

Q2

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

Results in brief for the period January-June 2021

- Rental income grew by 15 percent and amounted to SEK 303.3 million (263.2).
- The operating surplus increased by 13 percent to SEK 188.6 million (167.3) and the surplus ratio was 62 percent (64).
- Profit from property management grew by 16 percent and amounted to SEK 119.1 million (102.5).
- The profit for the period totalled SEK 519.4 million (114.8) of which SEK 513.0 million (110.9) is attributable to the Parent's shareholders, equivalent to earnings per share for the period of SEK 13.22 (2.65).
- The changes in value of investment properties amounted to SEK 487.4 million (103.6).
- The change in value of derivatives amounted to SEK 39.4 million (-69.9).

Results in brief, second quarter of 2021

- Rental income grew by 14 percent and amounted to SEK 152.6 million (134.0).
- The operating surplus increased by 10 percent to SEK 101.0 million (91.9) and the surplus ratio was 66 percent (69).
- Profit from property management grew by 17 percent and amounted to SEK 66.4 million (56.8).
- The profit for the period totalled SEK 221.4 (72.6) million of which SEK 219.9 (70.6) million is attributable to the Parent's shareholders, equivalent to earnings per share for the period of SEK 5.64 (1.74).
- The changes in value of investment properties amounted to SEK 208.0 million (50.0).
- The change in value of derivatives amounted to SEK -2.2 million (-20.6).

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 34 for release on 16 July 2021 at 08.00.

Significant events during the quarter

- Net rental amounted to SEK 1.8 million in the second quarter, and the accumulated total was SEK 5.5 million.
- Acquisition of 25.6 percent of Signatur Fastigheter, listed on the Nasdaq First North Growth Market. The acquisition makes Trianon the largest owner, and Signatur will be accounted for as an associate in the future.
- A seven-year lease was signed with the care company, Praktikertjänst, in the Hanna district in Burlöv.
- Acquisition of the outstanding non-controlling shareholdings in two companies, each of which owns residential properties in central Malmö and at Limhamn. This has had a positive impact on earnings per share.
- Additional corporate bonds of SEK 100 million were issued.
- Sale of the commercial part of Multihuset at Limhamn.
- A ten-year lease was signed with the City of Malmö's Upper Secondary School and Adult Education Administration for 3,000 m² in Torghuset at Entré.

- Acquisition of development property with possible construction rights for 15-20,000 m² gross total area in central Malmö.
- The Concordia 14 tenant-owner housing project in central Malmö was completed.
- The organisation has been strengthened by the appointment of a Chief Legal Officer and also in acquisitions, value-generating investment and new construction.

Events after the end of the period

- Acquisition of a centrally-situated residential project in Svedala comprising 53 rental apartments. The vendor is Wästbygg, and possession will be taken on completion, August 2023.
- Contract signed on the sale of 50 percent of the Rosengård Centrum property, with possession in September 2021. Continued development of the centre, Rosengård Library and construction rights for a total of 60,000 m² gross total area of residential properties to be completed as a joint venture with Fastighets AB Hemmaplan.

January-June 2021

Rental income	Operating surplus	Profit from property management	Profit for the period	Property value
SEK 303 million	SEK 189 million	SEK 119 million	SEK 519 million	SEK 9,721 million

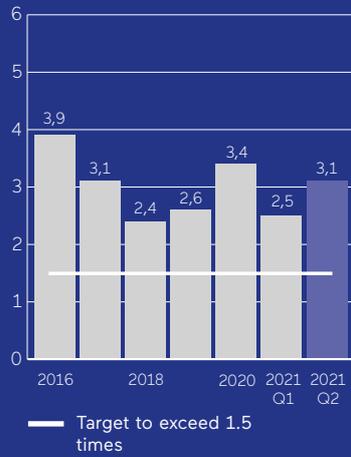
Key performance indicators	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Rental income, SEK million	153	134	303	263	553
Operating surplus, SEK million	101	92	189	167	368
Profit from property management, SEK million	66	57	119	102	224
Change in value of investment properties, unrealised, SEK million	208	50	487	104	406
Comprehensive income for the period, SEK million	221	73	519	115	537
Investment properties, carrying amount	9,721	8,732	9,721	8,732	9,462
Total assets, SEK million	10,617	9,164	10,617	9,164	10,303
Interest coverage ratio, times	3.1	2.8	2.8	2.7	3.4
Average return on equity, %	23%	10%	27%	8%	17%
Loan-to-value ratio, %	54%	57%	54%	57%	56%
Equity-assets ratio, %	38%	33%	38%	33%	35%
Equity per share, SEK	106.55	80.28	106.55	80.28	94.28
Equity per share, SEK*	95.07	69.52	95.07	69.52	82.33
Earnings per share, SEK	5.64	1.74	13.22	2.65	13.24
Long-term net worth per share, SEK	126.80	97.59	126.80	97.59	112.86
Long-term net worth per share, SEK*	115.32	86.84	115.32	86.84	100.90
Rental value, SEK million	649	624	649	624	653
Economic occupancy rate, %	95%	94%	95%	94%	95%
Rentable area excluding garage, thousand m ²	415	382	415	382	402

