1

Interim report January-March 2021
Fastighets AB Trianon (publ)

Results in brief, first quarter of 2021

- Rental income grew by 17 percent and amounted to SEK 150.7 million (129.2).
- The operating surplus increased by 16 percent to SEK 87.6 million (75.4) and the surplus ratio to 58 percent (58).
- Profit from property management grew by 15 percent and amounted to SEK 52.7 million (45.7).
- The profit for the period totalled SEK 298.0 million (42.2) of which SEK 293.1 million (40.3) is attributable to the Parent's shareholders, equivalent to earnings per share for the period January to December of SEK 7.59 (0.91).
- The changes in value of investment properties amounted to SEK 279.4 million (53.6).
- The change in value of derivatives amounted to SEK 41.6 million (-49.3).

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 31 for release on 4 May 2021 at 08.00.

Significant events during the quarter

- Net rental was SEK 3.8 million. New leases were signed with tenants in community service properties and offices in Torghuset at Entré.
- Acquisition of development property for conversion to housing in central Malmö.
- Boris Lennerhov elected Chairperson of the Board of Trianon by the Company's Board of Directors for the period until the close of the next Annual General Meeting.
- Issue of unsecured corporate bonds of SEK 250 million with a term of 2.5 years. The interest rate on the bonds is STIBOR 3m + 2.75 percent.
- Signing of a letter of intent on the sale of 50 percent of the Rosengård Centrum property.
- Acquisition of 208 apartments, development properties and construction rights in Svedala at a property value of SEK 169 million.

Events after the end of the period

- The Concordia 14 tenant-owner housing project in central Malmö is complete and is ready for occupation.
- The management team and the organisation have been strengthened with key roles in acquisitions, value-generating investment and new construction.

JANUARY-MARCH 2021

RENTAL INCOME SEK million	OPERATING SURPLUS SEK million	PROFIT FROM PROP- ERTY MANAGEMENT SEK million	PROFIT FOR THE PERIOD SEK million	PROPERTY VALUE SEK million
151	88	53	298	10,000

Key performance indicators	Jan-March 2021	Jan-March 2020	Jan-Dec 2020
Rental income, SEK million	151	129	553
Operating surplus, SEK million	88	75	368
Profit from property management, SEK million	53	46	224
Change in value of investment properties, SEK million	279	54	406
Comprehensive income for the period, SEK million	298	42	537
Investment properties, carrying amount	10,000	8,404	9,462
Total assets, SEK million	10,755	8,784	10,303
Interest coverage ratio, times	2.5	2.5	3.4
Average return on equity, %	32 %	6 %	17 %
Loan-to-value ratio, %	55 %	57 %	56 %
Equity-assets ratio, %	36 %	34 %	35 %
Equity per share, SEK	101.87	78.54	94.28
Equity per share, SEK*	90.15	68.39	82.33
Earnings per share, SEK**	7.59	0.91	13.24
Long-term net worth per share, SEK	121.15	95.09	112.86
Long-term net worth per share, SEK*	109.43	84.94	100.90
Rental value, SEK million	675	596	653
Economic occupancy rate, %	95 %	94 %	94 %
Rentable area excluding garage, thousand m ²	419	360	402

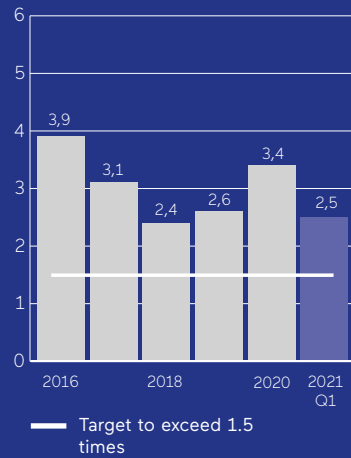
* After the deduction of equity attributable to hybrid bonds

