

YEAR-END REPORT  
JANUARY-DECEMBER

2023

 **TITANIA**



# Year-end report January–December 2023

## The quarter October–December 2023

- Income amounted to SEK 15,589 (11,989) thousand
- Rental income was SEK 10,247 (7,619) thousand
- Net operating income was SEK 5,777 (5,819) thousand
- Profit/loss before tax amounted to SEK 37,189 (-135,409) thousand
- Profit/loss for the quarter amounted to SEK 34,776 (-106,380) thousand
- Earnings per share before and after dilution amounted to SEK 0.49 (-1.49)

## Full year 2023

- Income amounted to SEK 64,477 (206,765) thousand, of which the property sale in Malibu, USA, was (SEK 143,358 thousand)
- Rental income was SEK 35,527 (30,031) thousand
- Net operating income was SEK 26,351 (23,840) thousand
- Profit/loss before tax was SEK -15,144 (-171,555) thousand
- Loss for the period was SEK -29,677 (-132,686) thousand
- Basic and diluted earnings per share were SEK -0.42 (-1.86)
- The total number of managed residential units at year-end was 526 (278)
- The Board of Directors propose that no dividend be allocated for financial year 2023. The dividend proposal is in line with Titania's dividend policy

“The undersupply of residential properties has been constant and accelerating in Stockholm for 30 years, and that is why we will be breaking ground as soon as we have the opportunity to build new residential units.”

Einar Janson, CEO and founder



Key ratios	Oct–Dec		Full year	
	2023	2022	2023	2022
Income, SEK thousand	15,589	11,898	64,477	206,765
Net operating income, SEK thousand	5,777	5,819	26,351	23,840
Profit/loss before tax, SEK thousand	37,189	-135,409	-15,144	-171,555
Basic and diluted earnings per share, SEK	0.49	-1.49	-0.42	-1.86
Total assets, SEK thousand	2,354,810	1,671,140	2,354,810	1,671,140
Return on equity, %	4.8	-13.1	-4.0	-16.2
Equity/assets ratio, %	31.3	45.7	31.3	45.7
Loan-to-value ratio, %	62.1	34.7	62.1	34.7
Interest coverage ratio, times	neg	neg	neg	neg
Net asset value per ordinary share, SEK	10.50	10.67	10.50	10.67

# SIGNIFICANT EVENTS DURING THE FULL YEAR 2023

## After the end of the period

- Titania published a SEK 525 million bond prospectus and applied for its sustainable bonds to be admitted to trading on Nasdaq Stockholm.

## Fourth quarter

- Titania, together with K-Fastigheter, initiated the project 'Rickebyhöjd Part 2' –construction of 74 residential units and garage spaces adjacent to Vallentuna Centrum.
- Titania began construction for a project comprising 206 residential units, lettable floor space and 72 garage spaces next to Rågsveds metro station. The project is being implemented with 2xA Entreprenad AB, a subsidiary of ALM Equity, as the general contractor.
- Titania issued senior secured sustainable bonds of SEK 525 million with a maturity of three years. Titania, as intended, also redeemed its outstanding senior secured bonds 2021/2024 on 15 January 2024.
- Titania completed the Täby Boulevard project for 226 residential units, three commercial premises and 71 parking spaces.
- Titania was granted financial support from the Swedish National Council for Crime Prevention (BRÅ) for an assessment of local crime-prevention activities.
- Titania signed 10-year agreements with the restaurant operators Högdala Invest AB (owner of the Norra Bryggan Italian restaurant) and Caliente Tapas Bar. The agreements include conducting restaurant operations on the ground floor of Titania's newly built property at Boulevarden 40B, near Robert Killicks torg in Täby.

## Third quarter

- Titania's detailed development plan for Ösmo phase 1 in Nynäshamn was released for consultation. The proposed plan comprises some 700 residential units of various sizes with different 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, which comprises the development rights for 74 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 detailed development plan for 'Rickebyhöjd Part 2' next to Vallentuna Centrum, which comprises 74 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 detailed development plan for Titania's unique public-sector property in Högsåtra on Lidingö island was released for review.
- Titania's detailed development plan for 'Rickebyhöjd Part 2' next to the Vallentuna Centrum, which comprises 74 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 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 detailed development 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

As 2023 draws to a close, we can conclude that forecasts of a drastic reduction in the number of housing starts have come to pass. Last year, the turf was broken on fewer housing projects in Sweden than at any time in the last decade, and there is deep and widespread pessimism about the prospects for housing construction. Despite this, Titania ended the year by starting two construction projects for a total of 280 residential units, and we are positive about the future.

### Why is Titania starting projects when so few other players are doing so?

We initiate our projects based on the same long-term analyses that have guided our decisions since we began pursuing housing development activities in the Stockholm region. The analysis suggests that, due to numerous factors, there is an increasing undersupply of this must-have product. At the same time, Stockholm is one of the economically strongest metropolitan regions in the western world and its growth forecasts are favourable. The product takes an average of two years to complete and, given the opportunity to commence the production with reasonable profitability due to current prices, we prefer to take the risk of starting projects now, rather than later. As long as the shortage continues to grow, the price increase of the housing product will, all else being equal, exceed inflationary price increases. This strong demand was confirmed in the fourth quarter with the completion of Titania's 226 residential units in the Tåby Boulevard project. Despite high rent levels, the demand was very strong. Lettings in late 2023 took place in a market with an unusually high number of recent housing completions that were the result of a peak in construction starts in 2021.

The strong demand is due to an insufficient number of residential units being built in Stockholm over several decades. With few other construction projects occurring at present, this effect will be further amplified. Consequently, we believe that the pricing of the residential units in the projects we are now launching will surpass our own initial calculations, even in real terms, when the units finally reach the market in two years' time. By 'pricing', we are not referring to the price per square metre for a tenant-owner property, but the price per month that a buyer can and is willing to pay for a certain housing function. Titania's projects allow for a flexibility in realising the value inherent in such pricing. We can either retain the units as rental apartments or sell them as tenant-owner properties, depending on which form of tenure yields the most value at the time.

### What is the price of a home in the Stockholm region?

For us, 'willingness to pay per month' is the relevant measure for determining whether the demand for new-build housing is rising or falling. This is because the monthly cost is the decisive factor for both tenants and the majority of homebuyers in the Stockholm region. The majority buy their homes with a relatively small proportion of the downpayment as equity, and their income is derived from gainful employment, which is paid monthly. The two projects that Titania launched in the fourth quarter comprise mostly small apartments and the decision to start construction was based on our experience of rent levels in already-completed projects. Titania has relevant data from the past year based on its own lettings of hundreds of small apartments in areas as diverse as Botkyrka, Vallentuna and Tåby. Based on this data and the general housing market trend, we have made the assessment that the price that a buyer is willing to pay for a one-room apartment with a new-build

standard in a location close to a railway line and within a 25-km radius of Stockholm city centre, is currently SEK 10,000 per month or more. On the outskirts of this area, the *ability* to pay is exactly the same amount, and the closer the property is to the centre of Stockholm, the higher the amount.