* After the deduction of equity attributable to hybrid bonds

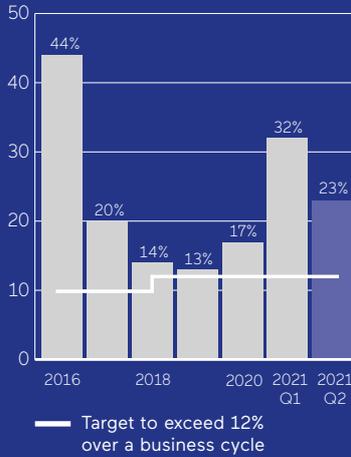


Financial objectives

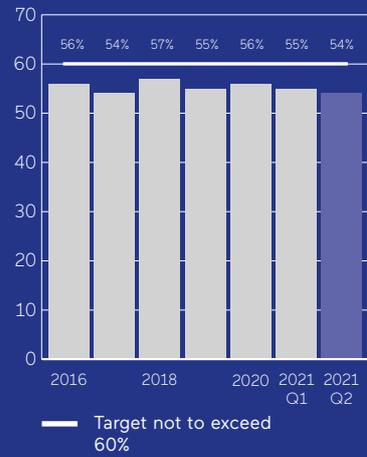
Interest coverage ratio, times



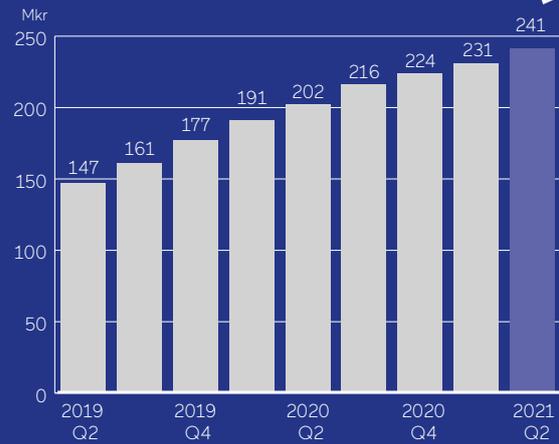
Average return on equity, %



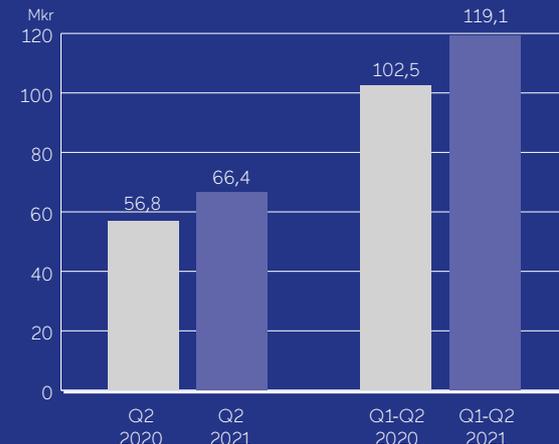
Loan-to-value ratio, %



Profit from property management, rolling 12 month

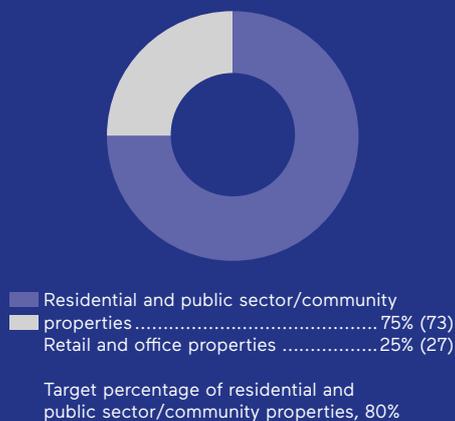


Profit from property management, SEK million

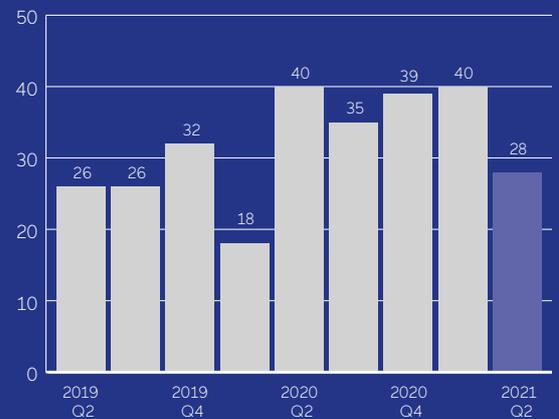


Target annual increase of 12%

Percentage of property value



Number of renovated apartments per quarter



The CEO's view

Another profitable quarter with high growth



At the half-year mark, we reported another profitable quarter with high growth for Trianon and increases at all levels. Rental income rose by 14 percent in the second quarter to SEK 152.6 million (134.0) in the second quarter and net operating income increased by 10 percent to SEK 101.0 million (91.9).

The profit from property management increased by 17 percent to 66.4 million (56.8), which is indicative of our focused approach to renting and the high tempo we have maintained on the transaction side. With a loan-to-value ratio of 54 percent, we are also well positioned to continue with our acquisitions, focusing on residential and public sector/community properties.

New lets

The conversion of the commercial property at Rolf 6, now renamed Torghuset at Entré, to a public sector/community property is well under way. During the second quarter we signed further contracts, including a ten-year lease with the City of Malmö's Upper Secondary School and Adult Education Administration. This means that Torghuset will be included in the public sector/community properties segment in future, in line with the goal of expanding within this segment.

Transactions and associates

In May and June, we acquired shares in Signatur Fastigheter, a well-managed local property company focusing on residential and public sector/community properties. With 25.6 percent of the shares, we are the largest shareholder and, from now on, Signatur Fastigheter will be included in our accounts as an associate.

It is also gratifying that our associate, Burlöv Center, has performed above expectations. The number of new lets increased during the first six months of the year, and planning has begun for approximately 300 apartments with expected construction start in 2022. The planning for a further 100,000 m² gross total area of residential units is proceeding according to plan.

In June, we acquired the outstanding non-controlling shareholdings in two companies, each of which owns residential properties in central Malmö and at Limhamn. These properties, which had already been consolidated in the accounts, affected the key indicator of earnings per share by around SEK 0.40, calculated pro forma for 2020, and long term net worth by around SEK 0.80 per share on the date of possession. A further acquisition was a development property on Norra Sorgenfri in Central Malmö, with scope for 15-20,000 m² gross total area of residential units. These are all in an exciting area which is in the process of conversion from industrial use to an attractive residential community.

At the end of June, we sold the commercial section of the Multihuset property at Limhamn, Bryggan 2. This is fully in line with our strategy of selling completed properties so that we can focus on new construction and the acquisition of residential and public sector/community properties. The price of SEK 57,000 per m² is above the carrying amount as at 31 December 2020 by around 18 percent, and as at 31 March 2021 by around 6 percent. This is confirmation of the strength of the market we operate in. This price should also be compared with Trianon's average carrying amount of SEK 23,900 per m².



Prepared for new construction

Our organisation has been strengthened to enable us to increase volumes and start construction of around 700 apartments within 10-12 months. For a more detailed description of our projects and what these mean for Trianon's development, see page 14 of this report.

Stiftelsen Momentum for Malmö's future

As we enjoy the summer, I am particularly pleased that the non-profit Momentum Foundation, in which Trianon, MKB and I myself in my private capacity are investors, is currently organising a wide range of holiday activities for children up to 13 years old in the Rosengård, Nydala, Hermodsdal and Lindängen districts of Malmö. Ambassadors for young people's literature, theatre groups, outdoor basketball and much more are giving a great deal of enjoyment and valuable experience in our areas.

Goals and focus going forward

I am particularly pleased that we have delivered on all of our financial targets during the second quarter. In a strong market, it is challenging to find sound business opportunities. Accordingly, I am both pleased and proud of our most recent transactions, which increase our capacity for acquisitions and new construction still further, enabling us to continue to make wise investments and ensuring that we will continue to achieve our financial goals by a comfortable margin. 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.

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.
- The long-term property portfolio shall consist of 80 percent residential and public sector/ community 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 public sector/ community properties. The development potential of a property may involve conversion, refurbishment or the potential for extension through construction rights. Development potential may also relate to development grants or change to a geographical area.

- 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 public sector/community properties situated in Malmö and in the Municipalities of Svedala, Burlöv and Skurup. Trianon consolidates 84 properties and is part-owner of 5 properties which are recognised as associates and joint ventures as at the reporting date. Total rentable area amounts to 415,000 m² excluding around 3,000 garage and parking spaces. The value of the properties totalled SEK 9.7 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 30 June 2021 was SEK 194.50 per share. The company's total market capitalisation was SEK 7.0 billion on 30 June 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

