

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 |

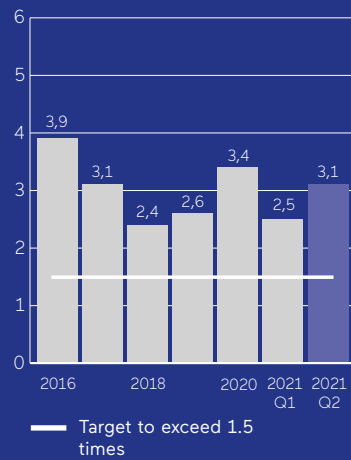
| Key performance indicators | Apr-Jun 2021 | Apr-Jun 2020 | Jan-Jun 2021 | Jan-Jun 2020 | Jan-Dec 2020 |
|---|--------------|--------------|--------------|--------------|--------------|
| Rental income, SEK million | 153 | 134 | 303 | 263 | 553 |
| Operating surplus, SEK million | 101 | 92 | 189 | 167 | 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

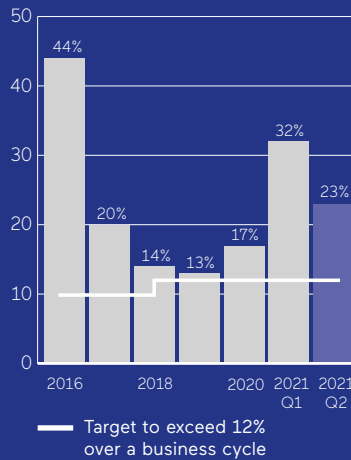


Financial objectives

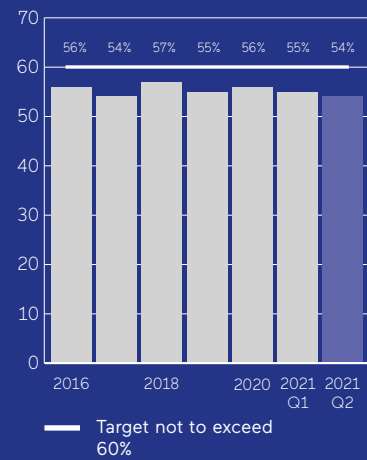
Interest coverage ratio, times



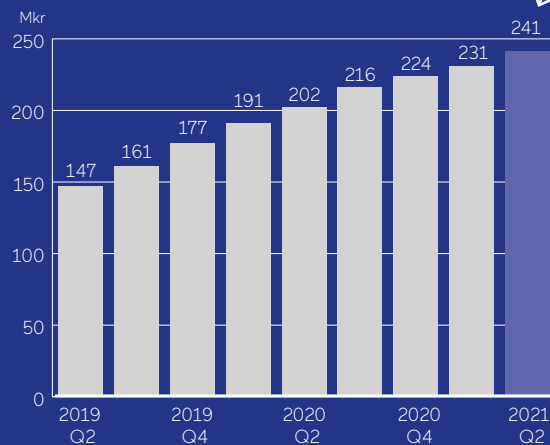
Average return on equity, %



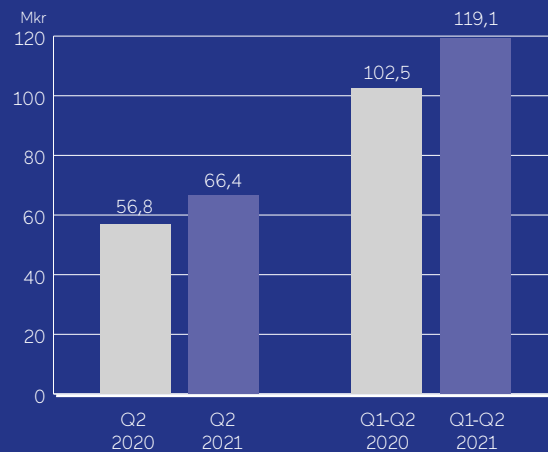
Loan-to-value ratio, %



Profit from property management, rolling 12 month

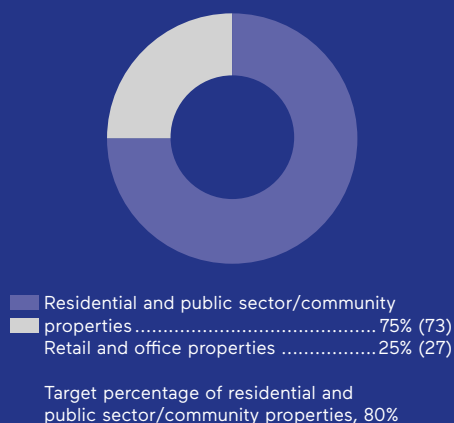


Profit from property management, SEK million

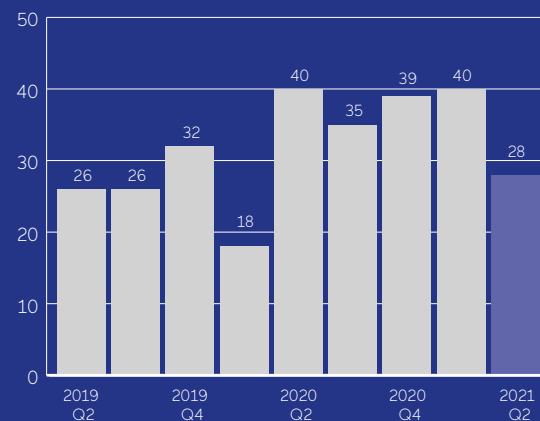


Target annual increase of 12%

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

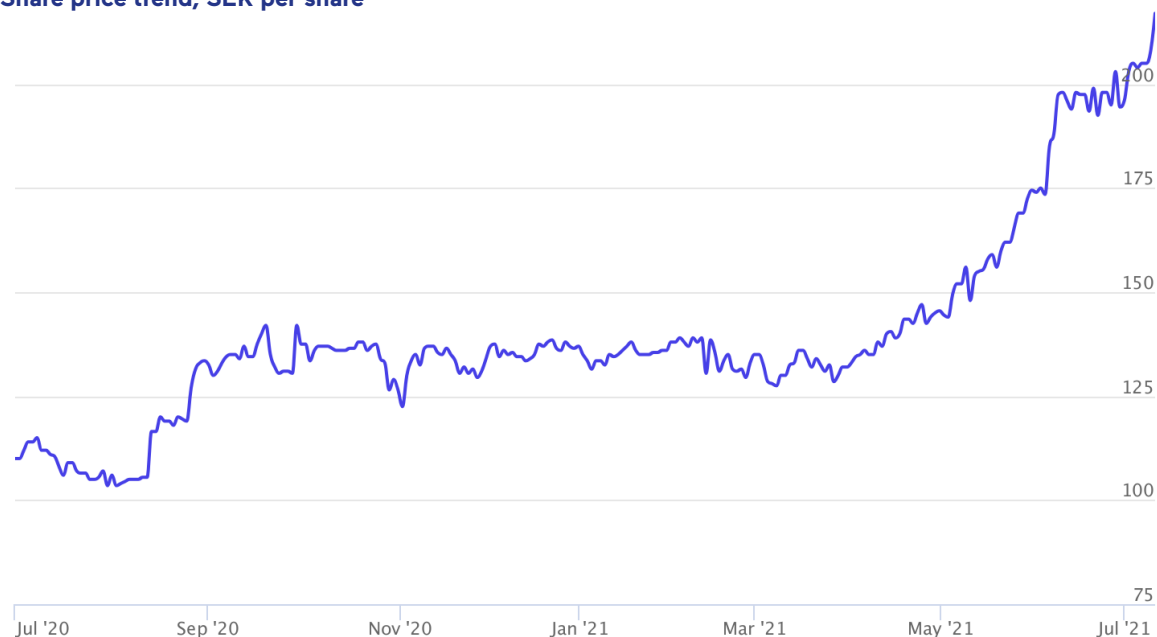
The two largest owners in Trianon are Jan Barchan, through companies, and Olof Andersson, privately and through companies, each of them representing around 28 percent of the company's total shares and approximately 33 percent of the company's total votes.

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 Grens specialisten | 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 Häggen 13 property in Central Malmö and 50 percent of

the Ugglan 21 property at Limhamn. After these acquisitions, Trianon owns 100 percent of both companies and, consequently, of the properties.

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

Acquisition and possession of the Spiralen 10 development property on Norra Sorgenfri in Malmö. The property comprises around 10,000 m², of which 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 Centrisköket 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 apart-ments | Gross total area, m ² | Estimated invest-ment, SEK million | Accrued expenses, SEK million | Estimated rental value, SEK million | Expected con-struction start | Expected comple-tion |
|---|-----------------------|----------------------------------|------------------------------------|-------------------------------|-------------------------------------|------------------------------|----------------------|
| Projects involving existing proper-ties | | | | | | | |
| 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, Slottstaden | 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 apart-ments | Gross total area, m ² | Estimated invest-ment, SEK million | Accrued expenses, SEK million | Estimated rental value, SEK million | Expected con-struction start | Expected comple-tion |
|--|-----------------------|----------------------------------|------------------------------------|-------------------------------|-------------------------------------|------------------------------|----------------------|
| 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

