

INTERIM REPORT
JANUARY – MARCH 2023

neobo

Q1



JANUARY–MARCH 2023

- Rental income for the quarter increased to SEK 214 m (209). For the like-for-like portfolio, rental income increased by 1.6 percent. The impact of this year's rent increases for residentials, which averaged 4.3 percent, will have effect during the second quarter.
- Net operating income increased to SEK 98 m (89) during the quarter. For the like-for-like portfolio, net operating income increased by 6.6 percent due to increased income and reduced costs.
- Profit from property management totaled SEK 29 m (36) during the quarter. The decrease is primarily a result of higher financial expenses.
- The unrealized change in value of the properties amounted to SEK -329 m (-187).
- The value of the property portfolio totaled SEK 14,904 m (17,815) at the end of the period.
- Net income for the period amounted to SEK -222 m (-37), corresponding to SEK -1.53 per share (-0.25)
- The net asset value amounted to SEK 52.12 per share (71.13).

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Shares of Neobo were listed on the Nasdaq First North Premier Growth Market on February 10, 2023.
- During the quarter, Neobo finalized the refinancing of existing external financing of SEK 2 billion.
- Restructuring of the derivative portfolio was carried out during March, which led to an increase in the hedge ratio from 74 to 76 percent and a prolonged average fixed interest term from 1.8 to 2.3 years.
- Development of a sustainability strategy with concrete sustainability targets started during the quarter.

KEY METRICS	Jan 1, 2023	Jan 1, 2022	Apr 1, 2022	Jan 1, 2022
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Dec 31, 2022
Rental income, SEK m	214	209	844	839
Net operating income, SEK m	98	89	432	423
Change in value of investment properties, SEK m	-329	-187	-2,380	-2,238
Profit from property management, SEK m	29	36	165	172
Profit from property management, SEK/share	0.20	0.25	1.13	1.18
Net income for the period, SEK m	-222	-37	-1,540	-1,355
Net income for the period, SEK/share	-1.53	-0.25	-10.59	-9.32
Market value of properties, SEK m	14,904	17,815	14,904	15,295
Loan-to-value ratio, %	47	41	47	47
Interest coverage ratio, multiple	1.5	1.9	1.9	2.0
Net asset value per share, SEK	52.12	71.13	52.12	54.26
Economic occupancy rate, %	91.7		91.7	92.0
Surplus ratio, %	46	43	51	50

Comparisons between years: property portfolios differ between 2022 and 2023, see page 4.

Stable start to the year

The first quarter as an independent company was intensive and included the stock exchange listing, work to continue building the organization and business planning. It is gratifying that we, despite all of this, have maintained our focus on our core business and have reported a good start to the year.

Net operating income increased 10 percent to SEK 98 m. For the like-for-like portfolio, net operating income increased by 6.6 percent due to higher rental income and good cost control. Profit from property management fell to SEK 29 m (36) due to higher financing costs during the quarter and the property portfolio's value declined by 2.6 percent as a result of increased yield requirements for residential properties.

STRONG FINANCIAL POSITION

In a world of rising interest rates and high inflation, it feels reassuring to have a low loan-to-value ratio and long loan-to-maturity. All of our financing consists of bank loans and at the end of the quarter we had a loan-to-value ratio of 47 percent, an average debt duration of 4.1 years and an increased fixed interest rate of 2.3 years.

GOOD OUTCOME FROM RENT NEGOTIATIONS

At the end of the quarter, we had completed negotiations for about 70 percent of our rental income in the residential portfolio with an average rent increase of 4.3 percent. The remaining negotiations are expected to be completed during the second quarter. The increase is below current inflation but historically property owners have been fully compensated for inflation over time, which we expect will also be the case moving forward.

TOP PRIORITY IS REDUCING VACANCY RATES

Reducing our vacancy rates is our top priority. For the quarter, leasing was positive for residential properties and vacancies decreased from 6.6 percent to 6.4 percent. However, vacancies in our commercial premises increased from 11.3 percent to 13.0 percent as a large premises was vacated in a public sector property in Sollentuna. In order to reduce vacancies in the residential portfolio, we are now focusing on a number of measures, such as renovating empty apartments and conducting



activities to increase tenant satisfaction and reduce tenant turnover. When it comes to vacant commercial premises, we are working purposefully to find the right tenants and in some cases also other uses for the premises to accomplish our leasing goals.

FOCUS ON INCREASED YIELD AND SUSTAINABILITY

Our prime focus here and now is on increasing the return on the existing portfolio by raising rental income, reducing the vacancy rate and implementing value-generating investments. In the next stage, we will also review the potential to optimize the portfolio to add further value.

We also accelerated our sustainability activities and launched an initiative to draft a sustainability strategy with concrete targets linked to this. Moving forward, we will focus intently on both environmental and social sustainability, and will prioritize initiatives that reduce our climate impact and increase security and satisfaction for our customers.