It may be surprising that the willingness to pay for renting a one-room apartment is SEK 10,000 per month in Botkyrka, which is at the far end of the metro line, but this is equivalent to the cost of owning a tenant-owner property in the same area. Our rental experience is derived from our project at Tingstorget in Alby, Botkyrka. The average price per square metre for small units sold in the area during 2023–2024 is just over SEK 39,000, and transactions were made at these levels throughout that period. With today's interest expenses, monthly amortisation and housing association fees, the monthly cost for a typical one-room apartment is SEK 10,000. The square-metre prices of these small units have only fallen marginally since interest-rate hikes began in early 2022. However, the monthly cost of owning as a result of these interest-rate hikes has risen by 30 to 40 percent.

The above indicates a willingness to pay that, defined as expenditure per month, has risen sharply for both rental apartments and tenant-owned properties over the past two years, when the interest rates were higher. It could be argued that the increase occurred because rising interest rates forced up the costs, but the point is just that – higher interest rates have shown that the actual willingness to pay for housing is higher than the prices that were indicated by a low-interest rate environment. Here, willingness to pay per month should be understood as the rent level at which long-term zero vacancy can be maintained. Naturally, willingness to pay should not be understood to mean that everyone in a region can afford to pay this cost. By the same token, not all car owners buy brand new cars.

### What is the cost of producing and managing a residential unit in the Stockholm region?

In highly simplified terms, we can currently produce small apartments according to the above example at the fringes of the 25 km radius for SEK 1.5 to 1.9 million per unit, including all costs – including land acquisition and financing. As property owners, each unit costs us about SEK 1,000 a month in operation and maintenance. This leaves a surplus of SEK 9,000 per month, i.e. SEK 108,000 per year. In ongoing property management, the surplus from rentals divided by the production cost yields a return of between 5.5 percent and 7 percent. Our projects are located next to railway lines in the Stockholm region. Given the low risk of vacancies and the potential upside of rents being higher upon completion of the project, even with today's challenging financing conditions, we are doing everything we can to launch projects that fall within these yield parameters. The projects we launched in the fourth quarter in Vallentuna and Rågsved comprise small apartments with an average size of 38 square metres per apartment.

### If the business concept works so well, why isn't Titania already generating major profits?

Since the primary focus of our business is project development, the cash flows from rents as described above have a relatively small impact on our net profit. However, as we build up our housing stock gradually, the impact will gain momentum. The aspect with the greatest impact on our profit is property valuations, particularly for properties where construction is underway or which have recently been completed. For this quarterly report, we have included external valuations. The yield requirement levels in the valuations have generally been raised, which, all else being equal, has resulted in further impairment losses relative to previous valuations during the year. To some extent, increases in the yield requirement were offset by higher-than-expected rent increases, and the forecast for rent increases in the next few years looks favourable. The yield requirements in the valuations of our three largest residential properties in Täby, Botkyrka and Vallentuna, all located close to railway lines, are between 4.30 percent and 4.85 percent. How yield requirement levels will develop in the future is anyone's guess, but if we look at yield-requirement levels in the Stockholm region outside the city centre, as far back as the data is available (2005), the unweighted average yield requirement is about 3.5 percent. We have been in contact with appraisers who have data on sales and so far, they have not found any verified information about any strictly residential new-build property close to rail lines in the Stockholm region that has been sold for a yield requirement of more than 4.40 percent in the past two years, despite higher interest rates. Expectations that the yield requirement would track interest-rate hikes by the same number of points, and that residential properties in Stockholm would thereby be sold out, have largely proven wrong. However, yield requirements are also linked to macro factors at the global level. Therefore, forecasts for the future are uncertain.

Increases in value due to rent uplifts seem somewhat easier to predict than yield requirements. Based on the above reasons, we believe that rents will increase in real terms, as a result of a growing undersupply in the coming years, and that values will appreciate as a result.

In this context 'undersupply of housing' should be understood to mean the overall demand for housing vs the total number of available residential units according to, for example, the Swedish National Housing Board's definition. We sometimes hear that there is an oversupply of housing due to the fact that many tenant-owner properties are up for sale but, in the overall equation, this is seldom an indicator that the sellers intend to leave the region. Rather, it is an indicator that many people want to sell in order to buy something else in the region, and that sellers and buyers periodically cannot meet in terms of the price.

### In summary

Lettings from our new-build projects in Täby and Vallentuna during the past quarter have been excellent and have, once again, confirmed the high demand and ability to pay for housing in the region. Although in other locations in Sweden it is becoming difficult to find tenants with the ability to pay for newly built housing, we are yet to see any of these problems in Stockholm. Based on this, we are confident that the launch of two new projects was the right. We believe that housing in Stockholm will make a comeback as an attractive asset class for all types of investors, and that this, coupled with rent increases, will generate value growth in the long term. Housing is special in that the supply in metropolitan regions is hampered by general resistance and the inertia in adopting detailed development plans, which occurs to a greater extent than in less developed areas. For other types of properties outside the metropolitan regions, there is never as long a gap between an arising demand and property developers in the market ensuring that the demand is met. If there are too few logistics facilities or padel courts to match the current demand, it is only a matter of a short delay before the undersupply is eliminated. There are few NIMBY- [not in my back yard] factors that prevent the establishment of logistics facilities at motorway junctions or padel courts in industrial areas. This is not the case for housing in Stockholm. The undersupply of residential units has been consistently accelerating in Stockholm for 30 years, and that is why we will be breaking ground as soon as we have the opportunity to build them.