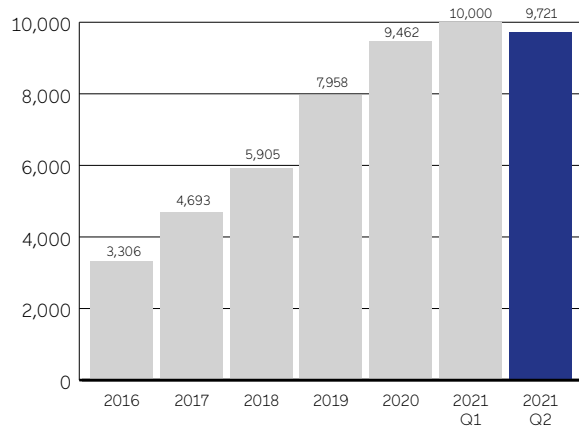
| Property category | Number properties | Number apartments | Rentable area, m² | Property value | | Rental value | |
|---|-------------------|-------------------|-------------------|----------------|---------------|--------------|--------------|
| | | | | SEK million | SEK/m² | SEK million | SEK/m² |
| 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* |
|---|--------------------------|---------------------------|--------------------------------|---------------|--|-------------------|
| | | | | | | |
| Residential | 99% | 396 | 259 | 65% | 272 | 4.1% |
| 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% |

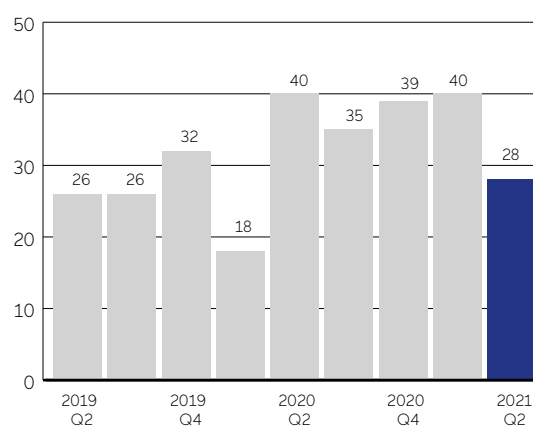
The division of the properties in accordance with the above is based on the predominant share of rental value.



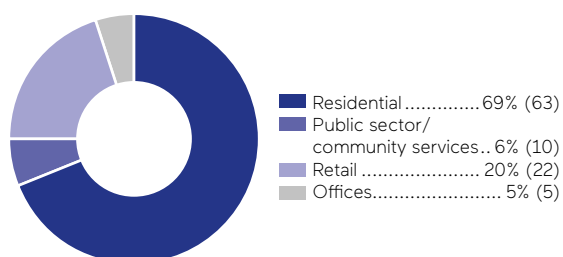
Fair value of investment properties, SEK million



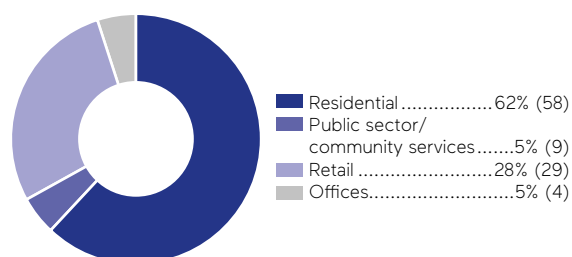
Number of renovated apartments per quarter



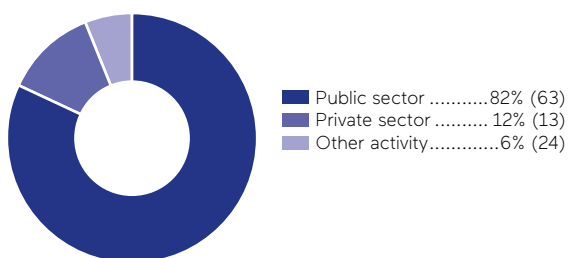
Property value per segment



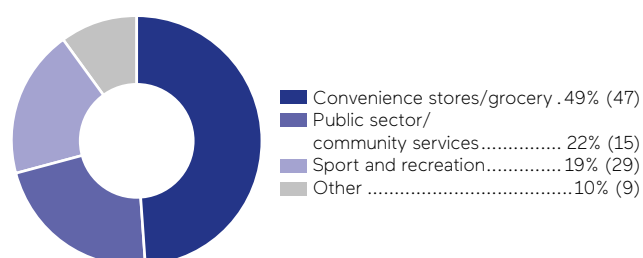
Rental value per segment



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, m² | 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, 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 portfolio | 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 portfolio | Type | Area | Rentable area, m² | 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, m² | 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, m² | 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.