We have an exciting journey ahead of us!

Stockholm, May 10, 2023

Ylva Sarby Westman, CEO

About Neobo

BACKGROUND

Neobo's current Group structure was created during the fourth quarter of 2022 and the company was spun off to SBB's shareholders on December 31. Shares of Neobo were listed on the Nasdaq First North Premier Growth Market on February 10, 2023.

The foundation of Neobo's property portfolio was the properties that existed in Amasten Fastighets AB at September 30, 2022. At the end of December, properties valued at SEK 5.8 billion were sold to SBB and properties valued at SEK 5.2 billion were acquired from SBB. At year-end, Neobo held properties valued at SEK 15.3 billion.

VISION

We create attractive and sustainable living environments where people can thrive and feel secure.

BUSINESS CONCEPT

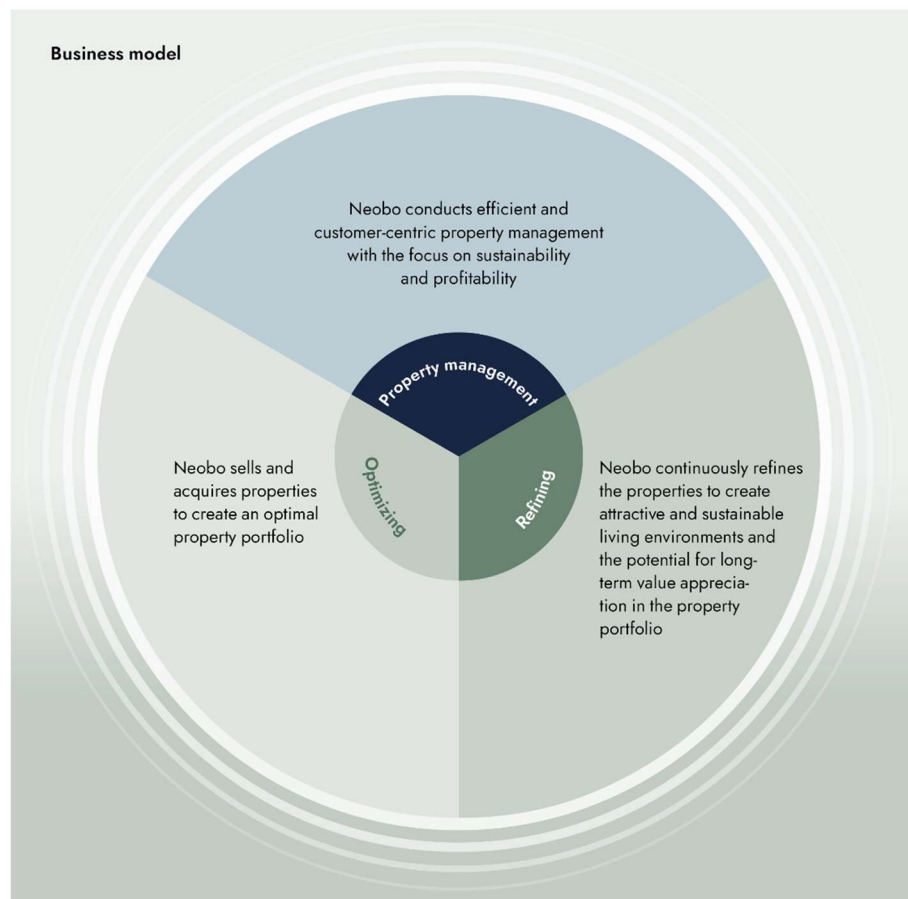
Neobo's business concept is to manage and refine residential properties in Swedish municipalities experiencing population growth and good demand for residential properties.

STRATEGY

- Long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield.
- Proactive sustainability approach through energy optimization, sustainability certifications and social sustainability initiatives.
- Local property management organization with a focus on leasing and value-generating refinement.
- Geographically well-diversified property portfolio in municipalities with population growth and a housing deficit.

FINANCIAL TARGETS

- Return on equity over time to exceed 10 percent.
- Loan-to-value ratio shall not exceed 65 percent of the properties' market value.
- The interest coverage ratio shall exceed a multiple of 1.5.
- The equity/assets ratio shall exceed 30 percent.



Property portfolio

Neobo manages and refines residential properties in 40 municipalities in Sweden. The portfolio consists of 268 properties and 8,401 residential apartments with a total leasable area of 713,981 sq. m.

Residential properties account for 95 percent of the properties, with the remainder consisting of community service properties in the schools and healthcare segments.



