



INTERIM REPORT JANUARY-JUNE 2023

 **TITANIA**

Interim report January-June 2023

The quarter April-June 2023

- Income amounted to SEK 18,714 [17,410] thousand
- Rental income was SEK 8,608 [7,216] thousand
- Net operating income was SEK 6,790 [6,152] thousand
- Profit/loss before tax was SEK -35,063 [9,448] thousand
- Profit/loss for the quarter amounted to SEK -37,639 [2,517] thousand
- Earnings per share before and after dilution amounted to SEK -0.53 [0.04]

The period January-June 2023

- Income amounted to SEK 32,069 [39,234] thousand
- Rental income was SEK 16,571 [14,415] thousand
- Net operating income was SEK 13,464 [11,888] thousand
- Profit/loss before tax was SEK -64,323 [16,067] thousand
- Profit/loss for the period amounted to SEK -67,182 [8,762] thousand
- Earnings per share before and after dilution amounted to SEK -0.94 [0.12]
- The total number of residential units under own management at the end of the period was 278 [246]

“The property market is going through a testing period, but within Titania’s sector, with our products and our business model, we are making the grade, just as we thought we would.”

Einar Janson, CEO and founder



Ösmo phase 1, Nynäshamn

Key figures	Apr-Jun		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Income, SEK thousand	18,714	17,410	32,069	39,234	206,765
Net operating income, SEK thousand	6,790	6,152	13,464	11,888	23,840
Profit/loss before tax, SEK thousand	-35,063	9,448	-64,323	16,067	-171,555
Earnings per share before and after dilution earnings per share, SEK	-0.53	0.04	-0.94	0.12	-1.86
Total assets, SEK thousand	1,878,169	1,848,657	1,878,169	1,848,657	1,671,140
Return on equity, %	-5.3	0.3	-9.2	1.0	-16.2
Equity/assets ratio, %	37.0	48.5	37.0	48.5	45.7
Loan-to-value ratio, %	49.6	29.7	49.6	29.7	34.7
Interest coverage ratio, times	neg	neg	neg	neg	neg
Net asset value per ordinary share, SEK	9.77	13.38	9.77	13.38	10.67

SIGNIFICANT EVENTS DURING THE PERIOD JANUARY–JUNE 2023

After the end of the period

- Titania's zoning plan for Ösmo stage 1 in Nynäshamn has been released for consultation. The proposed plan comprises some 700 residential units of various sizes with various forms of tenure, as well as shops and public-service premises.

Second quarter

- Titania signed a letter of intent to enter into a collaboration agreement with K-Fastigheter regarding the development of the 'Rickebyhöjd Part 2' project, encompassing the development rights for 60 rental apartments in Vallentuna Centrum.
- Titania and Danske Bank jointly prepared a combined framework for social and green financing, which was externally assessed by the third-party verifier, ISS Corporate Solutions (ICS).
- Titania's zoning plan for 'Rickebyhöjd Part 2' next to Vallentuna Centrum, which comprises 76 residential units in multi-dwelling blocks, was approved.
- Titania acquired its own bonds, with a maturity date of March 2024, for a total nominal amount of SEK 40 million.
- Titania signed an agreement with Swedbank on the conditional upgrade of existing loans that are deemed to fulfil social criteria in accordance with the bank's framework for sustainable borrowing and financing.

First quarter

- The zoning plan for Titania's unique public-sector property in Högsåtra on Lidingö island was released for review.
- Titania's zoning plan for 'Rickebyhöjd Part 2' next to the Vallentuna city centre, which comprises 76 residential units in multi-dwelling blocks, was adopted.
- Titania acquired the Hallängen 5 property in the centre of Ösmo, in Nynäshamn municipality, through a corporate acquisition financed by equity.
- Titania acquired the housing-module producer and property developer New Living (formerly Junior Living) through an equity-financed transaction.
- Titania acquired the land earmarked for more than 200 residential units adjacent to Rågsved Centrum in Stockholm. Construction is expected to commence during 2023. The acquisitions of the company and land were financed by equity.
- The Land and Environment Court annulled the zoning plan for Prästviken adopted by Botkyrka Municipality. The decision has been appealed, and the Land and Environment Court of Appeal has granted leave to appeal.



CEO COMMENTS

If the situation in 2022 and early 2023 was characterised by storm clouds and pessimism about the future of the property and construction sectors, it has now, during the rest of 2023, certainly developed into a full-blown crisis. As a consequence of interest rate hikes, the market value of residential property companies has plummeted. According to some analyses, this is an indicator that all previous corporate growth was merely the manifestation of a bubble inflated by a low interest rate environment. In this economic climate, it is important to keep a cool head and remember what it was that made residential properties in Sweden so attractive that pension institutions and global funds were vying to outbid each other to invest in them. Their analyses were not based on the hope of eternal zero-interest rates, but on the assumption that conditions in the Swedish housing market would guarantee that in real terms, market values and cash flows would perform favourably in the long run, even when exposed to inevitable stress tests such as inflation or the interest rate hikes aimed at counteracting inflation. The property market is in the middle of such a stress test now, but within Titania's sector, and with our products and our business model, we are making the grade, just as we thought we would.

Stress test on the value of Swedish rental housing

In the autumn of 2021, historic peak prices were recorded for companies with holdings in rental housing assets, as well as for those with direct investments in residential property portfolios. As with public-sector properties, cash flows from these asset classes were considered to be extremely safe by both Swedish and global institutional investors. That the cash flow from public-sector properties was valuable was obvious – the Swedish state is the ultimate guarantor for payments, the leases are long term and include price-index clauses to offset inflation.

What was less obvious was that this high evaluation of cash flow from residential properties was based on leases to private individuals – leases with no price-index clauses in the event of increases due to inflation, and whereby the tenant is entitled to a relatively short notice period. The answer to how such a high evaluation was arrived at, despite relatively insecure leases, is that the Swedish housing rental market has been subject to various forms of regulation since 1942. In attractive locations, these regulations have created an undersupply in the total number of rental housing properties relative to the demand, as well as underpricing, in relation to people's actual willingness to pay. The discrepancy is most evident in metropolitan regions, where the underpricing has resulted in decades-long queues to obtain leases, even in the outer suburbs. Therefore, the security of cash flows from residential properties is ultimately based on underpriced rents.

To put it somewhat simplistically, investors who were climbing over one another to bid for these asset classes in the autumn of 2021 had ultimately placed their faith in their investments being protected by real value based on these factors. For public-sector properties, the safety was that the state, as a tenant, would be able to handle rent adjustments due to inflation. In the case of housing, the assurance was that underpricing would guarantee a tenant's ability to pay, even for new and higher rents – and that if an existing tenant could not, then a new one would.

Now that the stress test is underway and inflation-driven rent increases must compensate for higher interest rates and higher yield requirements, the consensus is that public-sector properties have fared better, while residential properties have fared worse. The reason is that, within the regulated market for existing rental apartments, it has proved to be difficult to fully compensate for such a steep and abrupt rise in inflation. Despite the inflation rate periodically rising above 10 percent in 2023, property owners in Sweden succeeded in increasing

rents by only an average of 4.2 percent. If we look at a historical comparison of rent versus inflation, it was to be expected that there would be a certain amount of lag to such compensation mechanisms. However, what is happening with rents for newly produced residential units in attractive locations is nothing short of a small, quiet revolution.