**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.

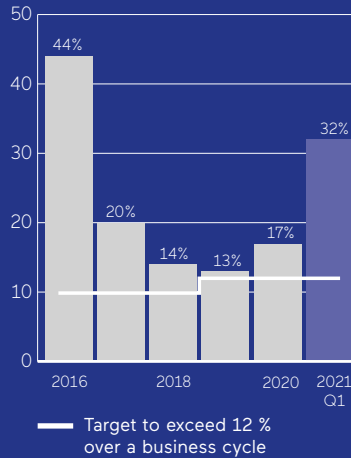


Financial objectives

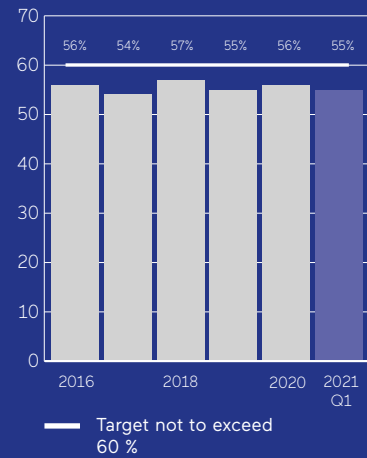
Interest coverage ratio, times



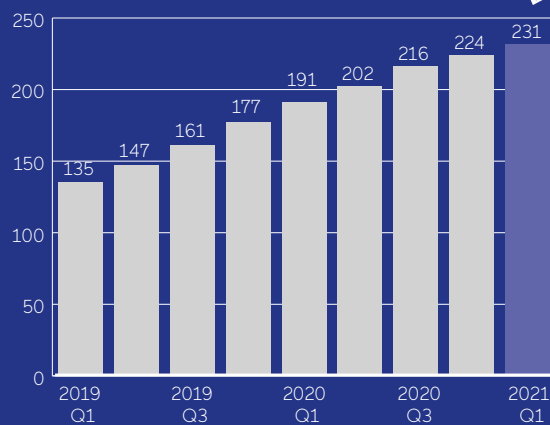
Average return on equity, %



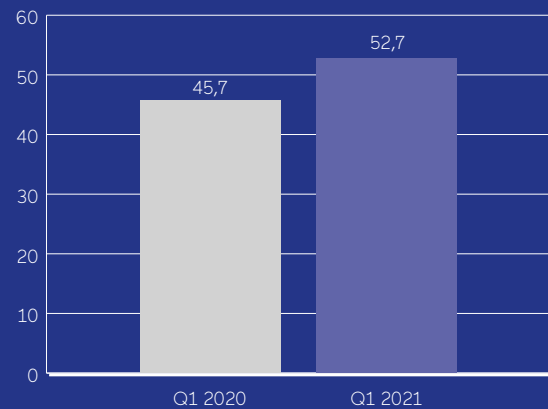
Loan-to-value ratio, %



Profit from property management, rolling 12 month, SEK million

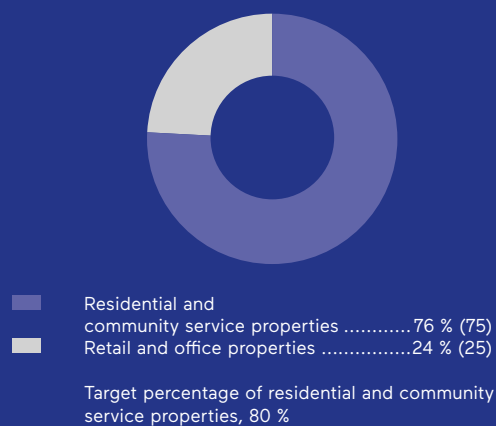


Profit from property management, SEK million

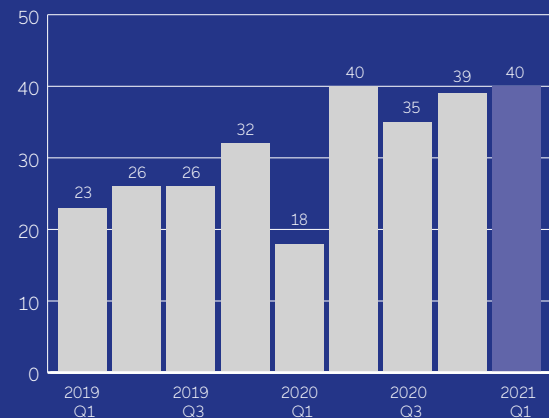


Target annual increase of 12 %

Percentage of property value



Number of renovated apartments per quarter



The CEO's view

Strong start to the year: SEK 7.59 per share



Trianon operates in a particularly strong property market. In combination with value-generating investments carried out, this generated a positive change in value during the period of around SEK 280 million, and an increase in earnings per share to SEK 7.59, compared with SEK 0.91 per share in Q1 2020. Despite the challenging times, we increased the profit from property management by 15 percent to SEK 52.7 million (45.7), an outcome which was charged with a pandemic effect of SEK 2 million and with increased energy costs compared with the preceding year.

In the first three months of the year, new lettings were offered and rental income grew by 17 percent to SEK 150.7 million (129.2). We are now developing the Torghuset building at Entré in Malmö as a community service property, and, during the quarter, we signed a number of agreements including a six-year contract with Statens servicecenter.

Acquisitions and construction rights in Svedala

In March, Trianon acquired 208 apartments in central Svedala at an agreed property value of SEK 161 million, which corresponds to a value of approximately SEK 11,500 per square metre. We also acquired construction rights which will enable us to build an additional 150 apartments, as well as a development property for further residential development, all within walking distance of services and the railway station. Svedala is a municipality which is growing strongly, and we are looking forward to taking an active role in its development.

Sustainable renovations

We are continuing to carry out sustainable renovations in our existing portfolio, with the aim of renovating 200 apartments this year. During the first quarter, we renovated 40 apartments, and in carrying out these value-generating investments, we applied our renovation model which is based on the needs and potential of the area and of our tenants.

Project portfolio with 700 possible construction starts

In a strong market with a limited supply, finding good acquisitions is challenging. Accordingly, we have really ramped up the tempo of our new construction, which generates around 5 percent in yield compared with an average of 2.75-3.5 percent for existing residential properties in Malmö. The target is to start construction of 700 apartments over the next 12 months, and this has led Trianon to strengthen its organisation on the project development side. See the project plans on page 12.

Development of Rosengård Centrum

Preparations were made during the quarter for the start of construction of the new Rosengård Public Library, which is now being extended to double its size. Rosengård Centrum is a highly functional centre with an attractive mix of tenants and a significant number of residential area retail outlets. The fact that it is fully let reinforces our decision to invest further in the area. We intend to do this in partnership with another partner, and, accordingly, we have signed a letter of intent on the sale of 50 percent of Rosengård Centrum.

Goals and focus going forward

The year has begun well, and the outlook remains encouraging. The major urban development project in Burlöv, which we acquired, along with Wallfast, at the end of last year, continues to convince us of the enormous potential of this acquisition. Gaining access to around 150,000 m² gross area of residential construction rights in a fantastic location in close proximity to the new four-track rail line with trains to Malmö and Lund taking 5-7 minutes, with departures every 10 minutes, is a real achievement in the face of strong market demand and limited supply. I am convinced that this will provide us with massive opportunities for generating value in the future.

Trianon has coped well during the pandemic, and, as we look forwards, we believe that the impact on us will continue to be limited during 2021. Our strategy remains in place, we will continue our growth through renting, acquiring, new construction and value-generating investment, and we will continue to deliver on our financial targets by a good margin. My heartfelt thanks to everyone who is contributing to our success.

A stylized, handwritten signature in black ink, belonging to Olof Andersson, CEO of Trianon. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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.

Targets

- Trianon's target is to increase profit from property management by 12 percent annually. To ensure that the Company achieves its growth target while maintaining satisfactory profitability, the average annual return on equity will not fall below 12 percent over an economic cycle.
- The loan-to-value ratio shall not exceed 60 percent of the property value. During the implementation of value-generating acquisitions or projects, the loan-to-value ratio can be permitted to exceed 60 percent temporarily.
- The interest coverage ratio must not fall below 1.5 times the financial expense including the interest expense of derivatives.
- Our long term property portfolio shall consist of 80 percent residential and community service properties.

Strategy

- Trianon shall focus on its local presence and on properties in Malmö and its environs.
- Trianon shall acquire new properties with development potential in Malmö and its environs, with a focus on residential and community service properties. The development potential of a property may involve conversion, refurbishment or the potential for extension through construction rights.
- Develop the existing property portfolio through value-generating investment and improvements in efficiency.

- Expand the property portfolio through continued new construction of rental properties in Malmö and its environs.
- Once properties are fully developed, they can be sold.

Property portfolio

Trianon's property portfolio consists of residential, retail, office and community service properties situated in Malmö and in the Municipalities of Svedala, Burlöv and Skurup.

Trianon consolidates 88 properties and is part-owner of 4 properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 419,000 m² excluding around 3,000 m² of garage and parking spaces. The value of the properties totalled SEK 10.0 billion at the close of the period.

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.

Social objectives

- Reduce unemployment in our areas
- Employ residents
- Build more apartments with reasonable rents
- Carry out renovations with reasonable rent
- Reduce homelessness
- Reduce turnover rate

Environmental objectives

- Reduce energy consumption
- Use renewable energy sources

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



Shares

The company has a total of 37,465,500 shares, divided into 1,521,118 Class A shares and 35,944,382 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 5,115,556. The share capital amounted to SEK 93,663,750, 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 31 March 2021 was SEK 133 per share. The company's total market capitalisation was SEK 4.8 billion on 31 March 2021.

Convertible loan

The incentive programme for staff in the form of a convertible loan was subscribed during 2019 to an amount of SEK 11.4 million, in accordance with a resolution of the Company's Annual General Meeting on 7 May 2019. About one-third of all employees participated in the programme. The conversion price is SEK 78. In the event of full conversion, this means that 146,153 new B shares will be created and the Company's share capital will increase by SEK 365,382.50, which corresponds to a dilution of approximately 0.4 percent of the capital and around 0.3 percent of the votes. The convertible loan will run for three years, with conversion taking place at the end of 2022.

Share information

Ticker symbol: TRIAN B

ISIN code: SE0009921471

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
3 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
9 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
3 April 2017	Share split (1:4)	0	0	18,021,120	10,094,380	28,115,500	0	70,288,750
3 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
8 July 2020	New share issue		1,000,000	1,521,118	35,944,382	37,465,500	2,500,000	93,663,750
Total				1,521,118	35,944,382	37,465,500		93,663,750



Owner

The two largest owners in Trianon are Jan Barchan, through companies, and Olof Andersson, privately and through companies, each of them representing around 28 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 as is shown in the table below.