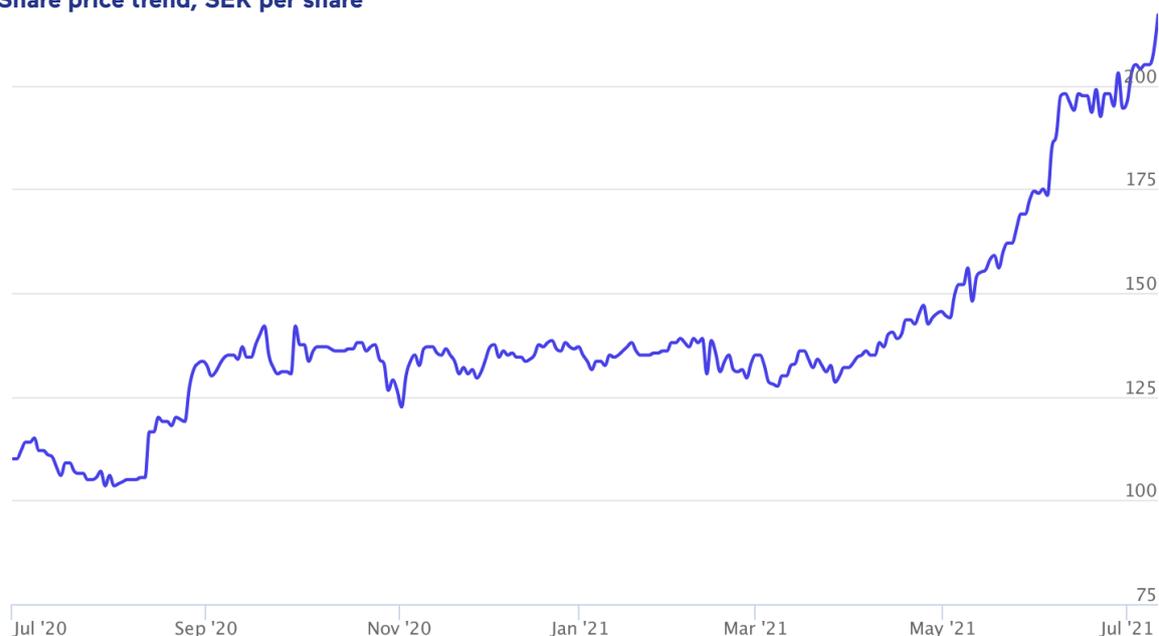
The two largest owners in Trianon are Jan Barchan, through companies, and Olof Andersson, privately and through companies, each of them representing around 28 percent of the company's total shares and approximately 33 percent of the company's total votes.

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

Shareholders on 30 June 2021

Name	Total Holdings	Holdings %	Total Votes	Votes, (%)
Briban Invest AB	10,350,763	27.63%	1,685,547.7	32.95%
Olof 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	3,546,001	9.46%	354,600.1	6.93%
Mats Cederholm privately and through companies	1,008,985	2.69%	168,961.9	3.30%
SEB Sverigefond Småbolag	966,833	2.58%	96,683.3	1.89%
Fosielund Holding AB	930,000	2.48%	93,000.0	1.82%
Verdipapirfondet Odin Eiendom	604,674	1.61%	60,467.4	1.18%
Futur Pension Försäkringsaktiebolag	551,281	1.47%	55,128.1	1.08%
SEB Nanocap	469,475	1.25%	46,947.5	0.92%
Other shareholders	4,937,822	13.18%	493,782.2	9.65%
Total	37,465,500	100.00%	5,115,556.2	100.00%

Share price trend, SEK per share



Financial income and expenses

January–June 2021

The profit/loss items below refer to the period January–June 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 303.3 million (263.2), which corresponds to an increase of 15 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 3.9 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 financial income/expense for the period amounted to SEK 5.5 million (4.6). The economic occupancy rate was 95 percent (94).

The total rental value as at 30 June 2021 amounted to SEK 648.9 million (624.1). The increase is due in particular to acquired properties and letting.

Property costs

Net sales amounted to SEK 116.0 million (97.2). 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 68 (58) 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 188.6 million (167.3), which represents an increase of 13 percent. The operating surplus was 62 percent (64).

Central administration

Central administrative expenses amounted to SEK 24.9 million (21.6). Central administration consists of personnel costs for joint Group functions, as well as the costs for IT, marketing, financial reports and audit

fees. The total number of employees including both joint Group functions and property administration was 75 (65) of whom 36 (31) 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 0.0 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 0.5 million (0.2).

Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 42.3 million (40.3). 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, 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 3.4 million (3.2).

Changes in the value of properties and financial instruments

Changes in the value of investment properties for the period amounted to SEK 487.4 million (103.6). 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 4.4 percent (4.7), and the yield on residential properties was 4.1 percent (4.4).

The change in the value of derivative instruments for the period amounted to SEK 39.4 million (-69.9). Of this, SEK -15.4 million (-13.1) 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 -126.0 million (-21.3). Deferred tax attributable to changes in the value of investment properties totalled SEK -114.8 (-33.0) and changes in the value of derivative instruments to SEK -11.2 million (11.7).

Comprehensive income

The comprehensive income for the period was SEK 519.4 million (114.8), of which SEK 513.0 million (110.9) was attributable to the Parent's shareholders. The profit for the period was equivalent to SEK 13.22 per share (2.65) before dilution, and to SEK 13.20 per share (2.65) after dilution.

The return on equity was 27 percent (8), 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 30,4 million (31,3). The operating loss was SEK -16.8 million (-12.0).

The change in value of derivatives amounted to SEK 54.0 million (-8.6), 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 -11.1 million (1.8), and relates to deferred tax on changes in the value of derivatives.

Trianon staff meeting, Hermodsdalsparken in Malmö.



Financial income and expenses

April – June 2021

The profit/loss items below refer to the period April–June 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 152.6 million (134.0), which corresponds to an increase of 14 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 2.0 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 financial income/expense for the period amounted to SEK 1.8 million (2.4).

Property costs

Net sales amounted to SEK 52.6 million (42.5). The increase is due in particular to acquired properties.

The renovation work on apartments continued, with 28 (40) apartments being renovated during the period. The renovation of apartments is being carried out in connection with turnover in the residential portfolio, and the target is to renovate 200 apartments per year.

Net operating profit

Net operating profit for the period totalled SEK 101.0 million (91.9), which represents an increase of 10 percent. The operating surplus was 66 percent (69).

Central administration

Central administrative expenses amounted to SEK 13.3 million (12.4). 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 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 0.3 million (0.1).

Interest income and expense, and other financial expense

Financial expense for the period amounted to SEK 20.0 million (21.2). The average interest rate for the period, including swap rates, was 2.0 percent (2.2).

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 208.0 million (50.0). 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 -2.2 million (-20.6). Of this, SEK -7.5 million (-6.2) 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 -50.7 million (-13.5).

Comprehensive income

The comprehensive income for the period was SEK 221.4 million (72.6), of which SEK 219.9 million (70.6) was attributable to the Parent's shareholders. The profit for the period was equivalent to SEK 5.64 per share (1.74) before dilution, and to SEK 5.62 (1.74) per share after dilution.

The return on equity was 23 percent (10), and the increase is primarily due to increased profit from property management and 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

SEK million	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Rental value	648.9	675.3	653.4	644.2	624.1
Vacancies*	-24.7	-27.1	-25.4	-28.9	-28.5
Contracted vacancies**	-1.2	-2.5	-4.3		
Reductions	-4.2	-5.6	-6.5	-5.1	-5.9
Rental income	618.8	640.0	617.2	610.2	589.7
Property costs	-186.4	-190.9	-183.6	-186.1	-179.9
Property administration	-19.6	-19.2	-18.0	-18.0	-18.0
Operating surplus	412.8	430.0	415.6	406.1	391.8
Surplus ratio	67%	67%	67%	67%	66%
Central administration	-44.0	-44.0	-41.6	-41.6	-41.6
Profit/loss from participations in associates	10.6	4.3	4.3	0.4	0.4
Ground rent	-6.7	-7.0	-7.0	-6.7	-6.7
Financial income and expenses	-104.2	-118.0	-120.6	-117.2	-110.3
Income from property management	268.5	265.3	250.7	241.0	233.6
Profit from property management attributable to:					
Parent shareholders	266.5	257.7	243.1	233.4	227.3
Holdings with a non-controlling interest	2.0	7.6	7.6	7.6	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 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.