Sharp rent increases for newly built apartments in the Stockholm region

In the suburbs of Stockholm, negotiated presumptive rents for new-build rental properties rose by 20 to 25 percent compared with early 2022 levels. These project-specific negotiations are not publicised in the same manner as the centralised counterparty negotiations in the market for existing tenancies and, consequently, generally take place without attracting media attention. For Titania, this confirms our general hypothesis that rent setting of new builds – in locations with significant underpricing – benefits from such situations. In an environment of steep inflation, it is particularly difficult for counterparties in the rental market to agree on the rent setting of existing rental properties within older portfolios. However, there is an acceptance that new builds must be fully compensated for. The reality is that new builds will overcompensate for inflation, and the interest rate shock will be an opportunity for the entire sector to sharply increase rent settings and harmonise with people's actual willingness to pay in locations where underpricing prevails.

Can tenants manage sharply increased rents for new builds?

For Titania, which is currently leasing properties in two ongoing new-build projects in the suburbs of Stockholm (Vallentuna and Täby), the answer is, unreservedly, yes. Despite the sharp increase in rent levels, we are seeing robust demand from tenants for space-optimised apartments in the right micro-locations. To secure a contract for our apartments, we also require that tenants have a relatively high income generated from verifiable gainful employment, which indicates that their ability to pay is not linked to welfare support or subsidies but is linked to sustainable market parameters.

Why is Titania reporting losses if everything is going so well?

Titania's business model is based on long-term value creation, and it has a high percentage of development projects that are not generating income. In recent years, the gains of property companies, including ours, have largely been due to value increases created by low-yield requirements, rather than rent increases. With the ongoing rent increases, this situation has

now been reversed. Now that presumptive rents have been sharply increased and there are indications that this is manageable by the market – based on our own lettings of new builds – we are of the opinion that rent increases in growth regions such as Stockholm will drive increases in value. This new development is more sound than a reliance on interest rate reductions, and although Titania is well positioned in this regard, it is yet to make a breakthrough. Our project in Vallentuna, consisting of 27 residential units, will begin to generate income during Q3 2023, and our project in Tåby Park, with 226 residential units, will begin to generate income in Q1 2024.

Will Titania be able to finance its operations?

As it looks today, we are aiming to finance our activities with a combination of bonds and bank loans as we have done previously. In our long-term cooperation with banks and bondholders, we conduct continuous discussions about various potential scenarios ahead. There is a general understanding among lenders that their security – in terms of the retained value of pledged assets despite lowered yield requirements, and in terms of our ability to pay higher interest rates – lies in the fact that continued high inflation rates will also entail a

continual increase in rent levels and, consequently, increased income for Titania. Based on our contact with participants in the credit market, we feel that there continues to be faith in the financial strength of inflation-compensated cash flows from rental properties in the Stockholm region.

However, what we are seeing in the credit market today is a general tightening of exposure to each customer. We can therefore be open to joint ventures on projects that will be financially beneficial to us when it suits us.

Alternatively, if the financing conditions prove to be too unfavourable, we also have the option of divesting our assets and repaying our loans. Although the prevailing market for property sales is unfavourable, we do hold a class of assets – rental apartments in proximity to commuter rail in Stockholm – for which there is always a buyer, even if we may have to accept lower than peak market prices. After all, Titania's great future potential does not lie with its completed rental properties or its current cash-flow generation, but in its development projects, which will provide optimal returns relative to our initial values – these are the assets that are the most important to safeguard.

Einar Janson, CEO



1,402,493

PROPERTY VALUE, SEK THOUSAND
INVESTMENT PROPERTIES
30 JUN 2023

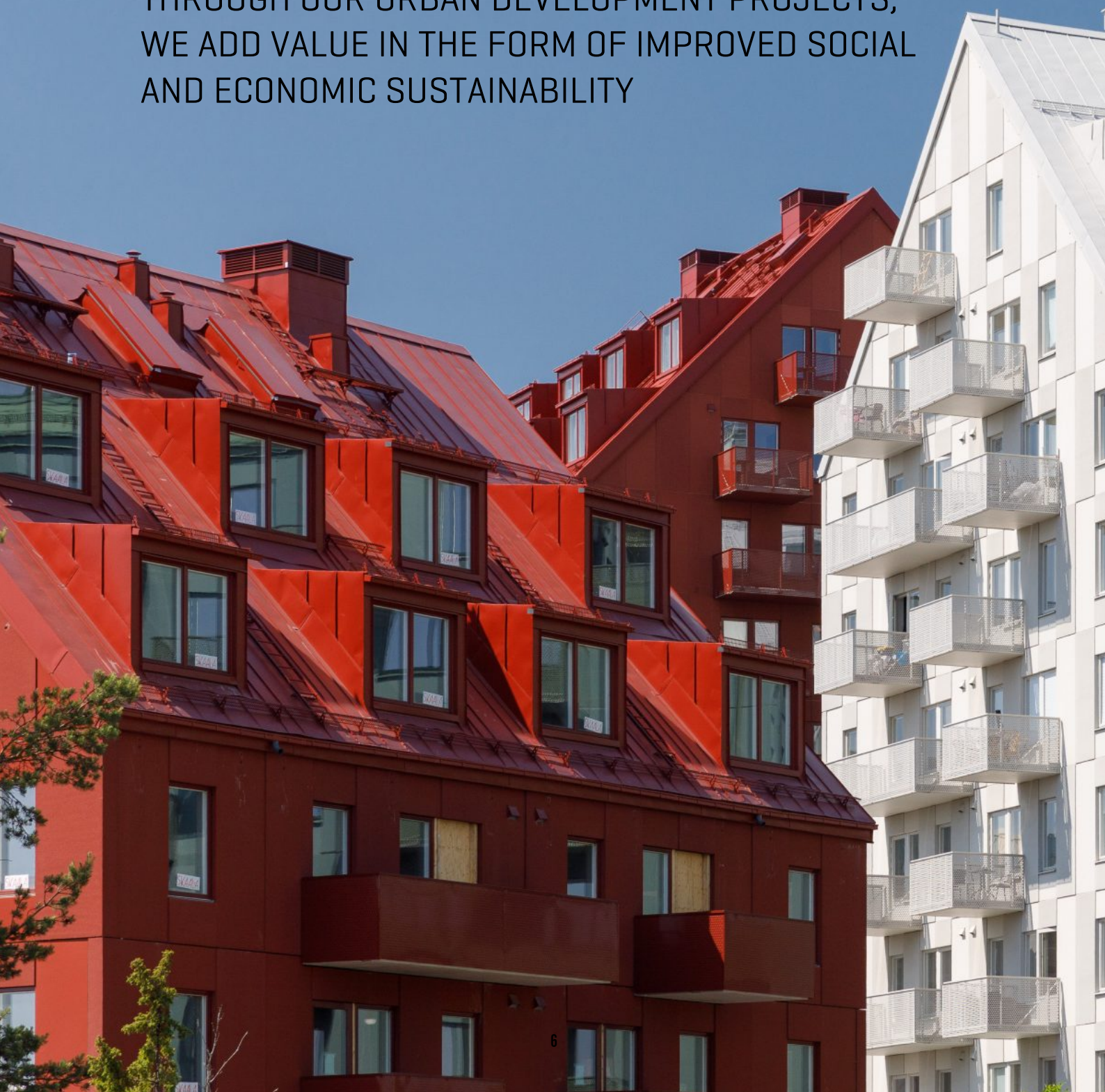
278

NUMBER OF RESIDENTIAL UNITS
30 JUN 2023

16,571

RENTAL INCOME, SEK THOUSAND
JAN-JUN 2023

THROUGH OUR URBAN DEVELOPMENT PROJECTS,
WE ADD VALUE IN THE FORM OF IMPROVED SOCIAL
AND ECONOMIC SUSTAINABILITY



TITANIA'S BUSINESS MODEL

Our business model is based on assuming responsibility, from the beginning of every project to its end:

- Total control of the entire the value chain, from initial project development to construction phase to property management.
- A project manager allows for a total overview of the process and optimised profitability, from start to finish.
- Considerable time and resources at the initial project phase to minimise any irreparable defects later in the process.
- Agreements with all stakeholders on a shared vision and implementation.
- Close cooperation in design and architecture.