Shareholders on 31 March 2021

Name	Total Holdings	Holdings %	Total Votes	Votes, (%)
Briban Invest AB	10,350,763	27.63 %	1,685,547.7	32.95 %
Daniel Andersson privately and through companies	10,347,142	27.62 %	1,685,185.6	32.94 %
AB Grenspecialisten	3,752,524	10.02 %	375,252.4	7.34 %
Länsförsäkringar Fastighetsfond	3,468,551	9.26 %	346,855.1	6.78 %
Mats Cederholm privately and through companies	1,008,985	2.69 %	168,961.9	3.30 %
Fosielund Holding AB	930,000	2.48 %	93,000.0	1.82 %
SEB Sverigefond Småbolag	917,432	2.45 %	91,743.2	1.79 %
Futur Pension Försäkringsaktiebolag	586,457	1.57 %	58,645.7	1.15 %
SEB Nanocap	469,475	1.25 %	46,947.5	0.92 %
Idoffs Fastighets AB	410,000	1.09 %	41,000.0	0.80 %
Other shareholders	5,224,171	13.94 %	522,417.1	10.21 %
Total	37,465,500	100.00 %	5,115,556.2	100.00 %

Share price trend, SEK per share



Profit/loss, income and expense

January–March 2021

The profit/loss items below refer to the period January–March 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 150.7 million (129.2), which corresponds to an increase of 17 percent. The increase is attributable in particular to acquired properties and to letting. The rental income has been negatively affected by the pandemic by around SEK 1.9 million due to the reduced level of turnover rent and rent reductions. These have been recognised in the period in which they should have been received.

Net rental for the period amounted to SEK 3.8 million (2.2). The economic occupancy rate was 95 percent (94).

The total rental value amounted to SEK 675.3 million (596.2). The increase is due in particular to acquired properties and letting.

Property costs

Net sales amounted to SEK 63.4 million (54.7). The increase is due in particular to acquired properties.

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

The renovation of apartments continued, with 40 (18) 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 87.6 million (75.4), which represents an increase of 16 percent. The operating surplus was 58 percent (58).

Central administration

Central administrative expenses amounted to SEK 11.6 million (9.2). 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 67 (63) of whom 32 (30) 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 -0.2 million (0.1) including changes in the value of properties and tax. The profit/loss from the management of properties owned by associates and joint ventures totalled SEK 0.2 million (0.1).

Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 22.3 million (19.1). The average interest rate for the period, including swap rates, was 2.1 percent (2.2). Financial expense rose as a result of increased borrowing in connection with acquisitions of investment properties.

Interest expense for access rights in respect of site-leasehold rights amounted to SEK 1.7 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 279.4 million (53.6). 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 4.5 percent (4.7), and the yield on residential properties was 4.2 percent (4.4).

The change in the value of derivative instruments for the period amounted to SEK 41.6 million (-49.3). Of this, SEK -7.9 million (-6.9) relates to swap rates paid during the period. The change in the value of derivatives does not affect cash flow, and the value of the derivative at the end of its term is always zero.



Tax

Reported tax for the period amounted to SEK -75.3 million (-7.8). Deferred tax attributable to investment properties totalled SEK -65.1 (-16.5) and changes in the value of derivative instruments to SEK -10.2 million (8.7).

Comprehensive income

The comprehensive income for the period was SEK 298.0 million (42.2), of which SEK 293.1 million (40.3) was attributable to the Parent's shareholders. The profit for the period was equivalent to SEK 7.59 per share (0.91) before dilution, and to SEK 7.58 (0.91) per share after dilution.

The return on equity was 32 percent (6), 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 15,3 million (15,5). The operating loss was SEK -9.5 million (-5.6).

The change in value of derivatives amounted to SEK 49.0 million (-6.4), 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 -10.1 million (1.3), and relates to deferred tax on changes in the value of 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

SEK million	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
Rental value	675.3	653.4	644.2	624.1	596.2
Vacancies*	-27.1	-25.4	-28.9	-28.5	-28.9
Contracted vacancies**	-2.5	-4.3			
Reductions	-5.6	-6.5	-5.1	-5.9	-5.5
Rental income	640.0	617.2	610.2	589.7	561.8
Property costs	-190.9	-183.6	-186.1	-179.9	-169.7
Property administration	-19.2	-18.0	-18.0	-18.0	-17.6
Operating surplus	430.0	415.6	406.1	391.8	374.5
Surplus ratio	67 %	67 %	67 %	66 %	67 %
Central administration	-44.0	-41.6	-41.6	-41.6	-40.2
Profit/loss from participations in associates and joint ventures	4.3	4.3	0.4	0.4	0.4
Ground rent	-7.0	-7.0	-6.7	-6.7	-6.7
Financial income and expenses	-118.0	-120.6	-117.2	-110.3	-105.5
Income from property management	265.3	250.7	241.0	233.6	222.6
Profit from property management attributable to:					
Parent Company shareholders	257.7	243.1	233.4	227.3	216.3
Holdings with a non-controlling interest	7.6	7.6	7.6	6.3	6.3

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

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



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 community service properties. The majority of the properties are in Malmö, but there are also properties in the Municipalities of Svedala, Burlöv and Skurup.

The property portfolio consists of 88 properties with a total rentable area of 419,000 m² excluding 3,000 garage and parking spaces, as well as properties recognised as associates and joint ventures. Residential and community service properties represent 76 percent of the property value.

During the quarter, SEK 66.7 million (41.6) was invested in existing properties. The investment consisted of ongoing apartment renovations in the residential portfolio, adaptations to meet tenants' requirements in business premises and of conversions.

Acquisitions and disposals

Taking possession of the Macken 1 development property in Slottsstaden in Malmö. The property extends over 1,000 m² of land 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 partly vacant office area. The intention is to convert the property for residential use. The property value amounted to 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.

New construction

There were no construction starts during the first quarter.

Project portfolio

On the following page, there is a summary of the current project portfolio.

The conversion of Concordia 14 into tenant-owner homes was completed during the quarter. Access and occupation for the project were implemented on 28 April 2021.

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



Area	Detailed plan status	Number of apartments	Gross total area, m ²	Expected start of construction:	Construction started:
Concordia 14, conversion to housing	Implemented	8	1,050	2020	Yes
Rosengård Library	Current detailed plan	0	2,000	2020	Yes
Hyllie	Implemented	81	6,000	2021	
Entré - Rolf 6	Current detailed plan	0	7,000**	2021	
Hanna district, Burlöv	Implemented	150	14,500	2021	
Norra Sorgenfri, phase 1*	Expected 2021	256	14,000	2021	
Sege Park	Implemented	61	4,700	2021	
Norra Sorgenfri, phase 2*	Expected 2021	136	8,000	2022	
Rosengård Centrum, phase 1 South	Expected 2021	80	5,400	2022	
Rosengård Centrum, phase 1 North	Expected 2021	80	6,000	2022	
Svedala 25:18	Expected 2022	120	10,000	2023	
Total		972	78,650		

Area	Detail plan status
Rosengård Centrum, phases 2 and 3	Not commenced
Bunkeflostrand 155:3	Not commenced

*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. The estimated completion date is 2023.

**Office in accordance with detailed plan

Joint Venture	Segment:	Existing building		Construction rights	
		Gross residential floor area, m ²	Area of premises, m ²	Detail planned, m ²	Not detail planned, m ²
Bojen 1 and Fendern 1 (Silos at Limhamn)	Residential			15,000	
Tågarp 15:4 (Burlöv Center)	Residential/Retail	43,000		48,000	100,000

Property valuation

The fair value of investment properties amounted to SEK 10,000.3 million (8,403.6). Changes in the value of investment properties amounted to SEK 279.4 million (53.6). 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 4.5 percent (4.7), and the yield on residential properties was 4.2 percent (4.4).

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. Project planning costs amounted to around SEK 30 million, and consist of accrued expenses attributable to land allocation agreements.