**Einar Janson**  
CEO



**1,974,050**

PROPERTY VALUE, SEK THOUSAND  
INVESTMENT PROPERTIES  
31 Dec 2023

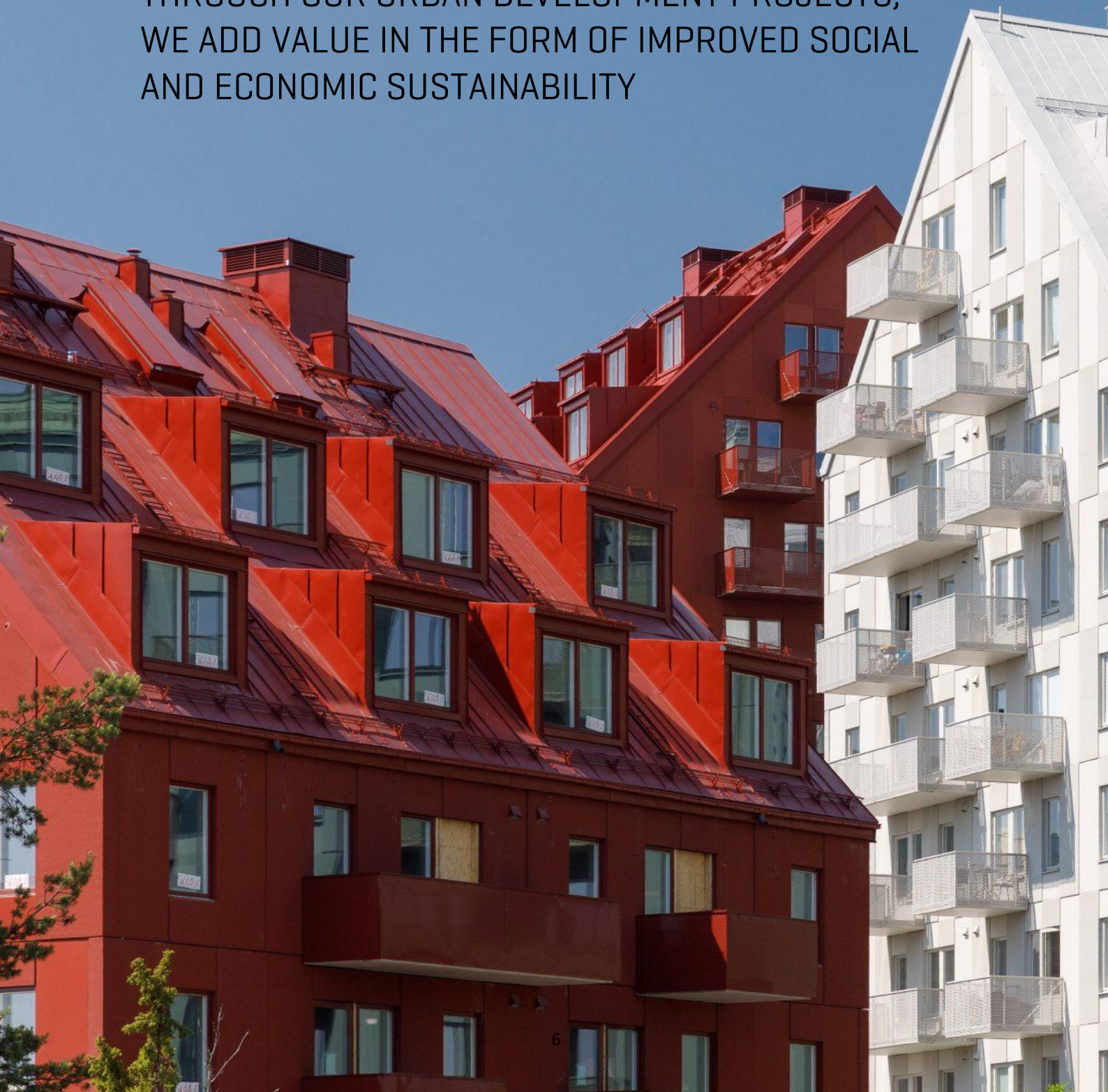
**526**

NUMBER OF  
RESIDENTIAL UNITS  
31 Dec 2023

**35,527**

RENTAL INCOME,  
SEK THOUSAND  
Jan-Dec 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, 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, start the construction 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 and 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 proprietary 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

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

#### 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 distribute 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.

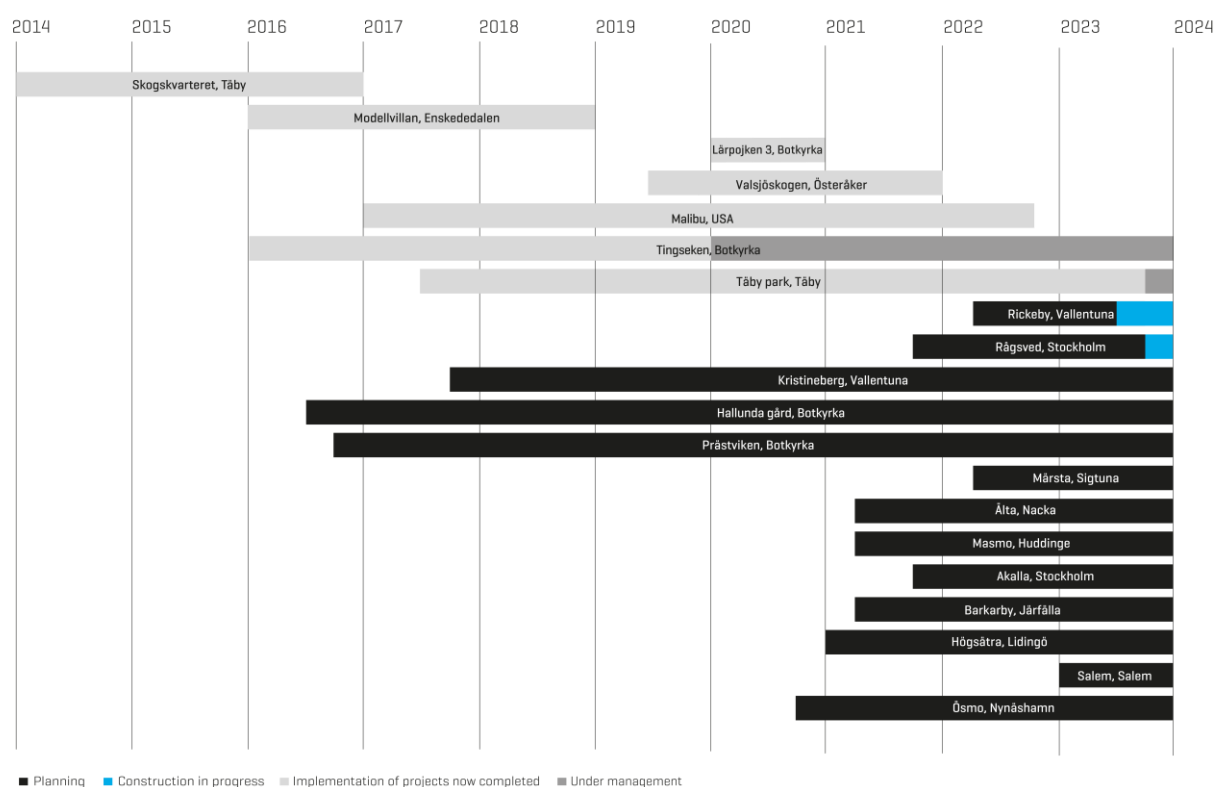
## OUR PROPERTIES AND DEVELOPMENT PROJECTS