OPERATIONAL OBJECTIVES

Production of residential units

The Group should, over time, implement the construction start of a minimum of 500 residential units annually.

Production of development rights

The Group should, by means of agreements with landowners or a combination of proprietary land acquisition with municipal land allocations, or municipal planning permission, ensure the creation of at least 500 new development rights for residential units annually.

Proportion of residential units under own management

Long-term rental income from residential units should constitute at least 70 percent of the Group's total rental income.

Property value

Property value should amount to a minimum of SEK 8 billion by 2027.

SUSTAINABILITY GOALS

Environmentally sustainable materials

The majority of the company's residential units are to be produced with wooden frames in the long term.

Environmental certification

Properties developed by Titania and retained for proprietary management should, in the long term, achieve Swan eco-labelling or the equivalent environmental certification.

FINANCIAL TARGETS

Net asset value

Annual growth in net asset value per ordinary share in the long term should be at least 20 percent over a business cycle.

FINANCIAL RISK LIMITATIONS

Loan-to-value ratio

The loan-to-value ratio must not exceed 70 percent relative to the market value of the Group's assets in the long-term.

Equity/assets ratio

The Group's equity/assets ratio must not fall below 25 percent in the long term.

Interest coverage ratio

The Group's interest coverage ratio must not exceed 1.5 times in the long term.

DIVIDEND POLICY

Titania's overall objective is to generate the best total long-term yield for shareholders. Therefore, Titania does not intend to pay any dividends in the next few years, as operational surpluses will go towards the launch of additional production projects, as well as to acquiring more properties and projects.

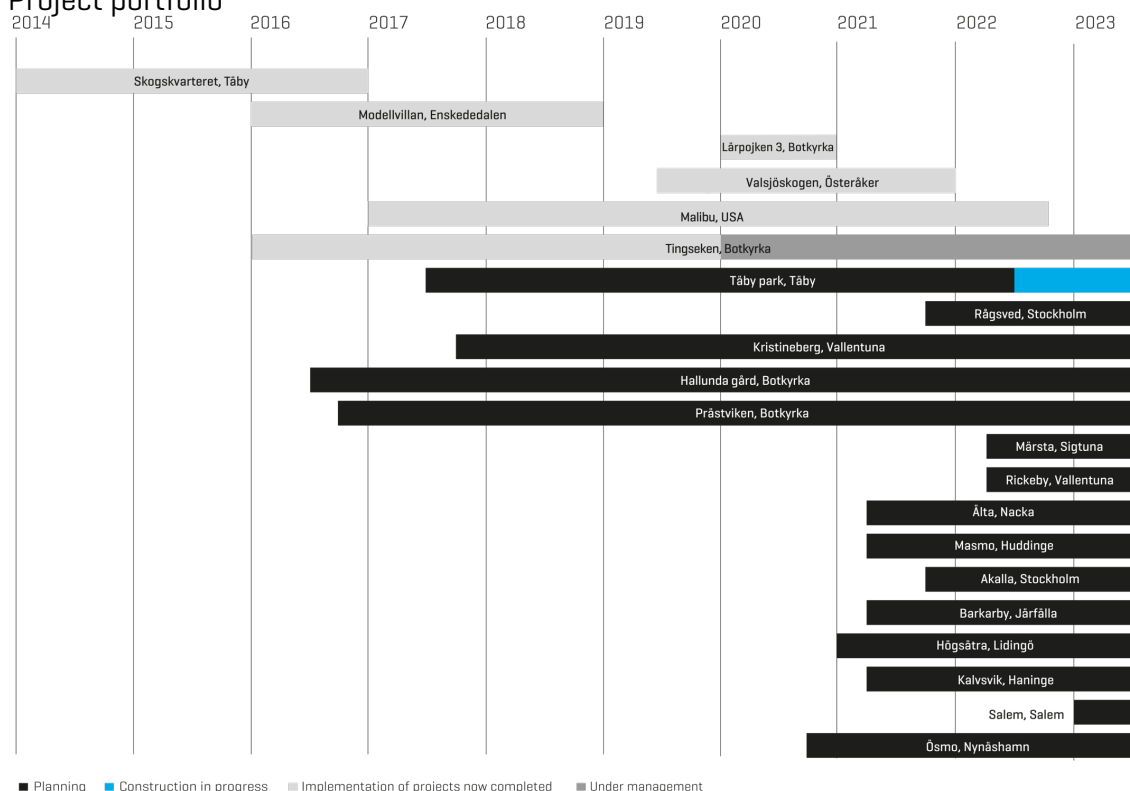
OUR PROPERTIES AND DEVELOPMENT PROJECTS

Our properties and development projects are in areas with lower market prices where we can genuinely improve urban development. With our holistic approach and close cooperation with architects and developers, and on all aspects of proprietary management, we take on projects where we can break the negative trend in vulnerable areas, in order to create value for ourselves and society as a whole.

Properties and development projects

roperty/project	Status	Address	Municipality	Estimated completion date/ completed	Number of residential units	RFA/CFA
Akalla	To be announced	Hanstavågen	Stockholm	2027	200	8,200
Barkarby	To be announced	Barkabyfältet	Järfälla	2027	353	18,400
Hallunda gård	To be announced	Hallunda gårdsväg	Botkyrka	2025-2028	718	47,290
Hallången	Acquisition	Hallången	Nynäshamn	1972	-	1,199
Herräng	Acquisition	Herrängsvågen	Norrtälje	1953	27	1,472
Högsåtra	To be announced	Högsåtravågen	Lidingö	2027	-	5,000
Kalvsvik	To be announced	Haninge	Haninge	2027	100	6,300
Kristineberg	To be announced	Arningevågen	Vallentuna	2025-2026	117	14,436
Masmo	To be announced	Varvsvågen	Huddinge	2026-2027	312	20,148
Mårsta	To be announced	Central Mårsta	Sigtuna	2026	91	5,436
Prästviken	To be announced	Sankt Botvids väg	Botkyrka	2025-2028	701	39,392
Rickeby	To be announced	Mörbyvågen	Vallentuna	2026	60	2,300
Rågsved	To be announced	Central Rågsved	Stockholm	2025	200	7,827
Salem	To be announced	Skyttorpsvågen	Salem	2027	100	5,950
Tingseken	Completed	Lagmansbacken	Botkyrka	2019	246	10,289
Tåby park	Ongoing	Galoppfältet	Tåby	2024	226	9,182
Vallentuna Prästgård	To be announced	Vallentuna Centrum	Vallentuna	2023	27	1,269
Ålta	To be announced	Central Ålta	Nacka	2026	178	7,298
Ösmo	To be announced	Nyblevågen	Nynäshamn	2027	270	9,375
Total					3,926	220,763

Project portfolio



Notes on the Group's projects

Titania's business concept is to engage in project development, construction and property management. The company's growth is primarily achieved through the proprietary development of new residential districts and the control of the value chain in its entirety, from the creation of new zoning plans to construction and, ultimately, the long-term management of the properties. Most of Titania's projects are in their initial phases, which means that projects will achieve profitability in the longer term. Consequently, Titania's net profits may be lower for now, compared with when the projects are completed and the gains from projects are calculated. Titania focuses on the Greater Stockholm area where demand is strong, and one of the main keys to project profitability is that we control the entire value chain. In addition to project profitability, Titania's cash flow from investment properties will also increase as we build up a larger rental portfolio over time. Earnings could also be affected by unrealised changes in the value of investment properties.