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 properties at Landshövdingen 1 and Rolf 6, where a small amount has been included in the valuation for unutilised construction rights.

Trianon's property portfolio, 31 March 2020

The table on the next page shows a summary by property category of the properties owned by Trianon on 31 March 2021, and reflects the contracted revenue on an annual basis on 1 April 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.



Change in the fair value of investment properties

SEK million	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
Fair value at the start of the period	9,462.3	9,390.7	8,732.3	8,403.6	7,958.4
Investments through companies*	191.9	0.0	0.0	242.0	350.0
Investments in new investment properties	0.0	0.0	421.1	0.0	0.0
Investments in existing properties	66.7	61.2	20.1**	36.7	41.6**
Sales to associates and joint ventures	0.0	-75.0	0.0	0.0	0.0
Changes in value	279.4	85.4	217.2	50.0	53.6
Fair value at the end of the period	10,000.3	9,462.3	9,390.7	8,732.3	8,403.6

* Acquisition of property through companies

**Investment has been reduced by investment support of SEK 18.3 million in Q1 2020 and SEK 18.6 million in Q3 2020.

	Number properties	Number apartments	Rentable area, m ²	Property value		Rental value	
				SEK million	SEK/m ²	SEK million	SEK/m ²
Property category							
Residential	58	3,911	288,721	6,548	22,679	406	1,406
Community service	10	111	27,539	934	33,918	59	2,149
Retail	11	91	88,302	1,938	21,943	180	2,040
Offices	5	1	11,745	480	40,899	30	2,518
Total excluding project properties	84	4,114	416,307	9,900	23,781	675	1,621
Projects	4	-	2,644	100	-	-	-
Total including project properties	88	4,114	418,951	10,000	23,781	675	1,621

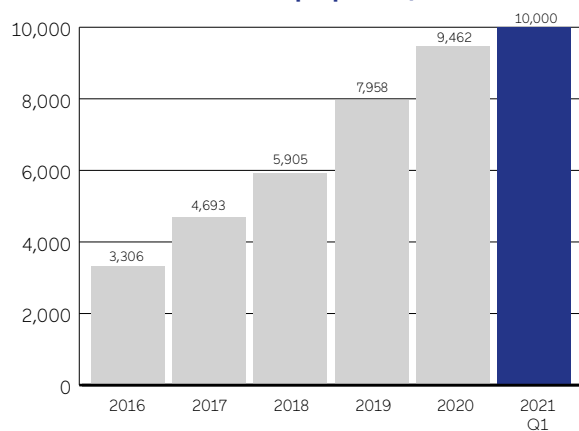
	Economic occupancy ratio	Rental income SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin*
Property category						
Residential	98 %	400	260	65 %	274	4.2 %
Community service	93 %	55	43	77 %	44	4.7 %
Retail	87 %	157	106	68 %	110	5.7 %
Offices	94 %	28	21	75 %	21	4.5 %
Total excluding project properties	95 %	640	430	67 %	449	4.5 %
Projects	-	-	-	-	-	-
Total including project properties	95 %	640	430	67 %	449	4.5 %

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

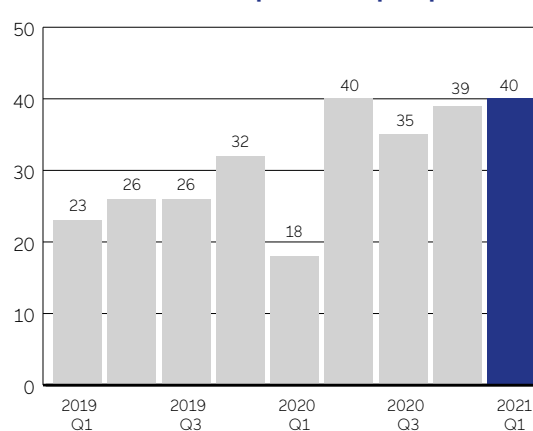
The division of the properties in accordance with the above is based on the predominant share of rental value.



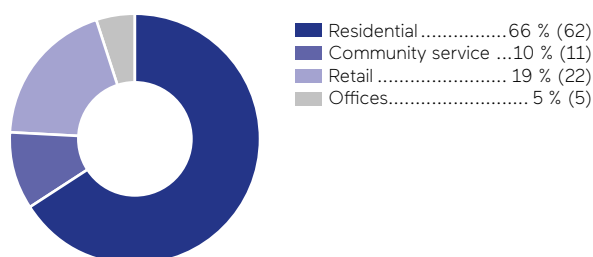
Fair value of investment properties, SEK million



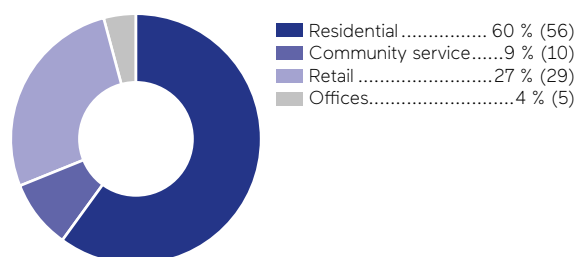
Number of renovated apartments per quarter



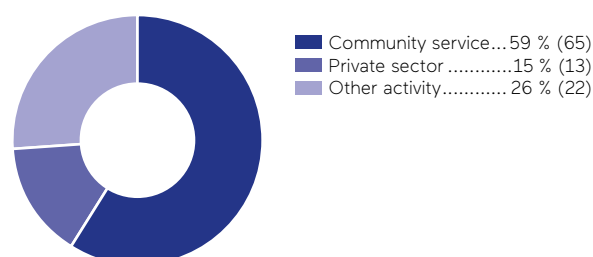
Property value per segment



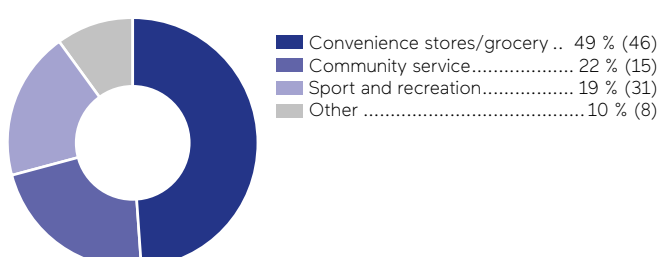
Rental value per segment



Community services proportion of rental value



Retail proportion of rental value



The preceding year is within parenthesis.