The property portfolio consists of 84 properties with a total rentable area of 415,000 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 75 percent of the property value.

During the first six months of 2021, SEK 112.5 million (78.3) 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 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 Håggen 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 4300 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 will be accounted for as an associate in the future. The shares are recognised at cost.

The second quarter's sales have exceeded acquisitions and investments and therefore the total property value decreased by SEK 279.5 million during the quarter.

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 Centranköket 1 in Sege Park, Badmössan 1 in Hyllie and Svedala 25:18 in Svedala.

The conversion of Concordia 14 into tenant-owner homes was completed during the quarter. Residents were able to move in on 28 April 2021.

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 apartments is planned.



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							
Rosengårdslibrary	0	2,000	75	7	6	2020	2022
Entré - Rolf 6, Torghuset**	0	11,900	185	14	17	2021	2022
Total projects involving existing properties	0	13,900	260	21	23		
Projects with valid zoning plan							
Badmössan 1, Hyllie (premises and rental properties)	73	5,500	134	0	8	2021	2023
Centralköket 1, Sege Park (rental properties)	65	4,800	111	5	6	2021	2023
Svedala 1:87 (rental properties)	53	4,700	112	0	6	2021	2023
Hanna district, Burlöv (premises, rental properties and tenant-owner homes)	111	15,400	405	9	16	2021	2024
Fjällrutan 1, Hindby (tenant-owner homes)	12	1,000	34	0	0	2022	2024
Total projects with valid zoning plans	314	31,400	795	14	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
Rosengård Centrum, phase 1 South	65	5,400				2022	2024
Björnen 6, Skurup	22	2,200				2022	2024
Svedala 25:18	155	12,000				2023	2024
Svedala 22:8	39	4,500				2023	2024
Östergård 3, Skurup	65	4,200				2023	2024
Macken 1, Slottsstaden	35	1,600				2023	2024
Rosengård Centrum, phase 1 North	65	6,000				2023	2025
Spiralen 10, Norra Sorgenfri		15,000				2024	
Total projects subject to zoning plans	835	72,900	599	12	35		
Total project portfolio	1,149	118,200	1,654	47	94		

Future potential zoning plans

Rosengård Centrum, phases 2 and 3
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 detailed 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
Tågarp 15:4 Phase 2 (Burlöv Center)		100,000					
Total	595	163,000					



Property valuation

The fair value of investment properties amounted to SEK 9,720.8 million (8,732.3). Changes in the value of investment properties for the first six months of 2021 amounted to SEK 487.4 million (103.6). 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 4.4 percent (4.7), and the yield on residential properties was 4.1 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.

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, 30 June 2021

The table on the next page shows a summary by property category of the properties owned by Trianon on 30 June 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	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Fair value at the start of the period	10,000.3	9,462.3	9,390.7	8,732.3	8,403.6
Investments through companies*	36.6	191.9	0.0	0.0	242.0
Investments in new investment properties	0.0	0.0	0.0	421.1	0.0
Investments in existing properties	45.8	66.7	61.2	20.1	36.7
Sales	-492.1	0.0	0.0	0.0	0.0
Sales to associates	-77.8	0.0	-75.0	0.0	0.0
Changes in value	208.0	279.4	85.4	217.2	50.0
Fair value at the end of the period	9,720.8	10,000.3	9,462.3	9,390.7	8,732.3

* Acquisition of property through companies

Actual earning capacity per category

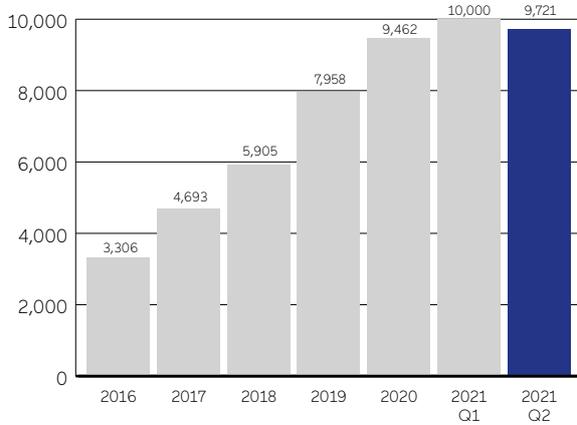
Property category	Number properties	Number apartments	Rentable area, m ²	Property value		Rental value	
				SEK million	SEK/m ²	SEK million	SEK/m ²
Residential	55	3,861	283,584	6,665	23,502	401	1,415
Public sector/community	9	111	19,963	530	26,531	35	1,778
Retail	11	91	88,302	1,958	22,176	180	2,038
Offices	5	1	11,745	480	40,904	30	2,546
Total excluding project properties	80	4,064	403,594	9,633	23,868	646	1,602
Projects	4	-	11,776	88	-	2	-
Total including project properties	84	4,064	415,370	9,721	23,868	649	1,602

Property category	Economic occupancy ratio	Rental income SEK million	Operating surplus, SEK million	Surplus ratio	Net operating profit, excl. admin, SEK million	Yield excl admin*
Public sector/community	99%	35	26	74%	27	5.1%
Retail	88%	158	107	68%	111	5.7%
Offices	93%	28	21	75%	21	4.4%
Total excluding project properties	95%	616	413	67%	432	4.5%
Projects	-	2	0	-	1	-
Total including project properties	95%	619	413	67%	432	4.4%

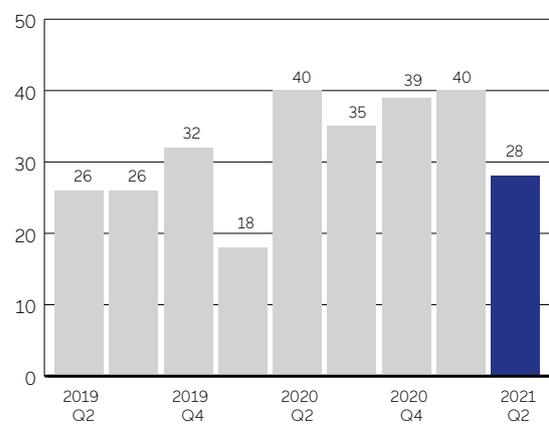
The division of the properties in accordance with the above is based on the predominant share of rental value.