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

Property/project	Status	Address	Municipality	Estimated completion/completed	Number of residential units	Residential/Commercial floor area
Akalla	Initial phase	Hanstavägen	Stockholm	2027	200	8,200
Barkarby	Initial phase	Barkabyfältet	Järfälla	2027	353	18,400
Hallunda gård	Initial phase	Hallunda gårdsväg	Botkyrka	2025–2028	718	47,290
Hallängen	Acquisition	Hallängen	Nynäshamn	1972	-	1,199
Herräng	Acquisition	Herrängsvägen	Norrtälje	1953	27	1,472
Högsåtra	Initial phase	Högsåtravägen	Lidingö	2027	-	5,000
Kristineberg	Initial phase	Arningevägen	Vallentuna	2025–2026	117	14,436
Masmo	Initial phase	Varvsvägen	Huddinge	2026–2027	312	20,148
Märsta	Initial phase	Central Märsta	Sigtuna	2026	91	5,436
Prästviken	Initial phase	Sankt Botvids väg	Botkyrka	2025–2028	701	39,392
Rickeby	Ongoing	Mörbyvägen	Vallentuna	2026	74	2,300
Rågsved	Ongoing	Central Rågsved	Stockholm	2025	206	7,827
Salem	Initial phase	Skyttorpsvägen	Salem	2027	100	5,950
Tingseken	Completed	Lagmansbacken	Botkyrka	2019	246	10,289
Täby park	Completed	Galoppfältet	Täby	2024	226	9,182
Vallentuna Prästgård	Completed	Vallentuna Centrum	Vallentuna	2023	27	1,269
Ålta	Initial phase	Central Ålta	Nacka	2026	178	7,298
Ösmo	Initial phase	Nyblevägen	Nynäshamn	2027	270	9,375
<b>Total</b>					<b>3,846</b>	<b>214,463</b>

### Project portfolio





## Notes on the Group's projects

Titania's business concept is to engage in project development, construction and property management in the Greater Stockholm area. 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 detailed development 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 its projects are completed and the gains from projects are calculated. In addition to project profitability, Titania's cash flow from investment properties is also expected to 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 3,300 building rights. Further information is available under the heading, 'Our properties and development projects'.

The majority of Titania's property portfolio remained fully let at the end of the period. The number of residential units under management was 526 (278).

During the quarter, construction was completed for the Täby Park project, which comprises 226 residential units and several commercial premises and 71 garage spaces. Production was implemented by New Living, which was acquired by Titania during the year.

During the quarter, construction commenced for the projects in Rågsved and Vallentuna, which are both expected to be ready for occupancy in late 2025.



# SUMMARY OF INCOME STATEMENT

## Notes on the Group's income statement

The Group 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 property portfolio consists of completed investment properties, projects in progress and development rights pertaining to projects aimed at the production of investment properties. All properties are conveyed with freehold or leasehold rights, and consist of both residential properties and commercial premises.

Since the item 'investment properties' is comprised of various components, an analysis at an overall level could be misleading. For example, the fair value might have been written down for certain components, but Titania might nevertheless report a positive effect under 'unrealised changes in value'. At the moment, the measurement of investment properties is more difficult than in previous periods, and we are adjusting the value upward or downward based on data that we deem to be reliable, and which reflects the bid-ask spread.

### The quarter October–December 2023

Income for the period totalled SEK 15,589 [11,898] thousand and consisted largely of rental income and the leasing of construction equipment.

Rental income amounted to SEK 10,247 [7,619] 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 4,470 [1,800] thousand. Net operating income amounted to SEK 5,777 [5,819] thousand. The somewhat lower net operating income for the quarter year on year is mainly attributable to operating expenses for the full year that were incurred during the quarter.

Operating loss before changes in value was SEK -178,942 [-4,279] thousand. This includes capitalised work totalling SEK 44,336 [102,855] 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 Täby Park project. Täby Park was completed during the quarter.

Unrealised changes in value for completed investment properties amounted to SEK 113,276 [-30,907] thousand. Investment properties were valued externally. This is mainly attributable to the market's marginally raised yield requirement on completed investment properties being offset by increased net operating income and completion of the project in Täby Park during the quarter, with 226 new residential units.

Projects in progress impacted earnings by SEK 134,094 [-87,011] thousand. The increase is primarily attributable to the Group receiving a larger allocation of rental apartments and the passing of detailed development plans.

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 -31,239 [-13,213] thousand. The higher finance costs are mainly attributable to increased borrowing and higher interest rates as a consequence of the market situation. Titania is subject to variable interest rates, but the interest rate risk attributable to Titania's bank financing is partly limited through an interest rate cap. This cap does not apply to the Group's bonds.

Profit/loss for the quarter was SEK 34,776 [-106,380] thousand.

### Full year 2023

Income for the period totalled SEK 64,477 [206,765] thousand and consisted largely of rental income and the leasing of construction equipment.

The decrease compared with 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 35,527 [30,031] 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. Operating expenses totalled SEK 9,176 [6,191] thousand. Net operating income amounted to SEK 26,351 [23,840] thousand. The improvement 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 -196,994 [33,903] thousand and the change is primarily attributable to sales of residential properties and contractor costs for the year. This includes capitalised work totalling SEK 335,836 [176,039] 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 Täby Park project, which was completed during the period.

Unrealised changes in value for completed investment properties amounted to SEK 113,276 [-30,907] thousand. Investment properties were valued externally. This is mainly attributable to the market's marginally raised yield requirement on completed investment properties being offset by increased net operating income and completion of the project in Täby Park during the period, with 226 new residential units.

Projects in progress impacted earnings by SEK 164,390 [-120,602] thousand. The increase is primarily attributable to the Group receiving a larger allocation of rental apartments and the passing of detailed development plans. 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 -95,815 [-53,948] thousand. The higher finance costs are mainly attributable to increased borrowing and higher interest rates as a consequence of the market situation. Titania is subject to variable interest rates, but the interest rate risk attributable to Titania's bank financing is partly limited through an interest rate cap. This cap does not apply to the Group's bonds.

Loss for the period amounted to SEK -29,677 [-132,686] thousand. The greatest deviations in profit/loss in relation to the comparative period comprise unrealised changes in value, higher interest rates and the sale of the property in Malibu, California. business and these differences will fluctuate over time.

## Notes on the Parent Company's income statement

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

### The quarter October–December 2023

The Parent Company's loss for the quarter was SEK -228,072 [-94,256] thousand.

### Full year 2023

The Parent Company's loss for the period was SEK -271,163 [-148,466] thousand. The decrease in earnings compared with the preceding year is mainly attributable to an increase in income from investments in Group companies during the year.