Residential properties

Property	Type	Area	Rentable area, m²	Number of apartments
Ankan 14	Residential	Limhamn	2,307	32
Arlöv 22:189*	Residential	Burlöv	5,137	50
Beckasinen 11	Residential	City	3,112	42
Björnen 6	Residential	Skurup	6,319	73
Björnen 8	Residential	Skurup	1,674	23
Brockfågeln 11	Residential	Limhamn	1,359	10
Bryggan 1	Residential	Limhamn	2,273	30
Concordia 35	Residential	City	3,106	25
Delfinen 14	Residential	City	5,876	63
Docenten 1*	Residential	Lindängen	6,556	93
Docenten 4*	Residential	Lindängen	4,023	51
Docenten 7*	Residential	Lindängen	5,151	75
Docenten 8*	Residential	Lindängen	3,655	54
Drömmen 12	Residential	City	2,143	29
Folkvisan 3	Residential	Lindängen	5,434	162
Fritz 14	Residential	City	2,738	40
Fritz 2	Residential	City	601	10
Gåsen 2	Residential	Limhamn	232	2
Gåsen 8	Residential	Limhamn	2,070	22
Hermosdsdal 4*	Residential	Lindängen	5,160	80
Hermosdsdal 5*	Residential	Lindängen	5,160	80
Häggen 13	Residential	City	17,746	232
Hälsingör 2	Residential	City	2,357	22
Hämplingen 8	Residential	Limhamn	1,071	6
Jordlotten 9	Residential	City	2,113	26
Kil 1	Residential	Limhamn	1,602	13
Korpen 42	Residential	City	9,090	97
Laboratorn 1*	Residential	Lindängen	7,032	98
Laboratorn 6*	Residential	Lindängen	5,425	80
Lektorn 5*	Residential	Lindängen	2,706	44
Lerteglet 1	Residential	Oxie	3,965	71
Lerteglet 2	Residential	Oxie	6,028	100
Motetten 2	Residential	Lindängen	22,021	275
Murteglet 1	Residential	Oxie	4,058	73
Notarien 1	Residential	City	1,960	21
Onsjö 7	Residential	Limhamn	2,077	40
Orten 8	Residential	City	7,897	95
Professorn 14*	Residential	Lindängen	6,001	85
Professorn 15*	Residential	Lindängen	4,496	54
Professorn 4*	Residential	Lindängen	2,849	48
Professorn 5*	Residential	Lindängen	3,060	40
Professorn 6*	Residential	Lindängen	2,852	48
Slussen 2	Residential	City	1,120	25
Stacken 1*	Residential	Lindängen	5,199	70
Stacken 13*	Residential	Lindängen	5,317	80
Stacken 9*	Residential	Lindängen	4,641	80
Strutsen 26	Residential	Limhamn	1,278	25
Svedala 59:1	Residential	Svedala	4,736	64
Svedala 59:3	Residential	Svedala	4,662	72
Svedala 59:4	Residential	Svedala	4,662	72
Torna 8	Residential	Limhamn	991	16
Vakteln 10	Residential	Limhamn	893	8
Vakteln 3	Residential	Limhamn	5,585	34
Vårsången 6*	Residential	Lindängen	30,732	400
Vårsången 8*	Residential	Lindängen	14,220	154
Östergård 1	Residential	Skurup	5,937	87
Östergård 2	Residential	Skurup	7,414	94
Östergård 3	Residential	Skurup	842	16
Total			288,721	3,911

* Site leasehold



Community service properties

Property	Type	Area	Rentable area, m²	Number of apartments
Basen 58	Community service	City	2,600	35
Bryggan 2	Community service	Limhamn	7,576	
Fjällrutan 1	Community service	Lindängen	1,712	21
Gunghästen 1	Community service	Jägersro	9,375	
Håkanstorp 9*	Community service	City	903	16
Katrinelund 19*	Community service	City	318	
Månskäran 1*	Community service	Husie	443	
Paulina 47	Community service	Limhamn	733	13
Storken 32	Community service	City	2,537	
Uggjan 21	Community service	Limhamn	1,342	26
Total			27,539	111

* Site leasehold

Retail properties

Property	Type	Area	Rentable area, m²	Number of apartments
Antilopen 1	Retail	Limhamn	707	
Gefion 1	Retail	Lindängen	1,500	
Landshövdingen 1*	Retail	Rosengård	31,860	
Nötskrikan 18	Retail	City	907	
Rolf 6	Retail	City	10,695	37
Siljan 22	Retail	Limhamn	6,827	48
Skrattmåsen 13	Retail	Limhamn	2,170	
Torshammaren 9	Retail	Lindängen	740	
Uno 5	Retail	City	26,954	
Vakteln 14	Retail	Limhamn	923	6
Vipan 9	Retail	Limhamn	5,019	
Total			88,302	91

* Site leasehold

Office properties

Property	Type	Area	Rentable area, m²	Number of apartments
Druvan 1	Offices	City	2,706	
Liljan 12*	Offices	City	682	
Mercurius 5	Offices	City	4,312	
Residenset 4	Offices	City	3,235	1
Vallen 15	Offices	City	810	
Total			11,745	1

* Site leasehold

Project properties

Property	Type	Area	Rentable area, m²	Number of apartments
Bunkeflostrand 155:3		Limhamn		
Concordia 14		City	1,044	
Macken 1		City		
Svedala 22:8		Svedala	1,600	
Total			2,644	0

Agreements for acquisitions, properties not taken into possession

Property	Type	Area	Rentable area, m²	Number of apartments
Smedjan 13	Project	City		
Smedjan 15	Project	City		
Total				

Part-owned properties

Property	Type	Area	Rentable area, m²	Number of apartments
Bojen 1	Project	Limhamn		
Fendern 1	Project	Limhamn		
Svedala 8:16	Retail	Svedala	3,405	6
Tågarp 15:4 (Burlöv Center)	Retail	Burlöv	43,000	
Total			46,405	6



Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 5,705.5 million (4,807.4). Bank overdraft facilities granted amounted to SEK 25 million (25) of which SEK 0 million (0) was utilised. The Group borrows from five different Swedish banks. The increase consists of investments in existing properties and the acquisition of properties.

Interest-bearing liabilities include a bond loan of SEK 247.3 million (348.0) 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.

Long-term shareholders' loans at the end of the period amounted to SEK 26.8 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 2,460 million (2,360) was hedged through interest swaps. The average fixed interest term was around 3.4 years. The average interest rate during the period was 2.1 percent (2.2) including interest swaps.

Derivative liabilities amounted to SEK 118.0 million (175.8) 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 1.4 years.

The loan-to-value ratio was SEK 55.0 percent (56.7).

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 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 3,923.3 million (2,951.9), of which SEK 3,816.5 million (2,864.1) was attributable to shareholders in the Parent. The dividend linked to the hybrid bonds has reduced equity by SEK 8.8 million (7.1).

Trianon's Board of Directors will propose a dividend of SEK 1.80 per share (0.0) for 2020, equivalent to SEK 67.4 million (0.0).

Equity per share amounted to SEK 101.87 (78.54), and to SEK 90.15 per share (68.39) after the deduction of equity attributable to the hybrid bonds.

The equity/assets ratio was 36.5 percent (33.6) at the end of the period.

Consolidated cash and cash equivalents amounted to SEK 201.5 million (45.1). 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 -78.7 million (-132.6). Cash flow was affected by acquisitions and investments in existing properties of SEK -238.0 million (-183.9). Financing activities were affected by raising loans on existing and acquired properties of SEK 598.1 million (64.0), the repayment of other loans and deposits of SEK -428.0 million (0.0), the amortisation of loans of SEK -28.2 million (-18.9) and the dividend on hybrid bonds of SEK -8.8 million (-7.1). The cash flow from operating activities for the period before changes in working capital totalled SEK 44.5 million (38.9), due to the acquisition of properties.