Residential properties,
95%

PROPERTY VALUATION

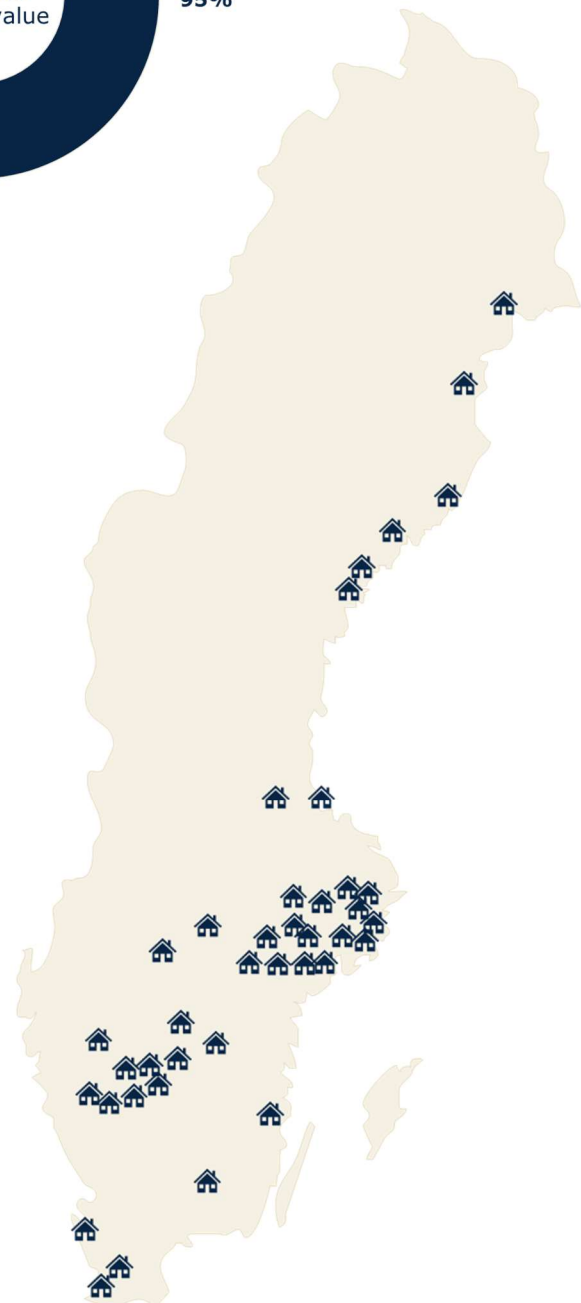
The property portfolio's value declined by 2.6 percent during the quarter to SEK 14,904 m as a result of increased yield requirements for residential properties.

The value has been established based on valuations conducted by external, authorized property assessors. The valuations were conducted using analyses of future cash flows for the respective properties, whereby current rental contract terms, the market's yield requirement, rental levels, operating and maintenance expenses and the properties' investment requirements have been taken into account. An average yield requirement of 4.3 percent was used in the valuation. The property value includes SEK 73 m (117) for building rights that were valued by applying the location-price method, which means that the value was assessed on the basis of comparisons of prices for similar building rights. Accordingly, fair value was measured according to IFRS 13, Level 3.

SENSITIVITY ANALYSIS VALUATION

The property valuations were performed according to generally accepted principles based on market-aligned assumptions. The table below shows how the value is impacted by a change in certain assumed parameters.

The table provides a simplified impression since a single parameter would probably not change in isolation.



	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+/- 5%	+/- 1,115	+/- 7%
Operating and maintenance	+/- 5%	+/- 399	+/- 3%
Required investment yield	+ / -0.25% unit	-867 / +992	-6% / +7%
Long-term vacancy rate	+ / -0.25% unit	+/-49	+/-0%

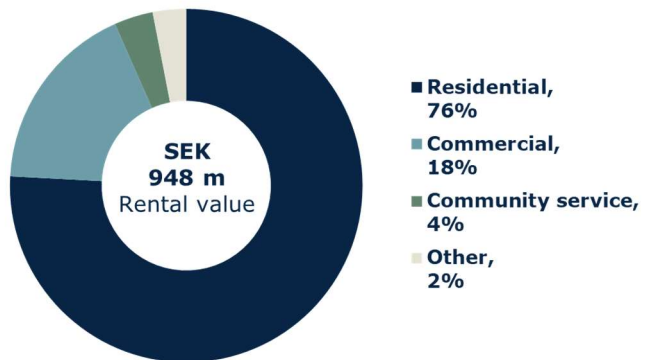
RENTAL VALUE AND CUSTOMERS

The annual rental value amounted to SEK 948 m on April 1. Residential properties accounted for 76 percent of the rental value and premises for 22 percent. The rental value increased during the quarter as a result of completed rent negotiations. During the first quarter, 70 percent of negotiations were completed for residential properties with an average rent increase of 4.3 percent.

Neobo's tenants mainly comprise private individuals, and a number of corporate customers who lease stores, restaurants and offices on the ground floors of the residential properties, or are customers in one of our public sector properties. Our largest commercial tenants include Axfood, Sala Municipality, Timrå Municipality and Neobo Continental Apartments.