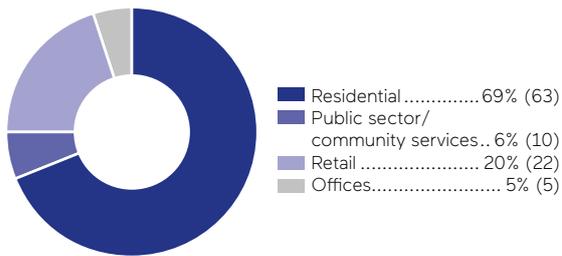
Fair value of investment properties, SEK million



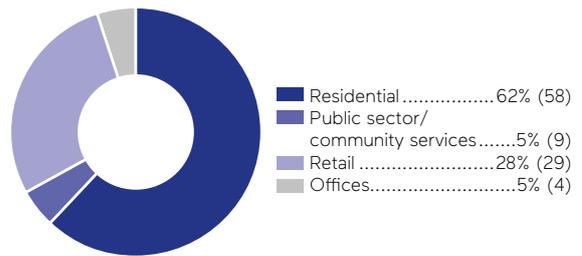
Number of renovated apartments per quarter



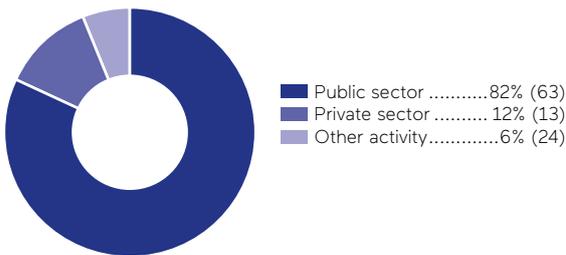
Property value per segment



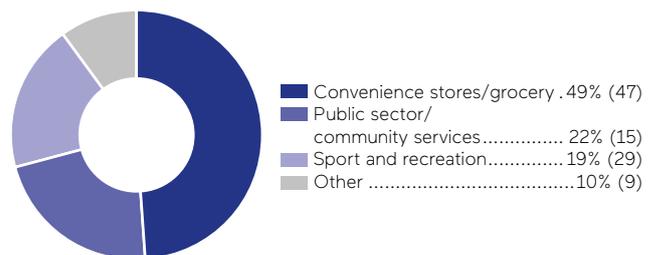
Rental value per segment



Community services proportion of rental value



Retail proportion of rental value



The preceding year is within parenthesis.



Residential properties

Property portfolio	Type	Area	Rentable area, m ²	Number of apartments
Ankan 14	Residential	Limhamn	2,307	32
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
Hermosdal 4*	Residential	Lindängen	5,160	80
Hermosdal 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 3**	Residential	Skurup	14,193	197
Total			283,584	3,861

* Site leasehold

**During the second quarter of 2021 the properties Östergård 1 and Östergård 2 were regulated into the property Östergård 3.



Public sector/community properties

Property portfolio	Type	Area	Rentable area, m ²	Number of apartments
Basen 58	Public sector/community	City	2,600	35
Fjällrutan 1	Public sector/community	Lindängen	1,712	21
Gunghästen 1	Public sector/community	Jägersro	9,375	
Håkanstorp 9*	Public sector/community	City	903	16
Katrinelund 19*	Public sector/community	City	318	
Månskäran 1*	Public sector/community	Husie	443	
Paulina 47	Public sector/community	Limhamn	733	13
Storken 32	Public sector/community	City	2,537	
Ugglan 21	Public sector/community	Limhamn	1,342	26
Total			19,963	111

* Site leasehold

Retail properties

Property portfolio	Type	Area	Rentable area, m ²	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 portfolio	Type	Area	Rentable area, m ²	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 portfolio	Type	Area	Rentable area, m ²	Number of apartments
Bunkeflostrand 155:3		Limhamn		
Macken 1		City		
Spiralen 10		City	10,176	
Svedala 22:8		Svedala	1,600	
Total			11,776	0

Agreements for acquisitions, properties not taken into possession

Property portfolio	Type	Area	Rentable area, m ²	Number of apartments
Smedjan 13	Project	City		
Smedjan 15	Project	City		
Svedala 1:87	Residential	Svedala	3,670	53
Terapisalen 2	Project	City	1,115	
Total			4,785	53

Part-owned properties

Property portfolio	Type	Area	Rentable area, m ²	Number of apartments
Arlöv 22:189*	Residential	Burlöv	5,137	50
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			51,542	56

* Site leasehold



Liabilities

Consolidated interest-bearing liabilities at the end of the period amounted to SEK 5,446.0 million (5,071.1). 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 346.9 million (326.5) 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.

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 2,320 million (2,360) was hedged through interest swaps. The average fixed interest term was around 3.3 years. The average interest rate for the period, including swap rates, was 2.1 percent (2.2).

Derivative liabilities amounted to SEK 112.6 million (190.3) 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.

The loan-to-value ratio was SEK 54.1 percent (56.8).

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 4,020.0 million (3,017.3), of which SEK 3,992.1 million (2,927.4) was attributable to shareholders in the Parent. The dividend linked to the hybrid bonds has reduced equity by SEK 17.8 million (14.4).

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

Equity per share amounted to SEK 106.55 (80.28), and to SEK 95.07 per share (69.52) after the deduction of equity attributable to the hybrid bonds.

The equity/assets ratio was 37.9 percent (32.9) at the end of the period.

Consolidated cash and cash equivalents amounted to SEK 184.9 million (107.1). 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 -95.2 million (-70.6). Cash flow was affected by acquisitions and investments in existing properties of SEK -278.2 million (-463.0). Financing activities were affected by raising loans on existing and acquired properties of SEK 728.0 million (385.0), the amortisation of loans of SEK 66.1 million (47.6), the dividend on hybrid bonds of SEK 17.8 million (14.4) 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 103.4 million (89.7), due to the acquisition of properties.

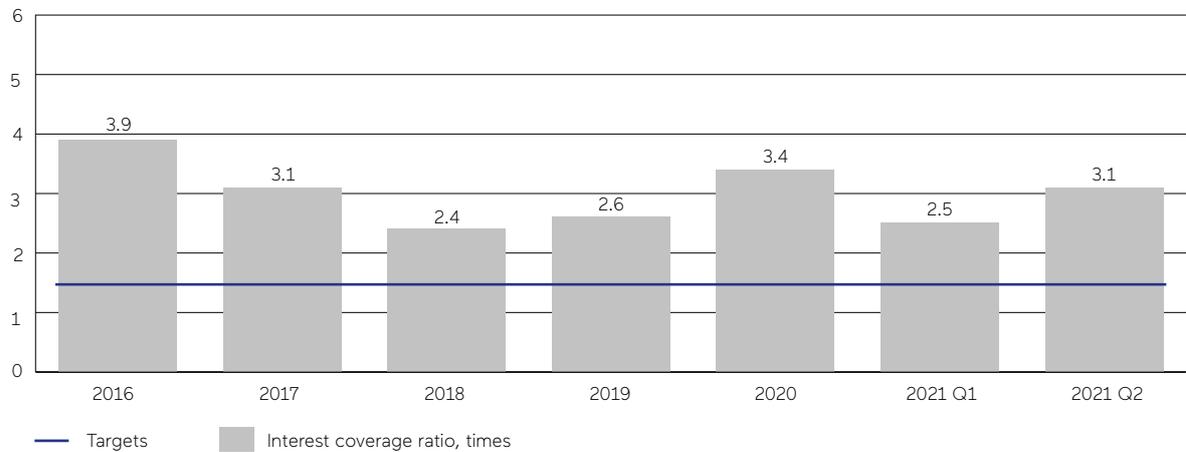
Cash and cash equivalents at the end of the period totalled SEK 184.9 (107.1) million.