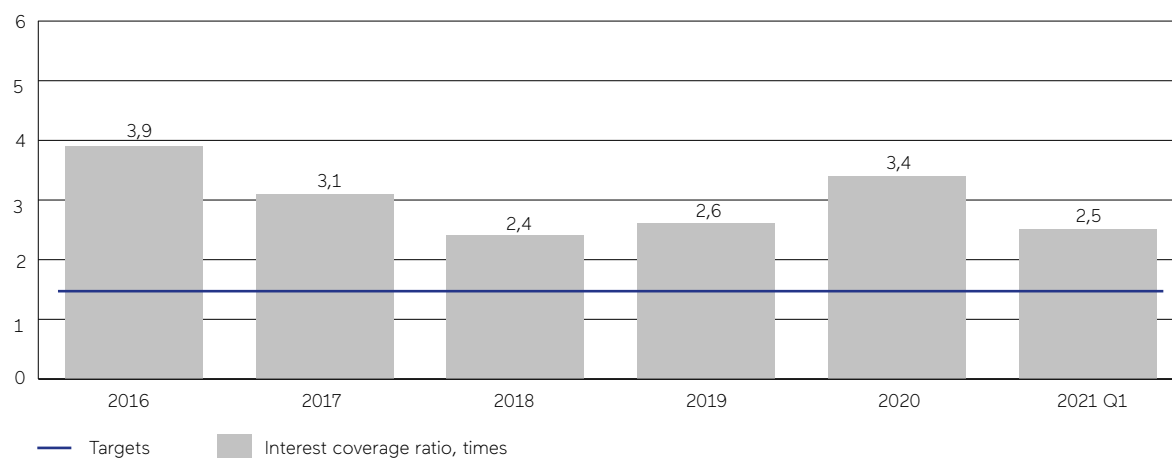
Cash and cash equivalents at the end of the period totalled SEK 201.5 million (45.1).

Financial derivatives

Falls due, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2021	140	0.4	1.1 %
2024	100	1.1	0.4 %
2025	350	1.7	0.4 %
2026	300	12.1	1.1 %
2028	870	84.2	1.8 %
2029	700	18.5	0.9 %
	2,460	118.0	1.2 %



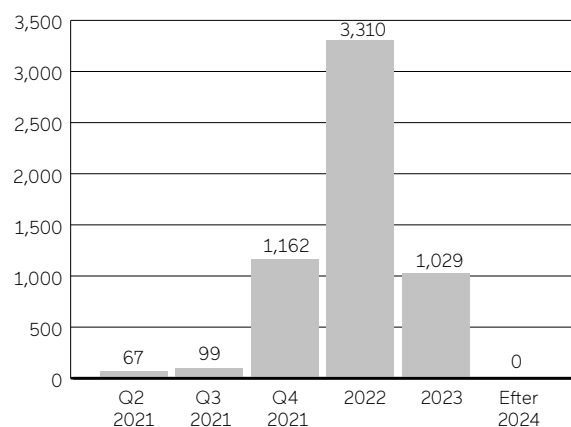
Interest coverage ratio, times



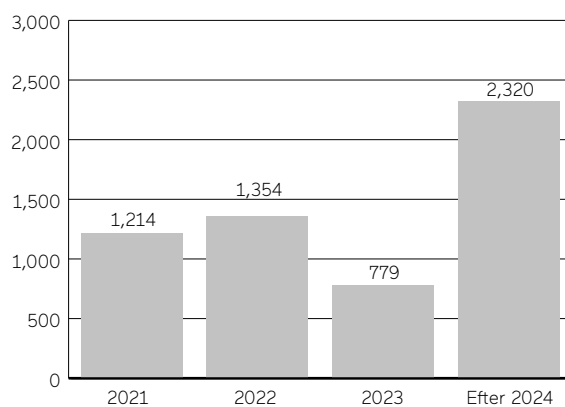
Interest Coverage Ratio

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.

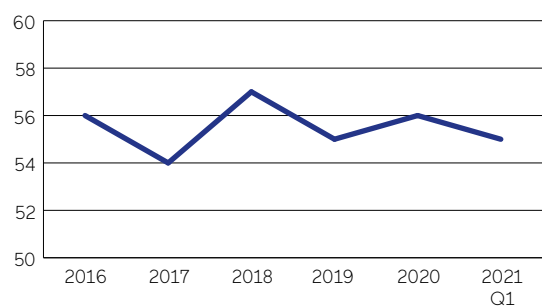
Fixed maturity, SEK million



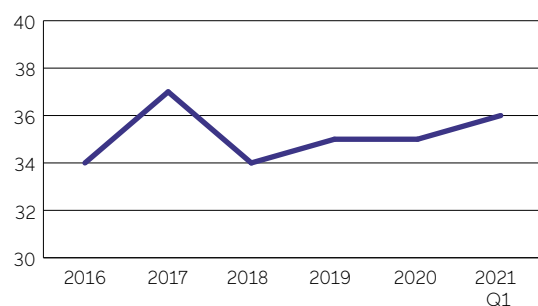
Fixed interest, SEK million



Loan-to-value ratio, %



Equity/assets ratio, %



Consolidated Income Statement

Consolidated statement of comprehensive income, summary

SEK million	Jan-March 2021	Jan-March 2020	Jan-Dec 2020
Rental income	150.7	129.2	553.2
Other income	0.3	0.9	2.6
Property costs	-63.4	-54.7	-187.3
Net operating income	87.6	75.4	368.5
Central administration	-11.6	-9.2	-52.9
Profit/loss from participations in associates and joint ventures	-0.2	0.1	83.8
<i>of which profit from property management</i>	0.2	0.1	0.5
Financial income	0.5	0.1	0.2
Interest expense right of access (site-leasehold rights)	-1.7	-1.6	-6.4
Financial expenses	-22.3	-19.1	-85.7
Profit/loss including changes in value and tax in associates and joint ventures	52.3	45.7	307.5
Income from property management	52.7	45.7	224.2
Change in value, investment properties	279.4	53.6	406.2
Changes in value of derivatives	41.6	-49.3	-62.3
Profit/loss before tax	373.3	50.0	651.4
Tax on profit/loss for the year	-75.3	-7.8	-113.9
Profit/loss for the period	298.0	42.2	537.4
Other comprehensive income	0.0	0.0	0.0
Comprehensive income for the period	298.0	42.2	537.4
Comprehensive income for the period attributable to:			
The Parent's shareholders	293.1	40.3	519.7
Holdings with a non-controlling interest	4.9	1.9	17.7
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*, ***	7.59	0.91	13.24
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution *, ***	7.58	0.91	13.23
Average number of outstanding shares before dilution, thousand*	37,465.5	36,465.5	36,946.4
Average number of outstanding shares after dilution, thousand*	37,526.2	36,506.3	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.

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

*** The key performance indicator was changed in connection with the Interim Report for the third quarter of 2020. Historical figures have been adjusted in line with the new definition, see page 30.



Balance sheet in summary

SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS			
<i>Property, plant and equipment</i>			
Investment properties	10,000.3	8,403.6	9,462.3
Right of access (site-leasehold rights)	205.9	194.2	194.2
Property, plant and equipment	1.3	1.6	1.2
Total property, plant and equipment	10,207.5	8,599.4	9,657.8
<i>Financial assets</i>			
Participations in associates and joint ventures	93.4	6.7	93.5
Receivables, associates and joint ventures	137.0	0.0	136.5
Other long-term receivables	1.6	1.8	1.7
Total financial assets	232.0	8.5	231.7
Deferred tax assets	47.2	56.9	57.4
Total fixed assets	10,486.7	8,664.8	9,946.9
<i>Current assets</i>			
Current receivables	66.6	74.3	76.2
Cash and cash equivalents	201.5	45.1	280.1
Total current assets	268.1	119.4	356.3
TOTAL ASSETS	10,754.8	8,784.2	10,303.2
EQUITY AND LIABILITIES			
Equity attributable to Parent's shareholders	3,816.5	2,864.1	3,532.3
Holdings with a non-controlling interest	106.8	87.8	102.9
Total equity	3,923.3	2,951.9	3,635.2
<i>Non-current liabilities</i>			
Interest-bearing liabilities*	3,567.3	448.9	4,059.6
Lease liabilities	205.9	194.2	194.2
Derivative instruments	117.6	175.8	166.5
Deferred tax liabilities	652.0	484.4	586.8
Total non-current liabilities	4,542.8	1,303.3	5,007.1
<i>Current liabilities</i>			
Interest-bearing liabilities*	2,138.2	4,358.5	1,486.6
Derivative instruments	0.4	0.0	0.8
Other current liabilities	150.1	170.5	173.5
Total current liabilities	2,288.7	4,529.0	1,660.9
TOTAL EQUITY AND LIABILITIES	10,754.8	8,784.2	10,303.2

* The financial information for the comparison period to 31 March 2020 has been recalculated to correct errors.
For further information, please see Accounting Principles, page 28.