ECONOMIC OCCUPANCY RATE

The economic occupancy rate was 91.7 percent. The occupancy rate for the residential portfolio was 93.6 percent and for commercial premises 87.0 percent. The vacancies for commercial premises were mainly due to a small number of large vacant premises. Residential vacancies were in part due to apartments vacated pending renovation and the high turnover of tenants in certain areas.



LOCAL PROPERTY MANAGEMENT ORGANIZATION

Neobo's property management organization is divided into two regions – South and North – in order to strengthen its local presence and ensure proximity to tenants. Customer-centric property management supports a high occupancy rate and is a prerequisite to conduct active and value-creating property management.

Region	Number of properties	Number of apartments	Floor area, thousand sq. m.	Property value		Rental value	
				SEK m	SEK/sq. m.	SEK m	SEK/sq. m.
North	100	2,837	262	6,345	24,191	389	1,483
South	168	5,564	451	8,560	18,961	559	1,238
Total	268	8,401	714	14,904	20,883	948	1,328

Current earnings capacity

The current earnings capacity on a 12-month basis, based on Neobo's property portfolio at April 1, 2023, is presented on the right.

Current earnings capacity is not a forecast of the coming 12 months; it is an instantaneous impression intended to illustrate annualized income and expenses based on the property portfolio, financial expenses, capital structure and organization at a given point in time.

The current earnings capacity does not include an assessment of the future trends in rents, vacancy rates, property management costs, interest rates, changes in value, purchases or sales of properties or other factors. The Group's earnings capacity does not include the earnings effect of unrealized and realized changes in value.

BASIS FOR CALCULATING EARNINGS CAPACITY

The current earnings capacity has been based on annualized contractual rental income, including supplements and other property-related income based on current rental contracts as per April 1, 2023. All vacancies as per April 1, 2023, including temporary vacancies, have been indexed on an annualized basis.

Property management costs consist of budgeted costs for a normal year and include operating and maintenance costs as well as property administration. Property tax has been calculated on the basis of the current tax assessment value of the properties at April 1, 2023.

Central administration costs have been calculated on the basis of Neobo's organization being an independent unit. Net financial items are defined as interest costs, which have been calculated by applying, on top of Neobo's indebtedness, financing terms and conditions subject to the variable market conditions applying as per April 1, 2023, including the effects of derivatives. Any interest income on cash and short-term deposits and non-recurring costs related to the spinoff and the listing of Neobo shares have not been taken into account.

Neobo's earnings capacity SEK m	Apr 1, 2023	Jan 1, 2023
Rental value	948	924
Vacancy	-79	-74
Rental income	869	850
Property management costs	-365	-365
Property tax	-24	-23
Net operating income	480	462
Central administration	-50	-50
Net financial items	-222	-190
Profit from property management	208	222



Sustainability

Neobo actively pursues sustainability as an integral part of its operations through systematic environmental, social and economic sustainability efforts. Developing sustainable and secure living environments includes offering energy-efficient residential properties in attractive locations that harmonize with the surrounding community. Through active and customer-centric property management, Neobo contributes to increased stability, security and long-term sustainable environments and attractive residential areas.

Neobo's sustainability work is primarily pursued in the following areas:

- Reduced climate impact and energy consumption.
- Secure and pleasant living environments
- Strengthen the importance of rental apartments in society.

In 2023, Neobo will prepare a sustainability strategy and concrete sustainability targets.

RAPID PAYBACK FOR ENERGY INVESTMENT IN TIDAHOLM

In 2019, a new ventilation unit with exhaust air recycling was installed, which helps to reduce heating costs, since warm air from the properties is utilized by being returned to the properties' heating system. This was followed in 2021 by the large-scale installation of solar cells on the buildings' roofs, generating a total output of 194 kWp. The expected annual production amounts to 145,000 kWh, of which 60 percent is estimated to be used to cover parts of the properties' own consumption of some 300,000 kWh with the remainder sold to the energy grid.

The solar cell installation was deployed in early March 2023. Together with other actions such as adjustments of flows and temperatures, it is estimated that the investments will reduce energy consumption by at least 40 percent,

enabling the property to qualify for SGBC iDrift environmental certification.

Similar energy-saving investments were also implemented in the Valhall 5 and Yggdrasil 1&2 properties in Skara.



Financing

Neobo has a low financial risk and operations are financed with equity and bank loans. The loan-to-value ratio shall be less than 65 percent, the interest coverage ratio shall exceed a multiple of 1.5 and the equity/assets ratio shall exceed 30 percent.

At the beginning of the year, existing bank loans of approximately SEK 2 billion were refinanced with new maturities of 3.5–5 years.

In order to secure Neobo's future cash flows and reduce the financial risk, a restructuring of the derivative portfolio was carried out during March, which led to an increase in the hedge ratio from 74 to 76 percent and a prolonged average fixed interest term from 1.8 to 2.3 years.