Titania has numerous projects at various phases of progress and holds about 3,500 building rights. Further information is available under the heading, 'Our properties and development projects'. In the second quarter of this year, construction was underway for the Täby Park project, which comprises 226 residential units and several commercial premises. The work is proceeding according to plan and is being carried out by New Living, which was recently acquired by Titania. Full completion of the project is planned for early 2024.

The date has not been set for the next construction start, but Titania will probably launch the building of the Vallentuna Rickeby project during 2023. The various planned project lead times are presented in the table on the preceding page. Which projects will be launched after that date will depend on the progress of Titania's zoning processes and the outcome of various calculations.



SUMMARY OF INCOME STATEMENT

Notes on the Group's income statement

The quarter April-June 2023

Income for the period totalled SEK 18,714 [17,410] thousand and consisted largely of rental income and the leasing of construction equipment.

Rental income amounted to SEK 8,608 [7,216] thousand. The increase is in line with our objective of expanding our portfolio of rental properties over time. The increase is attributable to higher rents and additional tenants. Property expenses totalled SEK 1,818 [1,064] thousand. Net operating income amounted to SEK 6,790 [6,152] thousand. The improved net operating income is mainly the result of an increase in lettable residential units.

Operating profit/loss before changes in value was SEK -8,747 [-6,032] thousand. This includes capitalised work totalling SEK 115,951 [27,032] thousand and relates to costs incurred that have been capitalised as an asset in the balance sheet. The capitalised work is linked to the property development projects we have ongoing and largely pertains to the Tåby Park project for which construction is in progress.

Net financial items amounted to SEK -26,316 [-14,979] thousand. The higher financing costs are mainly attributable to increased property management loans and higher interest rates due to the market situation. Titania is subject to variable interest rates, but the interest rate risk attributable to Titania's bank financing is limited through an interest rate cap. This cap does not apply to the Group's bonds.

Profit/loss for the quarter was SEK -37,639 [2,517] thousand.

The period January-June 2023

Income for the period totalled SEK 32,069 [39,234] thousand and consisted largely of rental income and the leasing of construction equipment. The decrease compared with the first six months of 2022 is primarily attributable to sales of residential units during the comparative period, as well as a reduction in the leasing of construction equipment.

Rental income amounted to SEK 16,571 [14,415] thousand. The increase is in line with our objective of expanding our portfolio of rental properties over time. The increase is attributable to higher rents and additional tenants. Property expenses totalled SEK 3,106 [2,528] thousand. Net operating income amounted to SEK 13,464 [11,888] thousand. The improved net operating income is mainly attributable to an increase in lettable residential units and higher rental income during the year.

Operating profit/loss before changes in value was SEK -19,206 [-11,778] thousand – the change is primarily attributable to sales of residential properties during the comparative period. This includes capitalised work totalling SEK 174,290 [49,118] thousand and relates to costs incurred that have been capitalised as an asset in the balance sheet. The capitalised work is linked to the property development projects we have ongoing and largely pertains to the Tåby Park project for which construction is in progress.

Unrealised changes in value amounted to SEK -5,491 [52,919] thousand. The changes in value are unrealised as they are not linked to an actual completed transaction and will fluctuate over time.

Net financial items amounted to SEK -39,108 [-25,074] thousand. The higher financing costs are mainly attributable to increased loans and higher interest rates due to the market situation. Titania is subject to variable interest rates but the interest rate risk attributable to Titania's bank financing is limited through an interest rate cap. This cap does not apply to the Group's bonds.

Profit/loss for the period was SEK -67,182 [8,762] thousand. The negative result is mainly due to unrealised changes in the value of investment properties, which also includes building rights and projects in progress earmarked for long-term property management. It should be seen in a broader context, where Titania expects future profits from projects, as well as increased cash flow from the company's growing portfolio of investment properties under the company's own management.

Notes on the Parent Company's income statement

The Parent Company's activities comprise the administration of all Group companies.

The quarter April-June 2023

The Parent Company's profit/loss for the quarter was SEK -14,541 [-13,489] thousand. The decrease compared with the previous year is primarily attributable to increased interest expenses.

The period January-June 2023

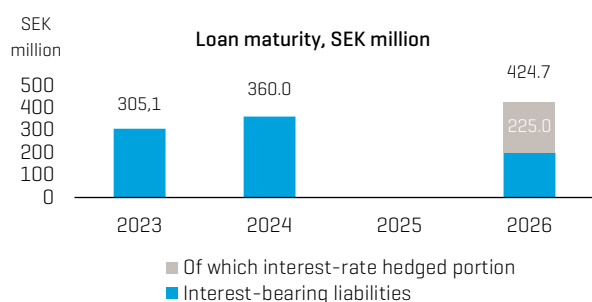
The Parent Company's profit/loss for the quarter was SEK -29,296 [41,518] thousand. The improvement from the previous year is mainly due to a negative result for investments in Group companies during the first quarter of 2022.

FINANCING

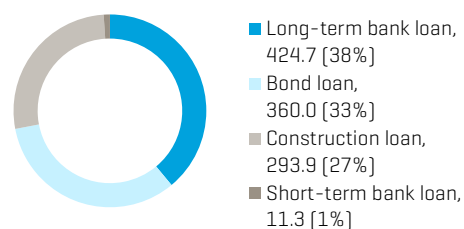
Total financing

Tied-up capital, SEK million									
Maturity	Property loans	Construction loans	Bonds	Total	Share, %	Interest-rate cap, SEK million	Interest-rate cap, %	Share of interest-rate hedged loans, %	Interest, %
2023	11.3	-	-	11.3	1	-	-	-	Stibor 3M+1.4
2023	-	293.9	-	293.9	27	-	-	-	Stibor 3M+2.8
2024	-	-	360.0	360.0	33	-	-	-	Stibor 3M+8.0
2025	-	-	-	-	-	-	-	-	-
2026	424.7	-	-	424.7	39	225.0	5.0	21	Stibor 3M+1.4
Total	435.9	293.9	360.0	1,089.8	100			21	

The SEK 360 million bond has been admitted to trading on Nasdaq Stockholm and is reported net, together with attributable prepaid transaction costs, which are distributed over the bond's term until March 2024.

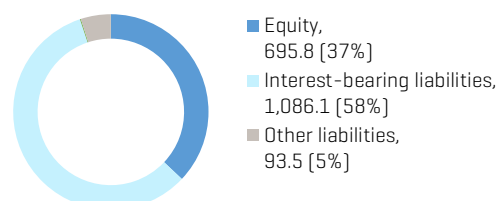


Tied-up capital, SEK million



Provision of capital	SEK million	Share, %
Equity	695.8	37
Interest-bearing liabilities	1,086.1	58
Deferred tax liability	2.8	-
Other liabilities	93.5	5
Total assets	1,878.2	100

Provision of capital, SEK million



37.0%

EQUITY/ASSETS RATIO
30 JUN 2023

49.6%

LOAN-TO-VALUE RATIO
30 JUN 2023

1,878.2

TOTAL ASSETS, SEK MILLION
30 JUN 2023

OTHER DISCLOSURES

Operating environment factors

To date, Titania has not noted any significant consequences on the company's operations due to the war in Ukraine and the current change in the external situation. However, there is a potential risk that further interest rate hikes and price increases, continued delivery problems and an economic downturn could adversely affect the company.