Consolidated statement of changes in equity, summary

SEK million	31 Mar 2021	31 Mar 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	0.0	0.0	111.9
Issue of hybrid bond	0.0	0.0	99.7
Dividend, hybrid bond	-8.8	-7.1	-29.9
Profit/loss for the period and comprehensive income excluding holdings without control	293.1	40.3	519.7
Equity attributable to Parent's shareholders at the end of the period	3,816.5	2,864.1	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	0.0	-0.7
Profit/loss for the period	4.9	1.9	17.7
Equity attributable to holdings without control at the end of the period	106.8	87.8	102.9
Total equity at the end of the period	3,923.3	2,951.9	3,635.2



Cash flow analysis in summary

SEK million	Jan-March 2021	Jan-March 2020	Jan-Dec 2020
Cash flow from operating activities			
Net operating income	87.6	75.4	368.5
Central administration	-11.6	-9.2	-52.9
Net financial income/expense paid	-31.9	-27.6	-120.4
Items not affecting cash flow	0.4	0.3	1.3
Income tax paid	0.0	0.0	0.0
Cash flow from operating activities before changes in working capital	44.5	38.9	196.5
Changes in working capital			
Changes in operating receivables	10.0	-38.8	-27.9
Changes in operating liabilities	-27.3	13.2	10.0
Cash flow from operating activities	27.2	13.3	178.5
Investing activities			
Investment in investment properties	-66.7	-41.6	-599.2
Acquisitions of investment properties via subsidiaries	-171.1	-142.3	-382.7
Other investments in property, plant and equipment	-0.2	0.0	0.0
Sales of subsidiary to associates and joint ventures	0.0	0.0	59.1
Investment receivables, associates and joint ventures	0.0	0.0	-116.7
Cash flow from investing activities	-238.0	-183.9	-1,039.5
Financing activities			
Loans raised	598.1	64.0	908.0
Amortisation of loans	-28.2	-18.9	-125.6
Repayment of other loans and deposits	-428.0	0.0	0.0
Issues	0.0	0.0	111.9
Hybrid bond	-8.8	-7.1	69.8
Dividends paid	-1.0	0.0	-0.7
Cash flow from financing activities	132.1	38.0	963.4
Cash flow for the period	-78.7	-132.6	102.4
Cash and cash equivalents at start of period	280.1	177.7	177.7
Cash and cash equivalents at end of period	201.5	45.1	280.1



The Group's key performance indicators

Trianon presents certain financial measures in its Interim report 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 30.

The following financial targets are set by the Board of Directors:

- 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 1.5 times.
- The long-term property portfolio shall consist of 80 percent residential and community service properties.

Financial	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Return on equity, %	31.9 %	5.7 %	16.7 %
Interest coverage ratio, times	2.5	2.5	3.4
Equity/assets ratio, %	36.5 %	33.6 %	35.3 %
Average interest rate, %	2.1 %	2.2 %	2.3 %
Income from property management, SEK million	52.7	45.7	224.2
Increase in the profit from property management in relation to the corresponding period of the preceding year, %	15.3 %	43.5 %	26.4 %
Profit before tax, SEK million	373.3	50.0	651.4
Comprehensive income for the period, SEK million	298.0	42.2	537.4
Comprehensive income for the period attributable to the Parent's shareholders, SEK million	293.1	40.3	519.7
Equity, SEK million	3,923.3	2,951.9	3,635.2
Equity attributable to Parent's shareholders, SEK million	3,816.5	2,864.1	3,532.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	3,377.6	2,494.0	3,084.5
Long-term net worth, SEK million	4,538.9	3,467.4	4,228.2
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	4,100.0	3,097.3	3,780.4
Total assets, SEK million	10,754.8	8,784.2	10,303.2

Share-related	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Number of outstanding shares, thousand	37,465.5	36,465.5	37,465.5
Average number of outstanding shares, thousand	37,465.5	36,465.5	36,946.4
Equity per share, SEK	101.87	78.54	94.28
Equity per share, SEK**	90.15	68.39	82.33
Earnings per share, SEK*	7.59	0.91	13.24
Long-term net worth per share, SEK	121.15	95.09	112.86
Long-term net worth per share, SEK**	109.43	84.94	100.90

*Definition under IFRS

**After the deduction of equity attributable to hybrid bonds

Property-related	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Rental income, SEK million	150.7	129.2	553.2
Operating surplus, SEK million	87.6	75.4	368.5
Rental value, SEK million	675.3	596.2	653.4
Economic occupancy rate, %	94.8 %	94.4 %	94.5 %
Surplus ratio, %	58.1 %	58.4 %	66.6 %
Loan-to-value ratio, %	55.0 %	56.7 %	55.7 %
Proportion of residential and public sector/community properties, %	76 %	73 %	75 %
Rentable area excluding garage, thousand m ²	419	360	402



Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Rental income	150.7	129.2	553.2
Other income	0.3	0.9	2.6
Property costs	-63.4	-54.7	-187.3
Net operating income	87.6	75.4	368.5
Surplus ratio, %	58.1 %	58.4 %	66.6 %
Equity	3,923.3	2,951.9	3,635.2
Total assets	10,754.8	8,784.2	10,303.2
Equity/assets ratio, %	36.5 %	33.6 %	35.3 %
Interest-bearing liabilities, non-current	3,567.3	448.9	4,059.6
Interest-bearing liabilities, current	2,138.2	4,358.5	1,486.6
Cash and cash equivalents	-201.5	-45.1	-280.1
Interest-bearing net debt	5,504.0	4,762.3	5,266.1
Investment properties	10,000.3	8,403.6	9,462.3
Loan-to-value ratio, %	55.0 %	56.7 %	55.7 %
Profit/loss before tax	373.3	50.0	651.4
Add-back of changes in value of investment properties and derivatives	-321.0	-4.3	-343.9
Add-back of interest expense	22.3	19.1	85.7
Adjusted profit/loss before tax	74.6	64.8	393.2
Financial expenses	-22.3	-19.1	-85.7
Interest expense, derivatives	-7.9	-6.9	-28.4
Total interest expense including interest expense for derivatives	-30.2	-26.0	-114.1
Interest coverage ratio, times	2.5	2.5	3.4
Profit for the period attributable to the Parent's shareholders	293.1	40.3	519.7
Calculated annual rate	1,172.2	161.2	519.7
Average equity attributable to Parent's shareholders	3,674.4	2,847.5	3,103.1
Return on equity, %	31.9 %	5.7 %	16.7 %
Equity attributable to Parent's shareholders	3,816.5	2,864.1	3,532.3
Add-back of deferred tax	652.0	484.4	586.8
Add-back of derivatives	117.6	175.8	166.5
Add-back of deferred tax asset	-47.2	-56.9	-57.4
Long-term net worth	4,538.9	3,467.4	4,228.2
Deduction of equity attributable to hybrid bonds	-438.9	-370.1	-447.8
Long-term net worth after the deduction of equity attributable to hybrid bonds	4,100.0	3,097.3	3,780.4