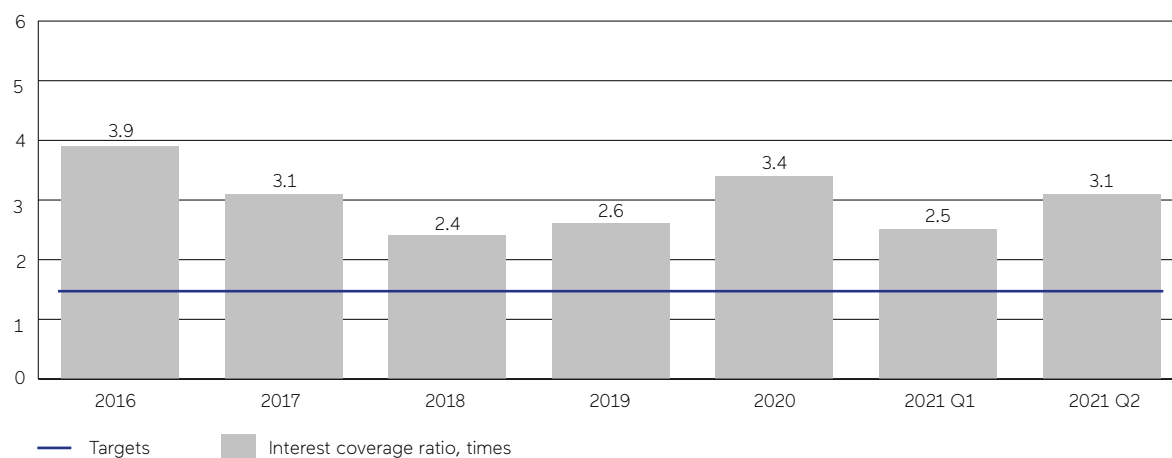
Cash and cash equivalents at the end of the period totalled SEK 184.9 (107.1) million.

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% |



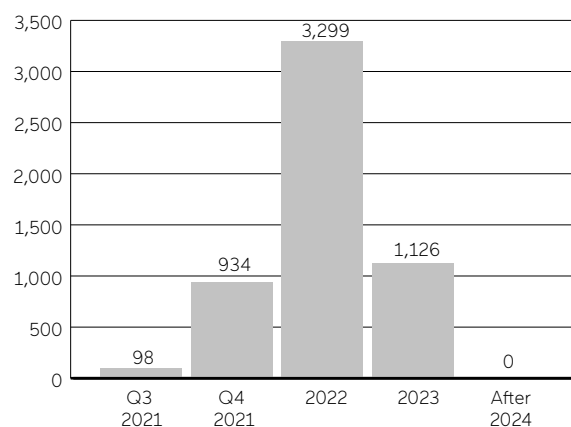
Interest coverage ratio, times



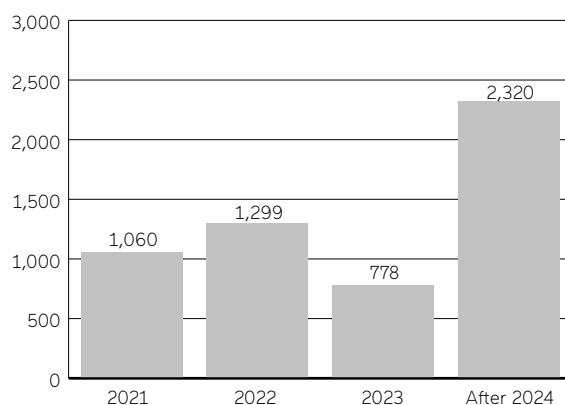
Interest Coverage Ratio

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.

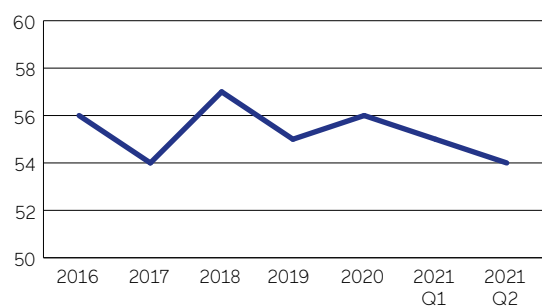
Capital tied up, SEK million



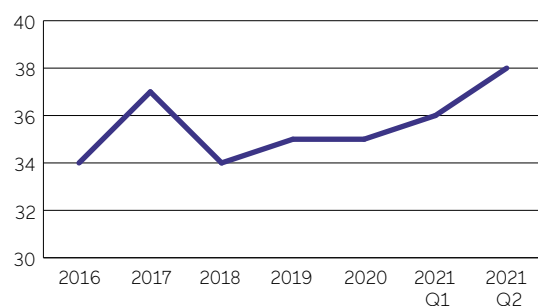
Fixed interest, SEK million



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 |
|--|-----------------|-----------------|-----------------|
| Cash flow from operating activities | | | |
| 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 |
| Changes in working capital | | | |
| 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 |
| Investing activities | | | |
| 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 |
| Financing activities | | | |
| 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 m² | 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 |

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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.