INTEREST-BEARING LIABILITIES

Neobo's borrowing is with Nordic banks using mortgage deeds as underlying collateral. Interest-bearing liabilities in the Group amounted to SEK 7,352 m (7,644) at the end of the quarter. The loan-to-value ratio was 47 percent (41) and the equity/assets ratio 48 percent (49). At the end of the quarter, the average loan-to-maturity period was 4.1 years, the hedge ratio was 76 percent (40) and the average fixed interest rate period

increased to 2.3 years. The interest coverage ratio was a multiple of 1.9.

Neobo has continued to work actively to maintain a low rate of interest on interest-bearing liabilities. At the end of the period, the average interest rate was 3.0 percent (1.6).

DERIVATIVE INSTRUMENTS

In order to limit the interest rate risk associated with liabilities to credit institutions at a floating interest rate and to increase the predictability of profit from property management, interest rate derivatives are used. At the end of the period, the aggregated nominal value of interest rate derivatives was SEK 5,652 m with maturities of between one and eight years.

In accordance with the accounting rules in IFRS 9, derivatives are recognized at market value. If the agreed interest rate deviates from the market interest rate, a surplus or deficit value arises for the interest rate derivatives, and this non-cash change in value is recognized in profit or loss. At the end of the quarter, interest rate derivatives had a fair value of SEK 344 m (70).

LOAN-TO-VALUE MATURITY, MARCH 31, 2023

Year of maturity	Nominal amount, SEK m	Percentage
<1	0	0%
1–2	85	1.2%
2–3	3,597	48.9%
3–4	1,502	20.4%
4–5	1,130	15.4%
5<	1,038	14.1%
Total	7,352	100%

INTEREST RATE DURATION, MARCH 31, 2023

Year of maturity	Nominal amount, SEK m	Percentage
<1	2,511	34.2%
1–2	500	6.8%
2–3	1,680	22.9%
3–4	2,061	28.0%
4–5	0	–
5<	600	8.2%
Total	7,352	100%

Consolidated income statement

Amounts in SEK m	Jan 1, 2023	Jan 1, 2022	Apr 1, 2022	Jan 1, 2022
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Dec 31, 2022
Rental income	214	209	844	839
Operating costs	-83	-78	-303	-298
Maintenance	-15	-15	-58	-58
Property administration	-12	-21	-28	-37
Property tax	-6	-6	-23	-23
Property management costs	-116	-120	-412	-416
Net operating income	98	89	432	423
Central administration	-15	-13	-81	-79
Profit before financial items	83	76	351	344
Net financial items	-54	-40	-186	-172
Profit from property management	29	36	165	172
Change in values on properties	-329	-187	-2,380	-2,238
Results from production of residential properties	0	7	-24	-17
Change in value of financial instruments	-49	55	-4	100
Profit/loss before tax	-349	-89	-2,243	-1,983
Current tax	-9	-6	-41	-38
Deferred tax	136	58	744	666
NET LOSS FOR THE PERIOD	-222	-37	-1,540	-1,355
Average number of shares	145,400,737	145,400,735	145,400,735	145,400,735
Earnings per share, SEK	-1.53	-0.25	-10.59	-9.32

Comments on the consolidated income statement

The foundation of Neobo's property portfolio was the properties that existed in Amasten Fastighets AB at September 30, 2022. At the end of December, properties valued at SEK 5.8 billion were sold to SBB and properties valued at SEK 5.2 billion were acquired from SBB. The like-for-like portfolio of properties therefore consists of the properties remaining in Neobo's portfolio from the earlier Amasten Fastighets AB.

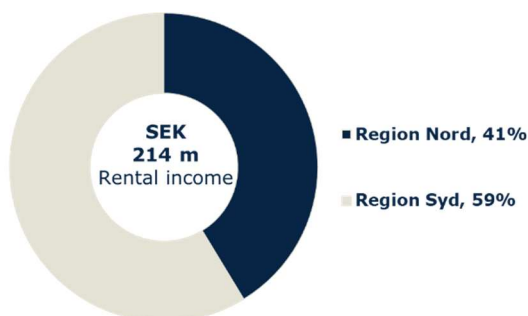
NET OPERATING INCOME

Net operating income increased by SEK 9 m to SEK 98 m (89) during the first quarter. For the like-for-like portfolio, the corresponding increase was 6.6 percent due to increased rental income and reduced property management costs.

RENTAL INCOME

Rental income increased to SEK 214 m (209). For the like-for-like portfolio, rental income increased 1.6 percent for the period. This year's rent negotiations with Hyresgästföreningen (Swedish Union of Tenants) have been completed for most of the residential portfolio and the increase averaged 4.3 percent. The rent increase will have effect during the second quarter and has therefore not impacted the outcome of the first quarter. The increase during the first quarter was largely due to rent increases for commercial premises. The economic occupancy rate was 91.7 percent.