The Parent's Financial Statements

Income statement, summary

SEK million	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<i>Operating income</i>			
Net sales	15.3	15.5	61.1
Profit/loss from participations in associates and joint ventures	-0.2	0.0	1.6
Other operating income	0.0	0.0	0.2
Total operating income	15.1	15.5	62.9
Operating expenses	-24.6	-21.1	-95.2
Operating profit	-9.5	-5.6	-32.3
<i>Financial items</i>			
Profit/loss from participations in associates and joint ventures	0.0	0.0	-3.6
Interest income and similar profit/loss items	6.5	5.3	31.8
Interest expense and similar profit/loss items	-13.2	-13.0	-53.8
Changes in value of derivatives	49.0	-6.4	8.8
Profit/loss after financial items	32.7	-19.6	-49.2
Appropriations	0.0	0.0	49.4
Profit/loss before tax	32.7	-19.6	0.2
Tax on profit/loss for the year	-10.1	1.3	-0.6
Profit/loss for the period	22.6	-18.3	-0.4



Balance sheet in summary

SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	642.1	646.0	637.2
Receivables from Group companies	1,392.4	1,109.2	1,508.4
Financial assets	1,033.6	993.9	876.6
Total fixed assets	3,068.1	2,749.1	3,022.2
<i>Current assets</i>			
Current receivables	27.1	16.3	22.8
Cash and bank balances	139.3	32.5	235.9
Total current assets	166.4	48.8	258.7
TOTAL ASSETS	3,234.4	2,797.9	3,280.9
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	125.1	122.7	125.1
Non-restricted equity	1,282.7	1,064.6	1,268.9
Total equity	1,407.8	1,187.3	1,394.0
Provisions for tax	10.7	10.6	10.7
<i>Non-current liabilities</i>			
Liabilities to credit institutions and bond loans*	260.8	6.7	613.7
Other non-current liabilities	11.4	11.4	11.4
Derivative instruments	117.6	174.2	166.7
Liabilities to group companies	935.4	555.5	869.0
Total non-current liabilities	1,325.2	747.8	1,660.8
<i>Current liabilities</i>			
Liabilities to credit institutions*	462.6	796.0	179.3
Other liabilities	28.1	56.2	36.1
Total current liabilities	490.7	852.2	215.4
TOTAL EQUITY AND LIABILITIES	3,234.5	2,797.9	3,280.9

* The financial information for the comparison period to 31 March 2020 has been recalculated to correct errors.
For further information, please see Accounting Principles, page 28.



Other disclosures

Segment reporting

SEK million	Total		Residential		Community service		Retail		Offices	
	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020	Jan-Mar 2021	Jan-Mar 2020
Rental income	150.7	129.2	95.1	75.8	13.7	12.3	34.9	34.3	7.0	6.8
Property costs	-63.2	-54.4	-43.1	-34.1	-3.8	-3.5	-14.1	-15.0	-2.2	-1.8
Net operating income	87.5	74.8	52.0	41.7	9.9	8.8	20.8	19.3	4.8	5.0
Interest expense right of access (site-leasehold rights)	-1.7	-1.6	-1.3	-1.2	0.0	0.0	-0.3	-0.3	0.0	0.0
Change in value, investment properties	275.7	45.1	182.6	12.1	38.1	10.0	55.0	23.0	0.0	0.0
Segment profit	361.5	118.3	233.3	52.6	48.0	18.8	75.5	42.0	4.8	5.0
Unallocated items										
Other income unallocated property expenses	0.1	0.6								
Central administration	-11.6	-9.2								
Profit/loss from associates and joint ventures	-0.2	0.1								
Net financial income/expense excluding site-leasehold rights	-21.8	-19.0								
Change in value, project properties	3.7	8.5								
Change in value of derivatives	41.6	-49.3								
Profit/loss before tax	373.3	50.0								
Fair value per segment	9,900.0	8,341.9	6,548.0	5,181.4	934.1	867.5	1,937.6	1,842.5	480.4	450.5
Fair value, projects	100.3	61.7								
Fair value, investment properties	10,000.3	8,403.6								
Surplus ratio, %	58.1 %	58.4 %	54.7 %	55.0 %	72.3 %	71.6 %	59.6 %	56.3 %	68.6 %	74.1 %

Segment reporting

Operations are followed up per segment. The property portfolio is divided into four segments; residential, community service properties, 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 31 March 2020 by SEK 4,281.0 million. None of Trianon's essential key 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 786.9 million for the period to 31 March 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

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.

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.

The Corona pandemic continues to generate uncertainty both in Sweden and in the rest of the world. For Trianon, the pandemic has not had a significant effect on performance and financial position so far. The fact that 76 percent of Trianon's property portfolio consists of residential and community service properties gives the Company stability. In addition, a large component of the retail segment consists of grocery stores, convenience stores and community service contracts, and this reduces the risk in this segment.

Annual General Meeting and information on dividends

The Annual General Meeting will take place on Tuesday, 4 May 2021 in Malmö. A detailed notification of the General Meeting is available on the company's website www.trianon.se. In the light of the coronavirus, the Annual General Meeting will take place through advance voting as permitted by the temporary legal rules. Accordingly, there will be meeting which involves personal attendance or the attendance of a representative. A statement by the company's CEO, Olof Andersson, will be posted on the company's website www.trianon.se in connection with the Annual General Meeting.

The Board of Directors and the CEO propose that the Annual General Meeting approve a dividend of SEK 1.80 per share for financial year 2020, and that the record day for the dividend shall be Thursday, 6 May 2021. If the Annual General Meeting approves the proposal, it is estimated that the dividend will be paid out through Euroclear Sweden on Tuesday, 11 May 2021. The last day for trading in Trianon's shares with the right to the dividend is Tuesday, 4 May 2021.



The proposed dividend is equivalent to around 30 percent of the profit from property management after the payment of tax. Under the Company's dividend policy, the long-term dividend must amount to between 30 and 50 percent of the profit from property management after the payment of tax. During periods of strong growth, the dividend may be at the lower end of the range.

The Board of Directors proposes that the Annual General Meeting authorise the Board, at the latest at the time of the next Annual General Meeting, or on one or more occasions, with or without

preferential rate for shareholders, to decide on the issue of new shares. Such a decision on share issue may also include a provision on a non-cash issue, set-off or other conditions. The number of shares issued, or which may arise through the conversion of convertibles, under this authorisation, may correspond to a maximum of 10 percent of the total number of shares in the company after the exercise of the authorisation. The purpose of the authorisation is to enable acquisitions, as well as the financing, commercialisation and development of the company's projects.

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, 3 May 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

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.

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.

Income 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.

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 in 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.

Community service 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 sustainable living both socially and environmentally, and its property portfolio is located in areas such as central Malmö, Limhamn, Lindängen, Oxie, Rosengård and Hermodsdal, as well as in the Municipalities of Svedala, Skurup and Burlöv. The Company is entrepreneur driven, with an organisation and an approach dedicated to 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.

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

Financial calendar:

Interim Report Q2 202116 July 2021
Interim Report Q3 202110 November 2021

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*Cover: Victoria Andersson, renter, and Emelie Sonesson, manager at Svedalagården in Svedala.
Photos on pages 1 and 21, Pernilla Wästberg. Illustration on page 9, Panorama Arkitekter.*

*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.*