Risks and uncertainties

Risks in ongoing projects

Although the Group is active in the property market and has expertise throughout the value chain, its operations essentially comprise property development projects. The ability to successfully implement property development projects is dependent on several factors, such as the Group's ability to obtain zoning plans within the requisite deadlines, which could otherwise result in delays. Delays could also arise as a result of hitherto approved zoning plans being appealed. The Group is also dependent on acquiring properties with the requisite building rights relevant to the project concerned.

Risks in completed projects

There are also risks related to rental income and rental trends. In the event that one or more of these risks materialises, it could result in a reduction of the Group's rental income and lower occupancy rates, and adversely impact the Group's margins and earnings, as well as its operations and market value.

Market risk

If property market values were to fall, this would affect the valuation of our investment properties, which would have a significant impact on earnings. However, the assessment is that housing prices will increase over time, at least in line with inflation.

Financial risks

The Group is exposed to financial risks through its operations. The Group strives to minimise any unfavourable effects on its financial performance. The Group's financial operations are aimed at ensuring that the Group can meet its payment obligations, securing access to requisite financing, optimising the Group's net financial items and handling financial risks, such as market risks, currency risks, interest rate risks, credit risks, liquidity risks and refinancing risks. The Board of Directors has ultimate responsibility for exposure, management and monitoring with regard to the company's risks. The Board of Directors determines what frameworks are applicable and revises them annually. The Board of Directors has delegated the responsibility for day-to-day risk management to the CEO. The Board of Directors may decide on temporary deviations from the adopted frameworks as needed.

All risks and uncertainties are applicable to the Parent Company as well as to the Group.

Significant related-party transactions during the period

During the period, there were no significant transactions with related parties other than intra-Group transactions. See Note 7 for more information.

Disclosures about significant related-party transactions are applicable to the Parent Company as well as to the Group.

Share option programme

Share option programme outstanding	Number of options	Corresponding number of shares	Percentage of total shares	Exercise price	Redemption period
LTIP 2021 2021/2024:1	490,763	490,763	0.7%	29.1	31 Aug to 14 Sep 2024
LTIP 2021 2021/2024:2	669,222	669,222	0.9%	29.1	31 Aug to 14 Sep 2024
LTIP 2023 2023/2026:1	3,000,000	3,000,000	4.2%	6.4	15 May to 31 Aug 2026
LTIP 2023 2023/2027:1	400,000	400,000	0.6%	6.4	15 May to 31 Aug 2027
Total	4,559,985	4,559,985			

CONSOLIDATED INCOME STATEMENT

SEK thousand	Note	Apr-Jun		Jan-Jun		Full year
		2023	2022	2023	2022	2022
Income	2	18,714	17,410	32,069	39,234	206,765
Other operating income		957	569	1,369	569	744
Total		19,671	17,979	33,438	39,803	207,509
Contractor costs	3	-113,831	-31,024	-174,796	-60,770	-263,969
Property expenses		-1,818	-1,064	-3,106	-2,528	-5,743
Other external expenses		-16,039	-10,394	-27,235	-21,166	-53,143
Personnel expenses		-9,675	-6,023	-16,429	-11,464	-17,652
Depreciation and impairment of property, plant and equipment		-3,006	-2,538	-5,368	-4,771	-9,139
Capitalised work on own account		115,951	27,032	174,290	49,118	176,039
Operating profit/loss before changes in value		-8,747	-6,032	-19,206	-11,778	33,903
Unrealised changes in value, investment properties		-	30,459	-5,491	52,919	-151,509
Operating profit/loss after changes in value		-8,747	24,427	-24,697	41,141	-117,606
Finance income		2,020	9	2,037	17	275
Finance costs		-28,336	-14,988	-41,663	-25,091	-54,223
Net financial items		-26,316	-14,979	-39,626	-25,074	-53,948
Profit/loss before tax		-35,063	9,448	-64,323	16,067	-171,555
Current tax		-	-	-9	-	-13,718
Deferred tax		-2,576	-6,931	-2,851	-7,305	52,587
Profit/loss for the period		-37,639	2,517	-67,182	8,762	-132,686
Profit/loss for the period attributable to:						
Parent Company shareholders		-37,639	2,517	-67,182	8,762	-132,686
Non-controlling interests		-	-	-	-	-
Earnings per share before and after dilution, SEK		-0.53	0.04	-0.94	0.12	-1.86
Average number of ordinary shares outstanding before and after dilution		71,500,000	71,500,000	71,500,000	71,500,000	71,500,000

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK thousand	Apr-Jun		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Profit/loss for the period	-37,639	2,517	-67,182	8,762	-132,686
Other comprehensive income					
Items that have been or may be transferred to profit or loss					
Exchange-differences on translation of foreign operations	-	7,304	-	8,534	16,079
Other comprehensive income for the period	-	7,304	-	8,534	16,079
Total comprehensive income for the period	-37,639	9,820	-67,182	17,296	-116,606
Total comprehensive income for the period attributable to:					
Parent Company shareholders	-37,639	9,820	-67,182	17,296	-116,606
Non-controlling interests	-	-	-	-	-

CONSOLIDATED BALANCE SHEET

SEK thousand	Note	30 Jun		31 Dec
		2023	2022	2022
ASSETS				
Non-current assets				
Intangible assets		14,381	884	731
Investment properties	4	1,402,493	1,329,836	1,212,416
Equipment		6,427	6,842	5,393
Right-of-use assets		22,006	26,272	23,736
Other non-current receivables		72,230	48,171	48,321
Total non-current assets		1,517,537	1,412,004	1,290,597
Current assets				
Development properties	5	181,126	135,968	106,096
Trade receivables		4,698	2,211	3,965
Current tax assets		224	-	-
Other receivables		13,196	3,379	11,356
Prepaid expenses and accrued income		6,824	4,446	3,914
Cash and cash equivalents		154,565	290,649	255,212
Total current assets		360,631	436,653	380,542
TOTAL ASSETS		1,878,169	1,848,657	1,671,140

CONSOLIDATED BALANCE SHEET, CONT.