RENTAL INCOME BY SEGMENT



PROPERTY MANAGEMENT COSTS

Property management costs decreased during the first quarter by SEK 4 m to SEK -116 m (-120). The reduction is a net effect of increased operating costs of SEK 5 m and decreased property administration of SEK 9 m. The increase

in operating costs is derived from higher costs for electricity and heating, which were offset by reduced costs for property administration attributable to lower personnel costs.

PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the period totaled SEK 29 m (36). The decrease in relation to last year is derived from increased financing costs.

CENTRAL ADMINISTRATIVE COSTS

Central administrative costs increased by SEK 2 m to SEK -15 m (-13). Non-recurring costs were charged to the quarter of SEK 3 m relating to the separation from SBB and Neobo's listing on Nasdaq First North Premier Growth Market. Excluding non-recurring costs, central administrative costs decreased by SEK 1 m due to lower personnel costs.

NET FINANCIAL ITEMS

Net financial items amounted to SEK -54 m (-40) for the period. The average interest rate paid during the first quarter was 3.0 percent (1.6). Financial expenses rose as a result of raised margins in refinancing and the higher underlying base rate.

NET INCOME FOR THE PERIOD

Net income for the period amounted to SEK -222 m (-37).

CHANGES IN VALUE

The unrealized change in value of the properties amounted to SEK -329 m (-187) for the quarter. The change in value was primarily due to raised yield requirements for residential properties. Unrealized changes in value of derivatives amounted to SEK -49 m (55), driven by falling long-term interest rates.

TAX

Recognized tax during the period amounted to SEK 127 m (52), of which SEK -9 m (-6) is current tax and the remainder is deferred tax. Tax has been calculated based on a nominal tax rate of 20.6 percent.

Condensed consolidated balance sheet

Amounts in SEK m	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Investment properties	14,904	17,815	15,295
Right-of-use assets, leaseholds	0	14	0
Intangible assets	3	0	3
Other non-current assets	4	89	4
Derivatives	344	70	393
Total non-current assets	15,255	17,988	15,695
Current assets	201	466	127
Cash and cash equivalents	159	230	231
Total current assets	360	696	358
Total assets	15,615	18,684	16,053
EQUITY AND LIABILITIES			
Equity	7,555	9,093	7,777
Deferred tax liabilities	367	1,319	505
Non-current interest-bearing liabilities	7,352	3,387	6,571
Lease liabilities, leaseholds	0	14	0
Other non-current liabilities	1	2	2
Total non-current liabilities	7,720	4,722	7,078
Other current liabilities	340	4,869	1,198
Total current liabilities	340	4,869	1,198
Total equity and liabilities	15,615	18,684	16,053

Consolidated change in equity

Amounts in SEK m	Attributable to Parent Company shareholders			
	Share capital	Other contributed capital	Retained earnings	Total equity
Opening balance at January 1, 2022	752	5,141	3,238	9,131
Net Loss for the period			-37	-37
Closing balance at March 31, 2022	752	5,141	3,201	9,094
Net Loss for the period			-1,317	-1,317
Closing balance at December 31, 2022	752	5,141	1,884	7,777
Net Loss for the period			-222	-222
Closing balance at March 31, 2023	752	5,141	1,662	7,555

Comments on the consolidated balance sheet

INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 14,904 m (17,815) at the end of the period. The value has been established based on valuations conducted by external, authorized property assessors. An average yield requirement of 4.3 percent was used in the valuation. For more information, refer to the Property portfolio section.

CHANGE IN PROPERTY PORTFOLIO

SEK m	Jan 1, 2023	Jan 1, 2022
	Mar 31, 2023	Mar 31, 2022
Fair value, opening balance	15,295	17,173
Acquisitions	-100	767
Investments	38	62
Divestments	0	0
Unrealized changes in value	-329	-187
Fair value, closing balance	14,904	17,815

Settlement attributable to the separation from SBB took place during the quarter, which is recognized as a negative amount on the line for acquisitions.

During the period, SEK 38 m (62) was invested in existing properties.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 159 m (230). Final settlement of the separation from SBB will take place during the third quarters.

EQUITY

Equity on the balance sheet date amounted to SEK 7,555 m (9,093).

DEFERRED TAX

Deferred tax is calculated based on a nominal tax rate of 20.6 percent on the difference between carrying amounts and the tax-assessment values of assets and liabilities, and taking tax loss carry forwards into account. The deferred tax liability at the end of the period was SEK 367 m (1,319) and was largely attributable to investment properties.

INTEREST-BEARING LIABILITIES

At the end of the period, interest-bearing liabilities amounted to SEK 7,352 m (7,644) with an average interest of 3.0 percent (1.6). At the same time, the loan-to-value ratio was 47 percent (41). The company uses interest rate swaps to extend the fixed rate period. The value of the derivative portfolio was SEK 344 m (70) at the end of the period. For further information, see the Financing section.