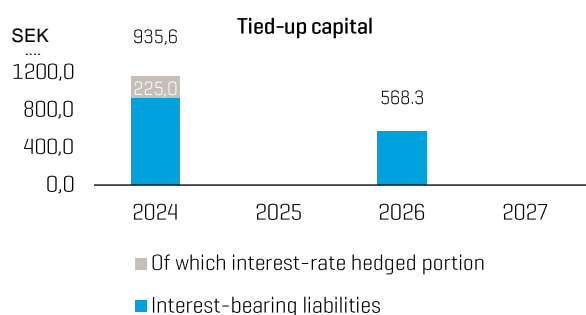


# FINANCING

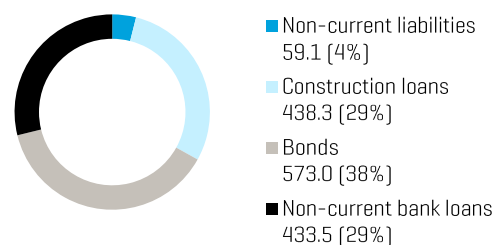
## Total financing

Maturity	Tied-up capital, SEK million				Share, %	Interest rate cap, SEK million	Interest rate cap, %	Share of interest-rate-hedged loans, %	Interest, %
	Property loans	Construction loans	Bonds	Total					
2024	433.1	-	-	433.1	29	225.0	5	15	Stibor 3M +1.4
2024	0.4	-	-	0.4	0	-	-	-	6.8-8.8
2024	-	438.3	-	438.3	29	-	-	-	Stibor 3M +2.8
2024	-	-	63.7	63.7	4	-	-	-	Stibor 3M +8.5
2025	-	-	-	-	-	-	-	-	-
2026	59.1	-	-	59.1	4	-	-	-	6.8-8.8
2026	-	-	509.3	509.3	34	-	-	-	Stibor 3M +8.5
<b>Total</b>	<b>492.6</b>	<b>438.3</b>	<b>573.0</b>	<b>1,503.9</b>	<b>100</b>	<b>225.0</b>	<b>5</b>	<b>15</b>	

The bond is reported net, together with attributable prepaid transaction costs distributed over the bond's term, up to December 2026. The bond was admitted to trading on Nasdaq Stockholm.

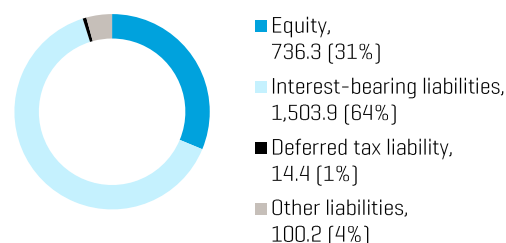


## Tied-up capital, SEK million



Provision of capital	SEK million	Share, %
Equity	736.3	31
Interest-bearing liabilities	1,503.9	64
Deferred tax liability	14.4	1
Other liabilities	100.2	4
<b>Total assets</b>	<b>2,354.8</b>	<b>100</b>

## Provision of capital, SEK million



# 31.3%

EQUITY/ASSETS RATIO  
31 Dec 2023

# 62.1%

LOAN-TO-VALUE RATIO  
31 Dec 2023

# 2,355

TOTAL ASSETS, SEK MILLION  
31 Dec 2023

## OTHER DISCLOSURES

### Operating environment factors

To date, Titania has not noted any significant consequences on the company's operations due to war 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 detailed development plans within the requisite deadlines, which could otherwise result in delays. Delays could also arise as a result of hitherto approved detailed development 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, and are described in detail on pages 59–60 of Titania's 2022 Annual Report.

### 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 8 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
<b>Total</b>	<b>4,559,985</b>	<b>4,559,985</b>			

## CONSOLIDATED INCOME STATEMENT

SEK thousand	Note	Oct-Dec		Full year	
		2023	2022	2023	2022
Income	2	15,589	11,898	64,477	206,765
Other operating income		2,922	41	4,662	744
<b>Total</b>		<b>18,511</b>	<b>11,939</b>	<b>69,139</b>	<b>207,509</b>
Contractor costs	3	-200,635	-94,497	-486,882	-263,969
Property expenses		-4,470	-1,351	-9,176	-5,743
Other external expenses		-26,127	-15,522	-63,212	-53,143
Personnel expenses		-8,327	-4,264	-32,349	-17,652
Depreciation and impairment of property, plant and equipment		-2,231	-3,438	-10,351	-9,139
Capitalised production costs		44,336	102,855	335,836	176,039
<b>Operating profit/loss before changes in value</b>		<b>-178,942</b>	<b>-4,279</b>	<b>-196,994</b>	<b>33,903</b>
Unrealised changes in value, investment properties		247,370	-117,918	277,666	-151,509
<b>Operating profit/loss after changes in value</b>		<b>68,428</b>	<b>-122,196</b>	<b>80,671</b>	<b>-117,606</b>
Finance income		1,005	250	4,983	275
Finance costs		-32,244	-13,463	-100,798	-54,223
<b>Net financial items</b>		<b>-31,239</b>	<b>-13,213</b>	<b>-95,815</b>	<b>-53,948</b>
<b>Profit/loss before tax</b>		<b>37,189</b>	<b>-135,409</b>	<b>-15,144</b>	<b>-171,555</b>
Current tax		-	-13,718	16	-13,718
Deferred tax		-2,413	42,747	-14,549	52,587
<b>Profit/loss for the period</b>		<b>34,776</b>	<b>-106,380</b>	<b>-29,677</b>	<b>-132,686</b>
<b>Profit/loss for the period attributable to:</b>					
Parent Company shareholders		34,776	-106,380	-29,677	-132,686
Basic and diluted earnings per share, SEK		0.49	-1.49	-0.42	-1.86
Average number of ordinary shares outstanding before and after dilution		71,500,000	71,500,000	71,500,000	71,500,000

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

SEK thousand	Oct-Dec		Full year	
	2023	2022	2023	2022
Profit/loss for the period	34,776	-106,380	-29,677	-132,686
Other comprehensive income				
Items that have been or may be transferred to profit or loss				
Exchange-differences on translation of foreign operations	-	9,200	-	16,079
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>9,200</b>	<b>-</b>	<b>16,079</b>
<b>Total comprehensive income/loss for the period</b>	<b>34,776</b>	<b>-97,181</b>	<b>-29,677</b>	<b>-116,606</b>
<b>Total comprehensive income/loss for the period attributable to:</b>				
Parent Company shareholders	34,776	-97,181	-29,677	-116,606

# CONSOLIDATED BALANCE SHEET

SEK thousand	Note	31 Dec	
		2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		14,019	731
Investment properties	4	1,974,050	1,212,416
Equipment		1,456	5,393
Right-of-use assets		8,486	23,736
Other non-current receivables		43,186	48,321
<b>Total non-current assets</b>		<b>2,041,196</b>	<b>1,290,597</b>
<b>Current assets</b>			
Development properties	5	46,384	106,096
Raw materials and consumables used		289	-
Trade receivables		2,565	3,965
Other receivables	6	207,225	11,356
Prepaid expenses and accrued income		15,104	3,914
Cash and cash equivalents	6	42,048	255,212
<b>Total current assets</b>		<b>313,614</b>	<b>380,542</b>
<b>TOTAL ASSETS</b>		<b>2,354,810</b>	<b>1,671,140</b>