		30 Jun		31 Dec
SEK thousand	Note	2023	2022	2022
EQUITY AND LIABILITIES				
Equity				
Share capital		715	715	715
Reserves		16,039	8,494	16,039
Other contributed capital		422,137	422,137	422,137
Retained earnings including profit for the period		256,954	465,584	324,136
Total equity		695,845	896,930	763,027
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	6	424,688	827,771	824,479
Lease liabilities		18,272	20,428	17,811
Provisions		2,256	1,936	-
Deferred tax liability		2,765	59,864	-
Total non-current liabilities		447,981	909,999	842,290
Current liabilities				
Interest-bearing liabilities	6	661,409	11,250	11,250
Lease liabilities		4,422	6,537	6,067
Trade payables		41,641	8,884	16,398
Current tax liability		-	168	561
Other current liabilities		12,647	2,194	842
Accrued expenses and deferred income		14,225	12,696	30,706
Total current liabilities		734,343	41,729	65,823
Total liabilities		1,182,323	951,727	908,112
TOTAL EQUITY AND LIABILITIES		1,878,169	1,848,657	1,671,140

CONSOLIDATED CASH FLOW STATEMENT

SEK thousand	Apr-Jun		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Cash flow from operating activities					
Operating profit/loss after changes in value	-8,747	24,427	-24,697	41,141	-117,606
Adjustment for non-cash items:					
- Depreciation/amortisation	3,006	2,538	5,368	4,771	9,139
- Provisions	118	-	149	-	-1,936
- Acquisition/divestment of subsidiaries	-	-	-5,745	-	-
- Changes in value of investment properties	-	-30,459	5,491	-52,919	151,509
- Unrealised currency effects	-	7,263	-	8,493	16,278
Interest received	2,020	9	2,037	17	35
Interest paid	-28,336	-14,988	-41,663	-25,091	-54,222
Income tax paid	-366	256	-879	203	-13,094
	-32,305	-10,954	-59,939	-23,385	-9,897
Cash flow from changes in working capital					
Increase/decrease in development properties	-5,407	-19,972	-48,674	-40,198	-10,325
Increase/decrease in operating receivables	6,253	142,582	-3,149	234,692	229,999
Increase/decrease in operating liabilities	13,219	-1,001	20,567	-15,028	9,142
Total change in working capital	14,065	121,609	-31,256	179,466	228,816
Cash flow from operating activities	-18,240	110,655	-91,195	156,082	218,919
Cash flow from investing activities					
Investments in investment properties	-103,032	-115,808	-240,245	-262,293	-349,533
Increase in non-current financial investments	-	-	-	-3,899	-4,049
Decrease in non-current financial investments	-	658	-	658	658
Cash flow from investing activities	-103,032	-115,150	-240,245	-265,534	-352,924
Cash flow from financing activities					
Proceeds from borrowings	236,609	95,877	226,351	95,877	95,877
Repayment of liabilities	2,813	-3,707	5,625	-4,601	-10,226
Repayment of lease liabilities	-1,183	-	-1,183	-	-5,258
Cash flow from financing activities	238,238	92,170	230,793	91,276	80,393
Cash flow for the period	116,967	87,675	-100,647	-18,177	-53,614
Cash and cash equivalents at beginning of period	37,598	202,973	255,212	308,826	308,826
Cash and cash equivalents at end of period	154,565	290,649	154,565	290,649	255,212

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK thousand	Attributable to Parent Company shareholders				
	Share capital	Translation reserve	Other contributed capital	Retained earnings incl. profit for the period	Total equity
Opening balance, 1 January 2023	715	16,039	422,137	324,136	763,027
Profit/loss for the period	-	-	-	-67,182	-67,182
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-67,182	-67,182
Closing balance, 30 June 2023	715	16,039	422,137	256,954	695,845

SEK thousand	Attributable to Parent Company shareholders				
	Share capital	Translation reserve	Other contributed capital	Retained earnings incl. profit for the period	Total equity
Opening balance, 1 January 2022	715	-40	422,137	456,822	879,634
Bonus issue	-	-	-	-	-
New share issue	-	-	-	-	-
Profit/loss for the period	-	-	-	8,762	8,762
Other comprehensive income for the period	-	8,534	-	-	8,534
Total comprehensive income for the period	-	8,534	-	8,762	17,296
Closing balance, 30 June 2022	715	8,494	422,137	465,584	896,930

INCOME STATEMENT, PARENT COMPANY

SEK thousand	Apr-Jun		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Income	139	565	300	1,131	1,839
Operating expenses					
Other external expenses	-1,570	-3,310	-3,609	-5,601	-9,077
Personnel expenses	-1,135	-1,353	-2,311	-3,277	-5,560
Operating profit/loss	-2,566	-4,098	-5,620	-7,747	-12,798
Profit/loss from financial items					
Profit/loss from investments in Group companies	-	-	-	-15,468	-49,759
Interest and similar income	1,154	-	1,154	-	-
Interest and similar expenses	-13,129	-9,391	-24,830	-18,303	-39,145
Total financial items	-11,975	-9,391	-23,676	-33,770	-88,904
Profit/loss after financial items	-14,541	-13,489	-29,296	-41,518	-101,702
Appropriations	-	-	-	-	-2,743
Profit/loss for the period	-14,541	-13,489	-29,296	-41,518	-104,445

BALANCE SHEET, PARENT COMPANY

SEK thousand		30 Jun		31 Dec
	Note	2023	2022	2022
ASSETS				
Financial assets				
Investments in Group companies		129,926	164,168	129,876
Total non-current assets		129,926	164,168	129,876
Current assets				
Receivables from Group companies		650,456	670,840	687,987
Prepaid expenses and accrued income		285	412	132
Other receivables		43	3	28
Cash and bank balances		2,108	117,970	75,022
Total current assets		652,891	789,225	763,170
TOTAL ASSETS		782,818	953,393	893,046

SEK thousand		30 Jun		31 Dec
		2023	2022	2022
Restricted equity				
Share capital		715	715	715
Total restricted equity		715	715	715
Unrestricted equity				
Share premium reserve		422,137	422,141	422,137
Retained earnings		28,740	177,201	177,206
Profit/loss for the year		-29,296	-41,518	-104,445
Total unrestricted equity		421,580	557,825	494,898
Total equity		422,295	558,540	495,613
Non-current liabilities				
Interest-bearing liabilities	6	-	391,833	394,167
Total non-current liabilities		-	391,833	394,167
Current liabilities				
Interest-bearing liabilities	6	356,260	-	-
Trade payables		666	270	59
Liabilities to Group companies		-	231	-
Tax liability		168	107	167
Other liabilities		162	244	169
Accrued expenses and deferred income		3,267	2,168	2,873
Total current liabilities		360,523	3,020	3,267
Total liabilities		360,523	394,853	397,434
TOTAL EQUITY AND LIABILITIES		782,818	953,393	893,046

NOTES

All amounts in this report are presented in SEK thousands unless otherwise indicated. Rounding errors may occur in tables that aggregate several amounts.

Note 1 – Accounting policies

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. For the Group and the Parent Company, the accounting policies and calculation methods are the same as those applied in the most recent Annual Report. Disclosures required under IAS 34.16A are provided in the financial statements and related notes, as well as in other parts of the interim report.

Fair value measurement of properties

The value of properties is measured at the end of every quarter. At least two quarters per year, the measurement is performed by an independent evaluator. For the quarters in which the measurement is performed internally, a dialogue is conducted with an independent property evaluator. Classifications are made pursuant to the requirements of IFRS 13, and investment properties are measured at fair value in accordance with IAS 40. The measurement of investment properties may include fair values for development rights/future development rights.

Development properties

Gains on development properties are recognised on divestment and closing of the transaction.

Measurement of financial instruments

The carrying amount of receivables, cash and cash equivalents, trade payables, interest-bearing liabilities and other liabilities constitute a reasonable approximation of their fair value.

Accounting estimates

There were no changes to any accounting estimates during the period. See Note 4 of the 2022 Annual Report.