Cash flow statement Group

Amounts in SEK m	Jan 1, 2023 Mar 31, 2023	Jan 1, 2022 Mar 31, 2022	Jan 1, 2022 Dec 31, 2022
Operating activities			
Profit from property management	29	36	172
<i>Adjustment for non-cash flow items</i>			
Depreciation	0	0	1
Net interest income	54	42	172
Interest paid	-57	-44	-192
Interest received	38	2	16
Tax paid	-3	-19	-22
Cash flow from operating activities before changes in working capital	61	17	147
Cash flow from changes in working capital			
Increase (-)/Decrease (+) of operating receivables	-13	360	224
Increase (+)/Decrease (-) of operating liabilities	-23	385	172
Cash flow from operating activities	25	762	542
Investing activities			
Investments in properties	-38	-62	-722
Acquisition of subsidiaries less acquired cash and short-term deposits	0	-767	-3,084
Disposals of subsidiaries less cash and short-term deposits	0	0	5,451
Cash flow from financial assets	0	4	-318
Change in other long-term receivables	0	-204	0
Cash flow from investing activities	-38	-1,029	1,327
Financing activities			
Borrowings	0	170	4,143
Repayment of loans	-58	-17	-5,919
Change in other non-current liabilities	-1	0	-206
Cash flow from financing activities	-59	153	-1,982
Cash flow for the period	-72	-114	-112
Cash and cash equivalents at the beginning of the period	231	344	344
Cash and cash equivalents at the end of the period	159	230	231

Comments on the cash flow statement

The cash flow statement was prepared using the indirect method, which means that the net result is adjusted for transactions that did not involve incoming or outgoing payments during the period and for any income and expenses attributable to investment or financing activity cash flows. Operating cash flow after changes in working capital amounted to SEK -72 m. SEK 38 m was invested in existing properties and projects. Cash and cash equivalents on the balance sheet date amounted to SEK 159 m (230). Final settlement of the separation from SBB will take place during the third quarter of this year.

Parent Company income statement

Amounts in SEK m	Jan 1, 2023	Jan 1, 2022	Apr 1, 2022	Jan 1, 2022
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Dec 31, 2022
Net sales	0	19	63	82
Personnel costs	-3	-22	-29	-48
Other operating expenses	-11	-13	-92	-94
Operating profit/loss	-14	-16	-58	-60
Profit from financial items				
Profit from participations in Group companies	0	0	3,587	3,587
Interest income and similar items	4	15	102	113
Interest costs and similar items	-1	-3	-38	-40
Profit/loss after financial items	-11	-4	3,593	3,600
Appropriations	0	0	0	0
Profit/loss before tax	-11	-4	3,593	3,600
Tax	0	0	-5	-5
NET LOSS FOR THE PERIOD	-11	-4	3,588	3,595

Parent Company balance sheet

Amounts in SEK m	Mar 31, 2023	Mar 31, 2022	Dec 31, 2022
ASSETS			
Property, plant and equipment	0	0	0
Financial assets	0	1,941	0
Current assets	8,096	2,569	8,116
Total assets	8,096	4,510	8,116
EQUITY AND LIABILITIES			
Equity	8,073	4,485	8,085
Current liabilities	23	25	31
Total equity and liabilities	8,096	4,510	8,116

Other information

RISKS AND UNCERTAINTIES

Neobo's operations, earnings and financial position are impacted by a number of risk factors. These are mainly related to properties, tax and financing. The company actively strives to identify and manage the risks and opportunities that are of great importance for operations. More information about Neobo's risks and management of these can be found in the 2022 Annual Report on pages 27–28.

ACCOUNTING POLICIES

Neobo's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and for the Parent Company in accordance with Chapter 9 of the Swedish Annual Accounts Act. Furthermore, appropriate provisions of the Annual Accounts Act and the Swedish Securities Market Act were applied. The Group and the Parent Company applied the same accounting policies and basis of calculation as that used in the most recent annual report. In addition to the financial statements and their accompanying notes, disclosures in accordance with IAS 34.16A can also be found in other parts of the interim report. The preparation of the interim report requires executive management to make judgements and estimates and make assumptions that affect the application of the accounting policies and the recognized amounts of assets, liabilities, income and costs. The actual outcome may deviate from these estimates and judgements. The critical judgements made and the sources of uncertainty in the estimates are the same as in the most recent annual report.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have taken place after the balance sheet date.

Stockholm, May 10, 2023

Ylva Sarby Westman
Chief Executive Officer

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

Neobo shares

Neobo's share was listed on the Nasdaq First North Premier Growth Market on February 10, 2023.

SHARE CAPITAL

Neobo has only ordinary shares. The number of shares outstanding at the end of the quarter was 145,400,737 and the share capital amounted to SEK 752,027,538. Each share has a quotient value of SEK 5.17 and entitles the holder to one vote. Shares carry equal rights to dividends.

SHAREHOLDER AND OWNERSHIP STRUCTURE

The ten largest shareholders controlled 38.5 percent of the share capital and voting rights at March 29, 2023. Swedish companies, funds and private individuals owned 86.4 percent of the share capital while foreign share ownership amounted to 13.6 percent. The number of shareholders was 184,033.