Financial derivatives

Falls due, Year	Nominal amount, SEK million	Unrealised changes in value, SEK million	Average interest rate, %
2024	100	0.9	0.4%
2025	350	1.0	0.4%
2026	300	11.1	1.1%
2028	870	81.5	1.8%
2029	700	18.2	0.9%
	2,320	112.6	1.2%



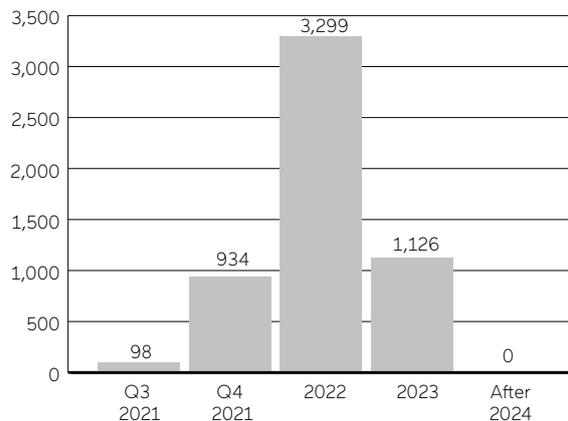
Interest coverage ratio, times



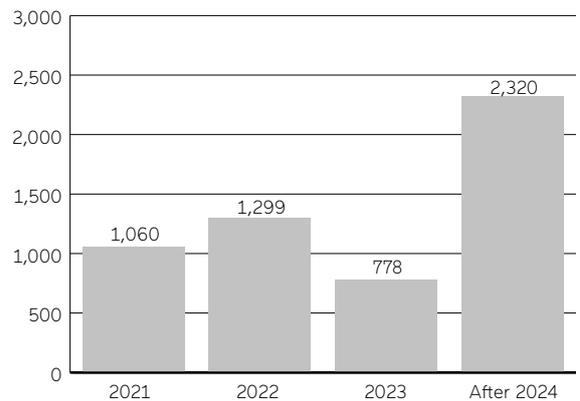
Interest Coverage Ratio

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.

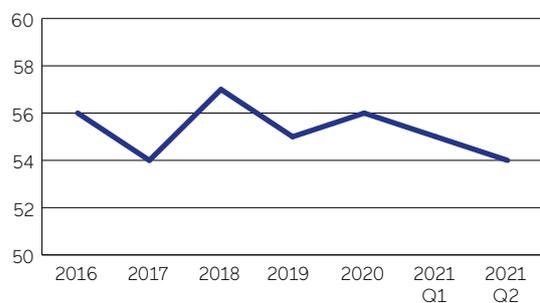
Capital tied up, SEK million



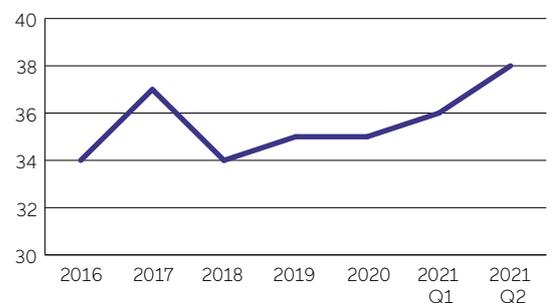
Fixed interest, SEK million



Loan-to-value ratio, %



Equity/assets ratio, %



Consolidated Income Statement

Consolidated statement of comprehensive income, summary

SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Rental income	152.6	134.0	303.3	263.2	553.2
Other income	1.0	0.4	1.3	1.3	2.6
Property costs	-52.6	-42.5	-116.0	-97.2	-187.3
Net operating income	101.0	91.9	188.6	167.3	368.5
Central administration	-13.3	-12.4	-24.9	-21.6	-52.9
Profit/loss from participations in associates and joint ventures	0.2	0.1	0.0	0.2	83.8
<i>of which profit from property management</i>	0.3	0.1	0.5	0.2	0.5
Financial income	0.1	0.0	0.6	0.1	0.2
Interest expense right of access (site-leasehold rights)	-1.7	-1.6	-3.4	-3.2	-6.4
Financial expenses	-20.0	-21.2	-42.3	-40.3	-85.7
Profit including changes in value and tax in associates and joint ventures	66.3	56.8	118.6	102.5	307.5
Income from property management	66.4	56.8	119.1	102.5	224.2
Change in value, investment properties	208.0	50.0	487.4	103.6	406.2
Changes in value of derivatives	-2.2	-20.6	39.4	-69.9	-62.3
Profit/loss before tax	272.1	86.2	645.4	136.2	651.4
Tax on profit/loss for the year	-50.7	-13.5	-126.0	-21.3	-113.9
Profit/loss for the period	221.4	72.6	519.4	114.8	537.4
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period	221.4	72.6	519.4	114.8	537.4
Comprehensive income for the period attributable to:					
The Parent's shareholders	219.9	70.6	513.0	110.9	519.7
Holdings with a non-controlling interest	1.5	2.0	6.4	3.9	17.7
Profit/loss for the period attributable to the Parent's shareholders, SEK per share before dilution*, ***	5.64	1.74	13.22	2.65	13.24
Profit/loss for the period attributable to the Parent's shareholders, SEK per share after dilution*, ***	5.62	1.74	13.20	2.65	13.23
Average number of outstanding shares before dilution, thousand*	37,465.5	36,465.5	37,465.5	36,465.5	36,946.4
Average number of outstanding shares after dilution, thousand*	37,541.6	36,492.4	37,534.6	36,500.0	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 33.



Balance sheet in summary

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
<i>Property, plant and equipment</i>			
Investment properties	9,720.8	8,732.3	9,462.3
Right of access (site-leasehold rights)	199.5	194.2	194.2
Property, plant and equipment	1.1	3.6	1.2
Total property, plant and equipment	9,921.4	8,930.1	9,657.8
<i>Financial assets</i>			
Participations in associates and joint ventures	255.4	6.9	93.5
Receivables, associates and joint ventures	155.3	0.0	136.5
Other long-term receivables	1.6	1.8	1.7
Total financial assets	412.3	8.6	231.7
Deferred tax assets	43.5	59.9	57.4
Total fixed assets	10,377.2	8,998.6	9,946.9
<i>Current assets</i>			
Current receivables	54.5	58.6	76.2
Cash and cash equivalents	184.9	107.1	280.1
Total current assets	239.4	165.7	356.3
TOTAL ASSETS	10,616.6	9,164.3	10,303.2
EQUITY AND LIABILITIES			
Equity attributable to Parent's shareholders	3,992.1	2,927.4	3,532.3
Holdings with a non-controlling interest	27.9	89.9	102.9
Total equity	4,020.0	3,017.3	3,635.2
<i>Non-current liabilities</i>			
Interest-bearing liabilities*	2,663.9	1,135.1	4,059.6
Lease liabilities	199.5	194.2	194.2
Derivative instruments	112.6	190.3	166.5
Deferred tax liabilities	689.5	500.9	586.8
Total non-current liabilities	3,665.5	2,020.5	5,007.1
<i>Current liabilities</i>			
Interest-bearing liabilities*	2,782.1	3,936.0	1,486.6
Derivative instruments	0.0	0.0	0.8
Other current liabilities	149.0	190.5	173.5
Total current liabilities	2,931.1	4,126.5	1,660.9
TOTAL EQUITY AND LIABILITIES	10,616.6	9,164.3	10,303.2