Note 2 – Distribution of income

	Apr–Jun		Jan–Jun		Full year
Distribution of income	2023	2022	2023	2022	2022
Rental income	8,608	7,216	16,571	14,415	30,031
Divestment of tenant-owner properties	–	4,248	–	12,800	12,800
Divestment of individual residential units	–	–	–	–	143,538
Lease of construction materials	3,889	5,850	7,080	11,766	20,186
Other	6,216	96	8,419	253	210
Total income	18,714	17,410	32,069	39,234	206,765

Note 3 – Distribution of contractor costs

	Apr–Jun		Jan–Jun		Full year
Distribution of contractor costs	2023	2022	2023	2022	2022
Contractor costs for investment properties	110,131	15,639	160,668	22,529	121,970
Contractor costs for development properties	3,701	10,715	14,128	24,536	40,835
Divestment of development properties (inventory costs)	–	4,670	–	13,705	101,164
Total contractor costs	113,831	31,024	174,796	60,770	263,969

Note 4 – Investment properties

Titania recognises its investment properties at fair value in the balance sheet. These fair values correspond to the properties' market value. Changes in market values are recognised as changes in value in profit or loss. The Group's portfolio comprises completed investment properties and projects in progress. All properties are leased with ownership rights and comprise residential properties and commercial properties. The item 'Investment properties' includes development rights pertaining to projects aimed at the production of investment properties.

	30 Jun		31 Dec
	2023	2022	2022
Opening balance, 1 January	1,212,416	1,013,198	1,013,198
Purchases	169,212	263,718	350,727
Sales	-	-	-
Unrealised changes in value recognised in profit or loss	-5,491	52,919	-151,509
Reclassification to development properties	26,356	-	-
Closing balance	1,402,493	1,329,836	1,212,416

	30 Jun		31 Dec
	2023	2022	2022
Changes in value, investment properties			
Realised changes in value	-	-	-
Unrealised changes in value	-5,491	52,919	-151,509
Total	-5,491	52,919	-151,509

Note 5 – Development properties

The cost of development properties includes the purchase consideration and subsequent costs incurred during the development period.

	30 Jun		31 Dec
	2023	2022	2022
Opening balance, 1 January	106,096	96,493	96,493
Purchases	101,361	39,475	79,357
Sales	-	-	-69,754
Reclassification from investment properties	-26,331	-	-
Closing balance	181,126	135,968	106,096

Note 6 – Borrowings

	30 Jun		31 Dec
	2023	2022	2022
Non-current			
Bonds	-	391,833	394,167
Liabilities to credit institutions	424,688	435,938	430,313
Total	424,688	827,771	824,479
Current			
Bonds	356,260	-	-
Liabilities to credit institutions	305,149	11,250	11,250
Total	661,409	11,250	11,250

Current liabilities are calculated as the portion of borrowings due for repayment within one year.

The SEK 400 million bond and acquisition of own bonds for a nominal amount of SEK 40 million are reported net, together with attributable prepaid transaction costs distributed over the bond's term.

The bond is admitted to trading on Nasdaq Stockholm, with a maturity of 3 years.

Note 7 – Related-party transactions

The Group is under the control of Einar Janson Invest AB. Related parties are defined as subsidiaries, the Parent Company and the Group's senior executives and their related parties. Transactions exist in the form of loans, rent for premises and management fees between Group companies. No fees were paid to related parties during the period.

Note 8 – Operating segments

Titania's financial reporting is prepared in two segments: 'Completed projects' and 'Projects in progress & miscellaneous'. Completed projects essentially refer to property management, while Projects in progress comprise business development, projects in progress and production. The following figures are reported for 'Miscellaneous' in the 'Projects in progress & miscellaneous' segment: sales, SEK 7,080 thousand, profit/loss for the period, SEK -1,023 thousand and assets, SEK 6,991 thousand.

Segment reporting

INCOME STATEMENT

SEK thousand	Apr-Jun 2023			Jan-Jun 2023		
	Completed projects	Projects in progress & miscellaneous	Total	Completed projects	Projects in progress & miscellaneous	Total
Income	8,608	10,106	18,714	16,571	15,499	32,069
Other operating income	730	227	957	733	636	1,369
Total	9,338	10,333	19,671	17,304	16,135	33,438
Contractor costs	-	-113,831	-113,831	-	-174,796	-174,796
Property expenses	-1,818	-	-1,818	-3,106	-	-3,106
Other external expenses	-173	-15,866	-16,039	-247	-26,988	-27,235
Personnel expenses	-	-9,675	-9,675	-	-16,429	-16,429
Depreciation and impairment of property, plant and equipment	-	-3,006	-3,006	-	-5,368	-5,368
Capitalised work on own account	-93	116,045	115,951	-	174,290	174,290
Operating profit/loss before changes in value	7,254	-16,001	-8,747	13,950	-33,156	-19,206
Unrealised changes in value, investment properties	-	-	-	-	-5,491	-5,491
Operating profit/loss after changes in value	7,254	-16,001	-8,747	13,950	-38,647	-24,697
Finance income	5	2,016	2,020	8	2,029	2,037
Finance costs	-10,520	-17,816	-28,336	-10,520	-31,143	-41,663
Net financial items	-10,515	-15,801	-26,316	-10,512	-29,114	-39,626
Profit/loss before tax	-3,261	-31,802	-35,063	3,439	-67,761	-64,323

SEK thousand	Apr-Jun 2022			Jan-Jun 2022		
	Completed projects	Projects in progress & miscellaneous	Total	Completed projects	Projects in progress & miscellaneous	Total
Income	7,216	10,194	17,410	14,415	24,818	39,234
Other operating income	10	559	569	10	559	569
Total	7,226	10,753	17,979	14,425	25,378	39,803
Contractor costs	-	-31,024	-31,024	-	-60,770	-60,770
Property expenses	-1,064	-	-1,064	-2,528	-	-2,528
Other external expenses	-132	-10,262	-10,394	-380	-20,786	-21,166
Personnel expenses	-	-6,023	-6,023	-	-11,464	-11,464
Depreciation and impairment of property, plant and equipment	-	-2,538	-2,538	-	-4,771	-4,771
Capitalised work on own account	-	27,032	27,032	-	49,118	49,118
Operating profit/loss before changes in value	6,030	-12,062	-6,032	11,518	-23,296	-11,778
Unrealised changes in value, investment properties	-	30,459	30,459	-	52,919	52,919
Operating profit/loss after changes in value	6,030	18,397	24,427	11,518	29,623	41,141
Finance income	-	9	9	-	17	17
Finance costs	-5,354	-9,634	-14,988	-6,276	-18,815	-25,091
Net financial items	-5,354	-9,625	-14,979	-6,276	-18,798	-25,074
Profit/loss before tax	676	8,772	9,448	5,242	10,825	16,067

BALANCE SHEET

SEK thousand	30 June 2023			30 June 2022		
	Completed projects	Projects in progress & miscellaneous	Total	Completed projects	Projects in progress & miscellaneous	Total
ASSETS						
Total non-current assets	728,700	788,837	1,517,537	715,000	697,004	1,412,004
Total current assets	97,719	262,912	360,631	22,250	414,403	436,653
TOTAL ASSETS	826,419	1,051,750	1,878,169	737,250	1,111,407	1,848,657
LIABILITIES						
Total non-current liabilities	434,430	13,550	447,981	364,760	545,239	909,999
Total current liabilities	15,106	719,237	734,343	801	40,928	41,729
TOTAL LIABILITIES	449,536	732,787	1,182,323	365,561	586,166	951,727

Declaration by the Board of Directors and the CEO

The Board of Directors and the CEO confirm that this interim report provides a true and fair view of the Group's and the Parent Company's operations, financial position and results and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 16 August 2023

Titania Holding AB [publ], company registration number 556887-4274

Knut Pousette
Chairman of the Board

Einar Janson
CEO and Board member

Gunilla Öhman
Board member

This report is published in Swedish and English. In the event of any differences between the English version and the Swedish original, the Swedish version takes precedence.