# CONSOLIDATED BALANCE SHEET, CONT.

SEK thousand	Note	31 Dec	
		2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		715	715
Reserves		16,039	16,039
Other contributed capital		425,053	422,137
Retained earnings including profit for the period		294,459	324,136
<b>Total equity</b>		<b>736,267</b>	<b>763,027</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	7	568,315	824,479
Lease liabilities		6,631	17,811
Deferred tax liability		14,442	-
<b>Total non-current liabilities</b>		<b>589,388</b>	<b>842,290</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	7	935,568	11,250
Lease liabilities		1,945	6,067
Trade payables		30,900	16,398
Current tax liability		14,837	561
Other current liabilities		1,510	842
Accrued expenses and deferred income		44,396	30,706
<b>Total current liabilities</b>		<b>1,029,156</b>	<b>65,823</b>
<b>Total liabilities</b>		<b>1,618,544</b>	<b>908,112</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,354,810</b>	<b>1,671,140</b>



# CONSOLIDATED CASH FLOW STATEMENT

SEK thousand	Oct-Dec		Full year	
	2023	2022	2023	2022
<b>Cash flow from operating activities</b>				
Operating profit/loss after changes in value	68,428	-122,196	80,671	-117,606
Adjustment for non-cash items:				
- Depreciation/amortisation	2,231	3,438	10,351	9,139
- Provisions	-2,407	-1,936	31	-1,936
- Acquisition/divestment of subsidiaries	-	-	-7,883	-
- Changes in value of investment properties	-247,370	117,918	-277,666	151,509
- Unrealised currency effects	-	9,439	-	16,278
Interest received	1,005	10	4,983	35
Interest paid	-33,293	-13,462	-101,153	-54,222
Income tax paid	-	-13,339	-	-13,094
	-211,406	-20,128	-290,666	-9,897
<b>Cash flow from changes in working capital</b>				
Increase/decrease in development properties	3,015	-44,579	-110,685	-10,325
Increase/decrease in operating receivables	9,671	-7,710	1,930	229,998
Increase/decrease in operating liabilities	16,891	27,337	46,616	9,142
<b>Total change in working capital</b>	<b>29,578</b>	<b>-24,951</b>	<b>-62,140</b>	<b>228,816</b>
<b>Cash flow from operating activities</b>	<b>-181,828</b>	<b>-45,079</b>	<b>-352,806</b>	<b>218,919</b>
<b>Cash flow from investing activities</b>				
Investments in investment properties	22,291	-58,400	-305,022	-349,533
Investments in intangible assets	-	-	-13,288	-
Increase in non-current financial investments	-	-150	-	-4,049
Decrease in non-current financial investments	23,895	-	29,045	658
<b>Cash flow from investing activities</b>	<b>46,186</b>	<b>-58,550</b>	<b>-289,266</b>	<b>-352,924</b>
<b>Cash flow from financing activities</b>				
Proceeds from borrowings	77,878	-	452,944	95,877
Repayment of liabilities	-3,215	-2,791	-11,652	-10,226
Repayment of lease liabilities	-12,366	-5,258	-15,301	-5,258
Share-related incentive programme	-	-	2,916	-
<b>Cash flow from financing activities</b>	<b>62,298</b>	<b>-8,049</b>	<b>428,907</b>	<b>80,393</b>
<b>Cash flow for the period</b>	<b>-73,344</b>	<b>-111,678</b>	<b>-213,165</b>	<b>-53,614</b>
Cash and cash equivalents at beginning of period	115,392	366,891	255,212	308,826
<b>Cash and cash equivalents at end of period</b>	<b>42,048</b>	<b>255,212</b>	<b>42,048</b>	<b>255,212</b>

# 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 year	-	-	-	-29,677	-29,677
Share-related incentive programme	-	-	2,916	-	2,916
Total comprehensive income/loss for the period	-	-	2,916	-29,677	-26,761
Closing balance, 31 December 2023	715	16,039	425,053	294,459	736,267

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
Profit/loss for the year	-	-	-	-132,686	-132,686
Other comprehensive income for the period	-	16,079	-	-	16,079
Total comprehensive income/loss for the period	-	16,079	-	-132,686	-116,606
Closing balance, 31 December 2022	715	16,039	422,137	324,136	763,027

# INCOME STATEMENT, PARENT COMPANY

SEK thousand	Oct-Dec		Full year	
	2023	2022	2023	2022
Income	-	143	430	1,839
<b>Operating expenses</b>				
Other external expenses	-204	-1,311	-4,415	-9,077
Personnel expenses	-475	-1,204	-3,912	-5,560
<b>Operating loss</b>	<b>-679</b>	<b>-2,372</b>	<b>-7,897</b>	<b>-12,798</b>
<b>Profit/loss from financial items</b>				
Loss from investments in Group companies	-214,708	-34,292	-214,721	-49,759
Interest and similar income	1,219	-	3,597	-
Interest and similar expenses	-13,904	-10,829	-52,142	-39,145
<b>Total financial items</b>	<b>-227,393</b>	<b>-45,120</b>	<b>-263,266</b>	<b>-88,904</b>
<b>Loss after financial items</b>	<b>-228,072</b>	<b>-47,492</b>	<b>-271,163</b>	<b>-101,702</b>
<b>Appropriations</b>	<b>-</b>	<b>-46,764</b>	<b>-</b>	<b>-46,764</b>
<b>Profit/loss for the period</b>	<b>-228,072</b>	<b>-94,256</b>	<b>-271,163</b>	<b>-148,466</b>

## BALANCE SHEET, PARENT COMPANY

SEK thousand	Note	31 Dec	
		2023	2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Investments in Group companies		111,388	129,876
<b>Total non-current assets</b>		<b>111,388</b>	<b>129,876</b>
<b>Current assets</b>			
Receivables from Group companies		422,126	643,966
Prepaid expenses and accrued income		11,511	132
Other receivables	6	202,923	28
Cash and bank balances		10,781	75,022
<b>Total current assets</b>		<b>647,340</b>	<b>719,149</b>
<b>TOTAL ASSETS</b>		<b>758,728</b>	<b>849,025</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		715	715
<b>Total restricted equity</b>		<b>715</b>	<b>715</b>
<b>Unrestricted equity</b>			
Share premium reserve		424,990	422,137
Retained earnings		28,740	177,206
Profit/loss for the year		-271,163	-148,466
<b>Total unrestricted equity</b>		<b>182,567</b>	<b>450,877</b>
<b>Total equity</b>		<b>183,282</b>	<b>451,592</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	7	509,250	394,167
<b>Total non-current liabilities</b>		<b>509,250</b>	<b>394,167</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	7	63,737	-
Trade payables		377	59
Tax liabilities		267	167
Other liabilities		-	169
Accrued expenses and deferred income		1,816	2,873
<b>Total current liabilities</b>		<b>66,196</b>	<b>3,267</b>
<b>Total liabilities</b>		<b>575,446</b>	<b>397,434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>758,728</b>	<b>849,025</b>

# NOTES

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

'Quarter' refers to the most recent quarter of the interim report. 'Period' refers to all quarters of the interim report, accumulated.