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



Consolidated statement of changes in equity, summary

SEK million	30 Jun 2021	30 Jun 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
Dividend	-67.4	0.0	0.0
Issue of hybrid bond	0.0	0.0	99.7
Dividend, hybrid bond	-17.8	-14.4	-29.9
Non-controlling interests acquired	32.1	0.0	0.0
Profit/loss for the period and comprehensive income excluding holdings without control	513.0	110.9	519.7
Equity attributable to Parent's shareholders at the end of the period	3,992.1	2,927.4	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
Non-controlling interests acquired	-80.4	0.0	0.0
Profit/loss for the period	6.4	4.0	17.7
Equity attributable to holdings without control at the end of the period	27.9	89.9	102.9
Total equity at the end of the period	4,020.0	3,017.3	3,635.2



Cash flow analysis in summary

SEK million	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<i>Cash flow from operating activities</i>			
Net operating income	188.7	167.2	368.5
Central administration	-24.9	-21.6	-52.9
Net financial income/expense paid	-61.1	-56.6	-120.4
Items not affecting cash flow	0.7	0.7	1.3
Income tax paid	0.0	0.0	0.0
Cash flow from operating activities before changes in working capital	103.4	89.7	196.5
<i>Changes in working capital</i>			
Changes in operating receivables	30.4	-21.5	-27.9
Changes in operating liabilities	-98.5	1.2	10.0
Cash flow from operating activities	35.3	69.4	178.5
<i>Investing activities</i>			
Investment in investment properties	-112.4	-78.2	-599.2
Acquisitions of investment properties via subsidiaries	-282.9	-382.7	-382.7
Other investments in property, plant and equipment	-0.1	-2.1	0.0
Acquisition of associates	-126.9	0.0	0.0
Sale of investment property via subsidiary	225.8	0.0	0.0
Sale of subsidiaries to associates and joint ventures	36.6	0.0	59.1
Investment receivables, associates and joint ventures	-18.3	0.0	-116.7
Cash flow from investing activities	-278.2	-463.0	-1,039.5
<i>Financing activities</i>			
Loans raised	728.0	385.0	908.0
Amortisation of loans	-66.1	-47.6	-125.6
Repayment of other loans and deposits	-428.0	0.0	0.0
Issues	0.0	0.0	111.9
Hybrid bond	-17.8	-14.4	69.8
Dividends paid	-68.4	0.0	-0.7
Cash flow from financing activities	147.7	323.0	963.4
Cash flow for the period	-95.2	-70.6	102.4
Cash and cash equivalents at start of period	280.1	177.7	177.7
Cash and cash equivalents at end of period	184.9	107.1	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 33.

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 public sector/community properties.

Financial	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Return on equity, %	22.5%	9.8%	27.1%	7.7%	16.7%
Interest coverage ratio, times	3.1	2.8	2.8	2.7	3.4
Equity/assets ratio, %	37.9%	32.9%	37.9%	32.9%	35.3%
Average interest rate, %	2.0%	2.2%	2.1%	2.2%	2.3%
Income from property management, SEK million	66.4	56.8	119.1	102.5	224.2
Increase in profit from property management over the corresponding period of the preceding year, %	17.0%	23.0%	16.2%	31.4%	26.4%
Profit before tax, SEK million	272.1	86.2	645.4	136.2	651.4
Comprehensive income for the period, SEK million	221.4	72.6	519.4	114.8	537.4
Comprehensive income for the period attributable to Parent's shareholders, SEK million	219.9	70.6	513.0	110.9	519.7
Equity, SEK million	4,020.0	3,017.3	4,020.0	3,017.3	3,635.2
Equity attributable to Parent's shareholders, SEK million	3,992.1	2,927.4	3,992.1	2,927.4	3,532.3
Equity attributable to Parent's shareholders after the deduction of equity attributable to hybrid bonds, SEK million	3,562.0	2,535.2	3,562.0	2,535.2	3,084.5
Long-term net worth, SEK million	4,750.7	3,558.7	4,750.7	3,558.7	4,228.2
Long-term net worth after the deduction of equity attributable to hybrid bonds, SEK million	4,320.6	3,166.5	4,320.6	3,166.5	3,780.4
Total assets, SEK million	10,616.6	9,164.3	10,616.6	9,164.3	10,303.2

Share-related	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Number of outstanding shares, thousand	37,465.5	36,465.5	37,465.5	36,465.5	37,465.5
Average number of outstanding shares, thousand*	37,465.5	36,465.5	37,465.5	36,465.5	36,946.4
Equity per share, SEK	106.55	80.28	106.55	80.28	94.28
Equity per share, SEK**	95.07	69.52	95.07	69.52	82.33
Earnings per share, SEK*	5.64	1.74	13.22	2.65	13.24
Long-term net worth per share, SEK	126.80	97.59	126.80	97.59	112.86
Long-term net worth per share, SEK**	115.32	86.84	115.32	86.84	100.90

*Definition under IFRS

**After the deduction of equity attributable to hybrid bonds

Property-related	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Rental income, SEK million	152.6	134.0	303.3	263.2	553.2
Operating surplus, SEK million	101.0	91.9	188.6	167.3	368.5
Rental value, SEK million	648.9	624.1	648.9	624.1	653.4
Economic occupancy rate, %	95.3%	94.5%	95.3%	94.5%	94.5%
Surplus ratio, %	66.2%	68.6%	62.2%	63.5%	66.6%
Loan-to-value ratio, %	54.1%	56.8%	54.1%	56.8%	55.7%
Proportion of residential and public sector/community properties, %	75%	73%	75%	73%	75%
Rentable area excluding garage, thousand m ²	415	382	415	382	402



Derivation of key performance indicators

All amounts are denominated in SEK million unless otherwise stated.	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Rental income	152.6	134.0	303.3	263.2	553.2
Other income	1.0	0.4	1.3	1.3	2.6
Property costs	-52.6	-42.5	-116.0	-97.2	-187.3
Net operating income	101.0	91.9	188.6	167.3	368.5
Surplus ratio, %	66.2%	68.6%	62.2%	63.5%	66.6%
Equity	4,020.0	3,017.3	4,020.0	3,017.3	3,635.2
Total assets	10,616.6	9,164.3	10,616.6	9,164.3	10,303.2
Equity/assets ratio, %	37.9%	32.9%	37.9%	32.9%	35.3%
Interest-bearing liabilities, non-current	2,663.9	1,135.1	2,663.9	1,135.1	4,059.6
Interest-bearing liabilities, current	2,782.1	3,936.0	2,782.1	3,936.0	1,486.6
Cash and cash equivalents	-184.9	-107.1	-184.9	-107.1	-280.1
Interest-bearing net debt	5,261.1	4,964.0	5,261.1	4,964.0	5,266.1
Investment properties	9,720.8	8,732.3	9,720.8	8,732.3	9,462.3
Loan-to-value ratio, %	54.1%	56.8%	54.1%	56.8%	55.7%
Profit/loss before tax	272.1	86.2	645.4	136.2	651.4
Add-back of changes in the value of investment properties and derivatives	-205.8	-29.4	-526.8	-33.7	-343.9
Add-back of interest expense	20.0	21.2	42.3	40.3	85.7
Adjusted profit/loss before tax	86.3	78.0	160.9	142.8	393.2
Financial expenses	-20.0	-21.2	-42.3	-40.3	-85.7
Interest expense, derivatives	-7.5	-6.2	-15.4	-13.1	-28.4
Total interest expense including interest expense for derivatives	-27.5	-27.4	-57.7	-53.4	-114.1
Interest coverage ratio, times	3.1	2.8	2.8	2.7	3.4
Profit for the period attributable to the Parent's shareholders	219.9	70.6	513.0	110.9	519.7
Calculated annual rate	879.6	282.6	1,026.0	221.9	519.7
Average equity attributable to Parent's shareholders	3,904.3	2,895.8	3,780.3	2,874.1	3,103.1
Return on equity, %	22.5%	9.8%	27.1%	7.7%	16.7%
Equity attributable to Parent's shareholders	3,992.1	2,927.4	3,992.1	2,927.4	3,532.3
Add-back of deferred tax	689.5	500.9	689.5	500.9	586.8
Add-back of derivatives	112.6	190.3	112.6	190.3	166.5
Add-back of deferred tax asset	-43.5	-59.9	-43.5	-59.9	-57.4
Long-term net worth	4,750.7	3,558.7	4,750.7	3,558.7	4,228.2
Deduction of equity attributable to hybrid bonds	-430.1	-392.2	-430.1	-392.2	-447.8
Long-term net worth after the deduction of equity attributable to hybrid bonds	4,320.6	3,166.5	4,320.6	3,166.5	3,780.4