This information constitutes inside information, which Titania Holding AB [publ] is obliged to publish under the EU Market Abuse Regulation [MAR]. The information was provided through the agency of the contact persons above for publication on 16 August 2023 at 8.00 a.m. CEST.

Financial calendar

Interim report January–September 2023	15 November 2023
Year-end report January–December 2023	23 February 2024
Annual report January–December 2023	12 April 2024

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This interim report has not been reviewed by the company's auditor.

RECONCILIATION OF KEY PERFORMANCE MEASURES

Some of the financial measures that Titania presents in the interim report are not defined under IFRS. It is the company's opinion that these measures provide valuable complementary information to investors and the company's management, as they enable evaluation of the company's performance. As not all companies calculate performance measures in the same way, the measures are not always comparable with those used by other companies. The measures should therefore not be viewed as replacements for those defined under IFRS.

The table below presents the alternative performance measures considered to be relevant. The performance measures are based on the statements of income, financial position, changes in equity and cash flow. If the performance measures cannot be directly attributed to the above statements, their derivation and calculations are indicated below.

	Apr-Jun		Jan-Jun		Full year
	2023	2022	2023	2022	2022
Earnings per share before and after dilution *, SEK	-0.53	0.04	-0.94	0.12	-1.86
Profit/loss for the year/period	-37,638,625	2,516,557	-67,181,821	8,762,252	-132,685,617
Average number of shares	71,500,000	71,500,000	71,500,000	71,500,000	71,500,000
Number of ordinary shares**	71,500,000	71,500,000	71,500,000	71,500,000	71,500,000
* Measure defined under IFRS					
** In December 2021, the company was listed on the stock exchange and increased its number of shares to 71,500,000. In 2021, Titania's key personnel and Board of Directors subscribed for 1,159,985 warrants. In 2023, Titania's key personnel and Board of Directors subscribed for 3,400,000 warrants. Further details can be found in Other disclosures.					
Net operating income, SEK thousand	6,790	6,152	13,464	11,888	23,840
Rental income	8,608	7,216	16,571	14,415	30,031
Property expenses	-1,818	-1,064	-3,106	-2,528	-6,191
Return on equity, %	-5.3	0.3	-9.2	1.0	-16.2
Profit/loss	-37,639	2,517	-67,182	8,762	-132,686
Equity, opening balance	733,484	887,109	763,027	879,634	879,634
Equity, closing balance	695,845	896,930	695,845	896,930	763,027
Average equity	714,664	892,019	729,436	888,282	821,330
Equity/assets ratio, %	37.0	48.5	37.0	48.5	45.7
Equity	695,845	896,930	695,845	896,930	763,027
Total assets	1,878,169	1,848,657	1,878,169	1,848,657	1,671,140
Loan-to-value ratio, %	49.6	29.7	49.6	29.7	34.7
Interest-bearing liabilities	1,086,097	839,021	1,086,097	839,021	835,729
Cash and cash equivalents	154,565	290,649	154,565	290,649	255,212
Interest-bearing liabilities less cash and cash equivalents	931,532	548,372	931,532	548,372	580,517
Total assets	1,878,169	1,848,657	1,878,169	1,848,657	1,671,140
Interest coverage ratio, times*	neg	neg	neg	neg	neg
Operating profit/loss before changes in value	-8,747	-6,032	-19,206	-11,778	33,903
Net financial items	-26,316	-14,979	-39,626	-25,074	-53,948
*As the interest coverage ratio is negative, no amount is recognised					
Net asset value per ordinary share, SEK	9.77	13.38	9.77	13.38	10.67
Assets	1,878,168,579	1,848,656,940	1,878,168,579	1,848,656,940	1,671,139,841
Liabilities	1,182,323,499	951,727,388	1,182,323,499	951,727,388	908,112,441
Deferred tax liability	2,764,705	59,863,562	2,764,705	59,863,562	-
Number of shares:	71,500,000	71,500,000	71,500,000	71,500,000	71,500,000
Equity adjusted for deferred tax liabilities	698,609,784	956,793,114	698,609,784	956,793,114	763,027,400

DEFINITIONS

Definitions of alternative performance measures

Earnings per share before and after dilution, SEK	<p>Profit for the period/year attributable to the Parent Company's shareholders, divided by the weighted average number of shares outstanding during the period.</p> <p>Purpose: This performance measure shows the development of profit/loss for the year/period, taking into account shares outstanding.</p>
Equity/assets ratio, %	<p>Total equity at the end of the period as a percentage of total assets at the end of the period.</p> <p>Purpose: The equity/assets ratio indicates what proportion of the balance sheet total is financed by equity and enables investors to assess the company's capital structure.</p>
Interest coverage ratio, times	<p>Operating profit/loss before changes in value in relation to net financial items.</p> <p>Purpose: The interest coverage ratio is used to illustrate the sensitivity of the company's earnings to changes in interest rates.</p>
Loan-to-value ratio, %	<p>Current and non-current interest-bearing liabilities less cash and cash equivalents, as a percentage of total assets at the end of the reporting period. Current and non-current interest-bearing liabilities exclude lease liabilities under IFRS 16. Interest-bearing liabilities consist of current and non-current interest-bearing liabilities.</p> <p>Purpose: The loan-to-value ratio is a measure of the company's capital structure. The loan-to-value ratio is an important measure of the company's financial risks, and a key metric for banks and other lenders.</p>
Net asset value per ordinary share	<p>Total equity at the end of the period, with deferred tax liability added back, divided by the number of ordinary shares.</p> <p>Purpose: Net asset value per ordinary share is used as a performance measure to provide stakeholders with information about Titania's net asset value per ordinary share.</p>
Net operating income	<p>Rental income less property expenses, such as contributions for heating, water supply and sewer system, electricity, property upkeep, as well as continuous and planned maintenance.</p> <p>Purpose: Net operating income is used to indicate the company's surplus from property management.</p>
Profit/loss for the year/period before tax	<p>Profit/loss before tax.</p> <p>Purpose: Profit/loss for the year/period is used as a measure of the company's profitability.</p>
Return on equity, %	<p>Profit/loss for the year/period as a percentage of average equity at the beginning and end of the period.</p> <p>Purpose: A relative measurement of the company's ability to generate returns on its equity, expressed as a percentage.</p>
Total assets	<p>Equity and liabilities</p> <p>Purpose: Indicates the company's financial position.</p>

Other definitions

CFA	CFA refers to commercial floor area – floor space earmarked for utilities (UFA), for purposes other than usage as a residential space. Examples of such spaces are store and restaurant premises.
GFA	GFA is an abbreviation of Gross Floor Area. The gross area is the total area of all the floors within a building, up to and including its exterior walls.
GFA above ground (Gross floor area above ground)	GFA above ground is the usual area specification used for development rights and entails the exclusion of gross floor areas in dark spaces, such as garages.
Interest-rate cap	An interest-rate cap is a guarantee of interest expenses for part of the company's interest-bearing bank debts. The cap entails that Titania will never pay more than the set interest rate, even if market interest rates are higher.
RFA	RFA refers to the residential floor area – the building's floor space that is used for residential units.
UFA	UFA refers to the usable floor area, which is the total area of all the floors and is limited by the building's enclosing parts.

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