## 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.

### Investment properties measured at fair value

The value of properties is measured at the end of every quarter. At least once a 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.

The Group's investment properties were externally valued on 31 December 2023.

### 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

Distribution of income	Oct-Dec		Full year	
	2023	2022	2023	2022
Rental income	10,247	7,619	35,527	30,031
Divestment of tenant-owner properties	-	-	-	12,800
Divestment of individual residential units	-	-	-	143,538
Lease of construction materials	3,182	4,354	15,665	20,186
Other	2,160	-75	13,285	210
<b>Total income</b>	<b>15,589</b>	<b>11,898</b>	<b>64,477</b>	<b>206,765</b>

## Note 3 – Distribution of contractor costs

Distribution of contractor costs	Oct-Dec		Full year	
	2023	2022	2023	2022
Contractor costs for investment properties	191,519	85,029	460,325	121,970
Contractor costs for development properties	9,116	9,468	26,557	40,835
Divestment of development properties (inventory costs)	-	-	-	101,164
<b>Total contractor costs</b>	<b>200,635</b>	<b>94,497</b>	<b>486,882</b>	<b>263,969</b>

## Note 4 – Reclassification to 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.

	31 Dec	
	2023	2022
<b>Opening balance, 1 January</b>	<b>1,212,416</b>	<b>1,013,198</b>
Purchases	313,859	350,727
Sales	-	-
Unrealised changes in value recognised in profit or loss	277,666	-151,509
Reclassification from development properties	170,109	-
<b>Closing balance</b>	<b>1,974,050</b>	<b>1,212,416</b>
<b>Changes in value, investment properties</b>		
Realised changes in value	-	-
Unrealised changes in value	277,666	-151,509
<b>Total</b>	<b>277,666</b>	<b>-151,509</b>

## Note 5 – Development properties

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

	31 Dec	
	2023	2022
<b>Opening balance, 1 January</b>	<b>106,096</b>	<b>96,493</b>
Purchases	110,397	79,357
Sales	-	-69,754
Reclassification to investment properties	-170,109	-
<b>Closing balance</b>	<b>46,384</b>	<b>106,096</b>

## Note 6 – Other receivables

The item 'other receivables' consists mainly of an escrow account for the part of the bond that Titania was yet to receive at the reporting date. SEK 203 million was transferred to an ordinary bank account on 15 January 2024.

## Note 7 – Borrowings

	31 Dec	
	2023	2022
<b>Non-current</b>		
Bonds	509,250	394,167
Liabilities to credit institutions	59,065	430,313
<b>Total</b>	<b>568,315</b>	<b>824,479</b>
<b>Current</b>		
Bonds	63,737	-
Liabilities to credit institutions	871,831	11,250
<b>Total</b>	<b>935,568</b>	<b>11,250</b>

Current liabilities are calculated as the portion of borrowings due for repayment within one year. The SEK 525 million bond is 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 8 – 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 9 – 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 for the period are reported under 'Miscellaneous' in the 'Projects in progress & miscellaneous' segment: income, SEK 15,665 thousand, profit for the period, SEK 1,071 thousand.

## Segment reporting

### INCOME STATEMENT

SEK thousand	Oct–Dec 2023			Full-year 2023		
	Completed projects	Projects in progress & miscellaneous	Total	Completed projects	Projects in progress & miscellaneous	Total
Income	10,247	5,342	15,589	35,527	28,950	64,477
Other operating income	15	2,907	2,922	750	3,912	4,662
<b>Total</b>	<b>10,262</b>	<b>8,249</b>	<b>18,511</b>	<b>36,277</b>	<b>32,862</b>	<b>69,139</b>
Contractor costs	-	-200,635	-200,635	-	-486,882	-486,882
Property expenses	-4,470	-	-4,470	-9,176	-	-9,176
Other external expenses	-462	-25,665	-26,127	-700	-62,512	-63,212
Personnel expenses	-	-8,327	-8,327	-	-32,349	-32,349
Depreciation and impairment of property, plant and equipment	-	-2,231	-2,231	-	-10,351	-10,351
Capitalised production costs	-	44,336	44,336	-	335,836	335,836
<b>Operating profit/loss before changes in value</b>	<b>5,330</b>	<b>-184,272</b>	<b>-178,942</b>	<b>26,401</b>	<b>-223,395</b>	<b>-196,994</b>
Unrealised changes in value, investment properties	113,276	134,094	247,370	113,276	164,390	277,666
<b>Operating profit/loss after changes in value</b>	<b>118,606</b>	<b>-50,178</b>	<b>68,427</b>	<b>139,677</b>	<b>-59,006</b>	<b>80,671</b>
Finance income	5	1,001	1,005	20	4,963	4,983
Finance costs	-18,341	-13,904	-32,244	-44,452	-56,346	-100,798
<b>Net financial items</b>	<b>-18,336</b>	<b>-12,903</b>	<b>-31,239</b>	<b>-44,432</b>	<b>-51,383</b>	<b>-95,815</b>
<b>Profit/loss before tax</b>	<b>100,270</b>	<b>-63,081</b>	<b>37,189</b>	<b>95,244</b>	<b>-110,388</b>	<b>-15,144</b>

SEK thousand	Oct-Dec 2022			Full year 2022		
	Completed projects	Projects in progress & miscellaneous	Total	Completed projects	Projects in progress & miscellaneous	Total
Income	7,619	4,279	11,898	30,031	176,734	206,765
Other operating income	41	-	41	60	683	744
<b>Total</b>	<b>7,660</b>	<b>4,279</b>	<b>11,939</b>	<b>30,092</b>	<b>177,417</b>	<b>207,509</b>
Contractor costs	-	-94,497	-94,497	-	-263,969	-263,969
Property expenses	-1,351	-	-1,351	-5,743	-	-5,743
Other external expenses	-2,640	-12,882	-15,522	-3,438	-49,705	-53,143
Personnel expenses	-	-4,264	-4,264	-	-17,652	-17,652
Depreciation and impairment of property, plant and equipment	-	-3,438	-3,438	-	-9,139	-9,139
Capitalised production costs	647	102,208	102,855	647	175,392	176,039
<b>Operating profit/loss before changes in value</b>	<b>4,316</b>	<b>-8,594</b>	<b>-4,279</b>	<b>21,558</b>	<b>12,344</b>	<b>33,903</b>
Unrealised changes in value, investment properties	-30,907	-87,011	-117,918	-30,907	-120,602	-151,509
<b>Operating profit/loss after changes in value</b>	<b>-26,591</b>	<b>-95,605</b>	<b>-122,196</b>	<b>-9,348</b>	<b>-108,258</b>	<b>-117,606</b>
Finance income	240	10	250	240	35	275
Finance costs	-2,213	-11,250	-13,463	-11,003	-43,221	-54,223
<b>Net financial items</b>	<b>-1,973</b>	<b>-11,240</b>	<b>-13,213</b>	<b>-10,763</b>	<b>-43,186</b>	<b>-53,948</b>
<b>Profit/loss before tax</b>	<b>-28,564</b>	<b>-106,845</b>	<b>-135,409</b>	<b>-20,111</b>	<b>-151,444</b>	<b>-171,555</b>