The Parent's Financial Statements

Income statement, summary

SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
<i>Operating income</i>					
Net sales	15.1	15.8	30.4	31.3	61.1
Profit/loss from participations in associates	0.2	0.0	0.0	0.0	1.6
Other operating income	0.0	0.0	0.0	0.0	0.2
Total operating income	15.4	15.8	30.4	31.3	62.9
Operating expenses	-22.6	-22.2	-47.2	-43.3	-95.2
Operating profit	-7.2	-6.4	-16.8	-12.0	-32.3
<i>Financial items</i>					
Profit/loss from participations in associates	83.0	0.0	83.0	0.0	-3.6
Interest income and similar profit/loss items	5.4	4.7	11.9	10.0	31.8
Interest expense and similar profit/loss items	-11.4	-12.5	-24.6	-25.5	-53.8
Changes in value of derivatives	5.0	-2.2	54.0	-8.6	8.8
Profit/loss after financial items	74.8	-16.5	107.5	-36.1	-49.2
Appropriations	0.0	0.0	0.0	0.0	49.4
Profit/loss before tax	74.8	-16.5	107.5	-36.1	0.2
Tax on profit/loss for the year	-1.0	0.5	-11.1	1.8	-0.6
Profit/loss for the period	73.8	-16.0	96.4	-34.3	-0.4



Balance sheet in summary

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	668.4	646.5	637.2
Receivables from Group companies	1,428.4	1,189.0	1,508.4
Financial assets	1,183.3	995.1	876.6
Total fixed assets	3,280.1	2,830.6	3,022.2
<i>Current assets</i>			
Current receivables	26.9	20.6	22.8
Cash and bank balances	177.7	89.8	235.9
Total current assets	204.6	110.4	258.7
TOTAL ASSETS	3,484.7	2,941.0	3,280.9
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted equity	125.1	122.7	125.1
Non-restricted equity	1,280.2	1,041.3	1,268.9
Total equity	1,405.3	1,164.0	1,394.0
Provisions for tax	10.7	10.6	10.7
<i>Non-current liabilities</i>			
Liabilities to credit institutions and bond loans*	360.4	7.3	613.7
Other non-current liabilities	11.4	11.4	11.4
Derivative instruments	112.6	188.9	166.7
Liabilities to group companies	1,061.9	725.7	869.0
Total non-current liabilities	1,546.3	933.3	1,660.8
<i>Current liabilities</i>			
Liabilities to credit institutions*	462.4	773.2	179.3
Other liabilities	60.0	59.9	36.1
Total current liabilities	522.4	833.1	215.4
TOTAL EQUITY AND LIABILITIES	3,484.8	2,941.0	3,280.9

* The financial information for the comparison period to 30 June 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-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
Rental income	302.9	263.2	193.0	155.3	27.4	25.0	68.7	69.4	13.8	13.5
Property costs	-115.5	-97.2	-79.4	-61.5	-7.0	-6.3	-25.3	-26.0	-3.8	-3.4
Net operating income	187.4	166.0	113.6	93.8	20.4	18.7	43.4	43.4	10.0	10.1
Interest expense right of access (site-leasehold rights)	-3.4	-3.2	-2.7	-2.5	0.0	0.0	-0.7	-0.7	0.0	0.0
Change in value, investment properties	482.8	60.1	360.2	27.1	60.2	10.0	62.4	23.0	0.0	0.0
Segment profit	666.8	222.9	471.1	118.4	80.6	28.7	105.1	65.7	10.0	10.1
Unallocated items										
Net operating profit/loss from project properties	-0.1	0.0								
Other income and central administration	-23.6	-20.3								
Profit/loss from participations in associates and joint ventures	0.0	0.2								
Net financial income/expense excluding site-leasehold rights	-41.6	-40.2								
Change in value, project properties	4.6	43.5								
Changes in value of derivatives	39.4	-69.9								
Profit/loss before tax	645.4	136.2								
Fair value per segment	9,633.0	8,642.7	6,664.8	5,469.9	529.6	869.0	1,958.2	1,853.3	480.4	450.5
Fair value, projects	87.8	89.6								
Fair value, investment properties	9,720.8	8,732.3								
Surplus ratio, %	62.2%	63.5%	58.9%	60.4%	74.5%	74.8%	63.2%	62.5%	72.5%	74.8%

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 June 2020 by SEK 3,875.8 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 764.2 million for the period to 30 June 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. Investment properties are reported at fair value with a change in value in the income statement, which means that the result can vary both up and down during the year. The annual report for 2020, page 112, contains more detailed descriptions of assessments and risk factors as well as how changes in rental income, property costs, interest rate changes and other market factors can affect property value.

The Group's operations, financial position and performance can be affected by a number of risks and uncertainty factors. These are described in greater detail in the Annual Report for 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, 15 July 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 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.

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.

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 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.

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 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.

Financial calendar:

Interim Report Q3 2021	10 November 2021
Year-end Report 2021	18 February 2022
Interim Report Q1 2022	05 May 2022
Interim Report Q2 2022	12 July 2022
Interim Report Q3 2022	3 November 2022

For further information, please contact:

Olof Andersson, CEO
olof.andersson@trianon.se. Tel. +46 (0)709-54 57 20

Mari-Louise Hedbys, Deputy CEO, CFO
mari-louise.hedbys@trianon.se. Tel. +46 (0)40-611 94 85



Fastighets AB Trianon (publ)

Address: Stenhuggaregatan 2

Mailing address: Västra Kanalgatan 5

SE-211 41 Malmö

+46 (0)40-611 34 00

info@trianon.se

Corporate ID No. 556183-0281

www.trianon.se

Cover: The Concordia 14 tenant-owner housing project in Malmö.

Photos on pages 1 and 10, Mona Mirza. Photo page 15, Pernilla Wästberg. Illustration on page 24, 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.