## BALANCE SHEET

SEK thousand	31 Dec 2023			31 Dec 2022		
	Completed projects	Projects in progress & miscellaneous	Total	Completed projects	Projects in progress & miscellaneous	Total
<b>ASSETS</b>						
Total non-current assets	1,518,000	523,196	2,041,196	693,700	596,897	1,290,597
Total current assets	101,612	212,001	313,614	117,944	262,598	380,542
<b>TOTAL ASSETS</b>	<b>1,619,612</b>	<b>735,198</b>	<b>2,354,810</b>	<b>811,644</b>	<b>859,495</b>	<b>1,671,140</b>
<b>LIABILITIES</b>						
Total non-current liabilities	59,065	530,324	589,388	451,305	390,984	842,290
Total current liabilities	871,831	157,325	1,029,156	3,787	62,036	65,823
<b>TOTAL LIABILITIES</b>	<b>930,895</b>	<b>687,648</b>	<b>1,618,544</b>	<b>455,092</b>	<b>453,020</b>	<b>908,112</b>



**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, 23 February 2024

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 submitted for publication through the agency of the above contact persons on 23 February 2024 at 08:00 hrs CET at [www.titania.se](http://www.titania.se), where all of Titania's financial statements will be available after publication.

**Financial calendar**

Annual report January–December 2023	12 April 2024
Interim Report January–March 2024	16 April 2024
2024 Annual General Meeting	30 May 2024
Interim report January–June 2024	15 August 2024
Interim Report January– September 2024	14 November 2024

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This year-end 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.

	Oct-Dec		Full year	
	2023	2022	2023	2022
<b>Earnings per share before and after dilution*, SEK</b>	<b>0.49</b>	<b>-1.49</b>	<b>-0.42</b>	<b>-1.86</b>
Profit/loss for the year/period	34,776,379	-106,380,193	-29,676,978	-132,685,617
Average number of shares	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
* 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.				
<b>Net operating income, SEK thousand</b>	<b>5,777</b>	<b>5,819</b>	<b>26,351</b>	<b>23,840</b>
Rental income	10,247	7,619	35,527	30,031
Property expenses	-4,470	-1,800	-9,176	-6,191
<b>Return on equity, %</b>	<b>4.8%</b>	<b>-13.1%</b>	<b>-4.0%</b>	<b>-16.2%</b>
Profit/loss	34,776	-106,380	-29,677	-132,686
Equity, opening balance	701,427	860,208	763,027	879,634
Equity, closing balance	736,267	763,027	736,267	763,027
Average equity	718,847	811,618	749,647	821,330
<b>Equity/assets ratio, %</b>	<b>31.3%</b>	<b>45.7%</b>	<b>31.3%</b>	<b>45.7%</b>
Equity	736,267	763,027	736,267	763,027
Total assets	2,354,810	1,671,140	2,354,810	1,671,140
<b>Loan-to-value ratio, %</b>	<b>62.1%</b>	<b>34.7%</b>	<b>62.1%</b>	<b>34.7%</b>
Interest-bearing liabilities	1,503,882	835,729	1,503,882	835,729
Cash and cash equivalents	42,048	255,212	42,048	255,212
Interest-bearing liabilities less cash and cash equivalents	1,461,835	580,517	1,461,835	580,517
Total assets	2,354,810	1,671,140	2,354,810	1,671,140
<b>Interest coverage ratio, times*</b>	<b>neg</b>	<b>neg</b>	<b>neg</b>	<b>neg</b>
Operating profit/loss before changes in value	-178,942	-4,279	-196,994	33,903
Net financial items	-31,239	-13,213	-95,815	-53,948
*As the interest coverage ratio is negative, no amount is recognised				
<b>Net asset value per ordinary share, SEK</b>	<b>10.50</b>	<b>10.67</b>	<b>10.50</b>	<b>10.67</b>
Assets	2,354,809,896	1,671,139,841	2,354,809,896	1,671,139,841
Liabilities	1,618,543,567	908,112,441	1,618,543,567	908,112,441
Deferred tax liability	14,441,937	-	14,441,937	-
Number of shares:	71,500,000	71,500,000	71,500,000	71,500,000
Equity adjusted for deferred tax liabilities	750,708,266	763,027,400	750,708,266	763,027,400

# DEFINITIONS

## Definitions of alternative performance measures

<b>Return on equity, %</b>	Profit/loss for the year/period as a percentage of average equity at the beginning and end of the period.  Purpose: A relative measurement of the company's ability to generate returns on its equity, expressed as a percentage.
<b>Total assets</b>	Equity and liabilities  Purpose: Indicates the company's financial position.
<b>Loan-to-value ratio, %</b>	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.  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.
<b>Net operating income</b>	Rental revenues less operating expenses, such as contributions for heating, water supply and sewer system, electricity, property upkeep, as well as continuous and planned maintenance.  Purpose: Net operating income is used to indicate the company's surplus from property management.
<b>Basic and diluted earnings per share, SEK</b>	Profit for the period/year attributable to the Parent Company's shareholders, divided by the weighted average number of shares outstanding during the period.  Purpose: This performance measure shows the development of profit/loss for the year/period, taking into account shares outstanding.
<b>Interest coverage ratio, times</b>	Operating profit/loss before changes in value in relation to net financial items.  Purpose: The interest coverage ratio is used to illustrate the sensitivity of the company's earnings to changes in interest rates.
<b>Equity/assets ratio, %</b>	Total equity at the end of the period as a percentage of total assets at the end of the period.  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.
<b>Net asset value per ordinary share</b>	Total equity at the end of the period, with deferred tax liability added back, divided by the number of ordinary shares.  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.
<b>Profit/loss for the year/period before tax</b>	Profit/loss before tax.  Purpose: Profit/loss for the year/period is used as a measure of the company's profitability.

## Other definitions

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.
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.
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.
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.

[www.titania.se](http://www.titania.se)