LARGEST SHAREHOLDERS AT MARCH 29, 2023

Shareholders	No. of shares	Percentage of share capital and voting rights
Ilija Batljan	13,474,578	9.3%
Avanza Pension	8,355,295	5.8%
Arvid Svensson Invest	6,664,412	4.6%
Länsförsäkringar Fonder	6,315,809	4.3%
Sven-Olof Johansson	5,500,000	3.8%
Swedbank Robur Fonder	4,300,000	3.0%
Öst/Väst Capital Management	3,080,200	2.1%
Futur Pension	2,815,093	1.9%
Nordnet Pensionsförsäkring	2,795,326	1.9%
Gösta Welandson and companies	2,620,848	1.8%
Total 10 largest	55,921,561	38.5%
Other	89,479,176	61.5%
Total	145,400,737	100%

SHARE INFORMATION

Ticker	NEOBO
ISIN Code:	SE0005034550
LEI Code:	213800QBPS3L89U9TZ44

Definitions

FINANCIAL DEFINITIONS

Number of shares outstanding

The number of shares outstanding at the end of the period.

Return on equity, %

Net income for the period in relation to average equity for the period.

The key metric shows Neobo's return on equity during the period.

Loan-to-value ratio, %

Interest-bearing liabilities in relation to total assets at the end of the period.

The key metric is used to illustrate Neobo's financial risk.

Profit from property management

Profit before changes in value and tax.

The key metric provides a measurement of the operations' profit generation regardless of changes in value.

Average number of shares

The number of shares outstanding weighted over the period.

Average interest rate, %

Weighted average contracted interest for interest-bearing liabilities at the end of the period excluding unutilized credit facilities.

The key metric is used to illustrate Neobo's financial risk.

Cash flow from operating activities, SEK

Cash flow from operating activities before changes in working capital according to the cash flow statement.

Earnings per share, SEK

Net income for the period in relation to the average number of shares.

Interest coverage ratio, multiple

Profit from property management (past 12 months) after reversal of net interest in relation to net interest.

The key metric is used to illustrate Neobo's financial risk.

Equity/assets ratio, %

Equity in relation to total assets.

The key metric is used to illustrate Neobo's financial stability.

Net asset value, SEK

Recognized equity attributable to shares, with the reversal of recognized deferred tax liabilities and interest rate derivatives.

The key metric is used to illustrate Neobo's value.

PROPERTY-RELATED DEFINITIONS

Number of properties

Number of properties at the end of the period.

Number of sq. m.

Total area in the property portfolio at the end of the period.

Investment yield, %

Budgeted net operating income (rolling 12-month basis) in relation to the sum of the properties' fair value at the end of the period excluding the property value of building rights and development properties.

The key metric is used to illustrate the yield level for net operating income in relation to the value of the properties.

Net operating income, SEK

Rental income less property management costs.

Economic occupancy rate, %

Contracted annual rent at the end of the period in relation to rental value.

The key metric is used to facilitate the assessment of rental income in relation to the total value of the potential leasable area.

Economic vacancy rate, %

Annual rent for vacant floor area at the end of the period in relation to rental value at the end of the period.

The key metric is used to facilitate the assessment of rental value for vacant rental objects in relation to the total value of the potential leasable area.

Rental income, SEK

Charges for the period with deductions for rental losses.

Like-for-like portfolio

Relates to properties owned for the full period and the full comparative period.

Market value of properties, SEK

Fair value of the properties at the end of the period.

Surplus ratio, %

Net operating income as a percentage of rental income for the period.

The key metric shows how much of the rental income remains after direct property management costs.

Derivation of key metrics

	Jan 1, 2023 Mar 31, 2023	Jan 1, 2022 Mar 31, 2022	Apr 1, 2022 Mar 31, 2023	Jan 1, 2022 Dec 31, 2022
NET ASSET VALUE				
Number of shares outstanding, thousands	145,401	145,401	145,401	145,401
Equity	7,555	9,093	7,492	7,777
Add back of deferred tax	367	1,319	430	505
Add back of derivatives	-344	-70	-344	-393
Net asset value	7,578	10,342	7,578	7,889
SEK/share	52.12	71.13	52.12	54.26
SURPLUS RATIO				
Net operating income	98	89	432	423
Rental income	214	209	844	839
Surplus ratio, %	46	43	51	50
LOAN-TO-VALUE RATIO				
Total assets	15,615	18,684	15,615	16,054
Interest-bearing liabilities	7,352	7,644	7,352	7,496
Loan-to-value ratio, %	47	41	47	47
INTEREST COVERAGE RATIO				
Profit from property management	29	36	165	172
Add back, net interest	54	40	186	172
Total	83	76	351	344
Net interest income	54	40	186	172
Interest coverage ratio, multiple	1.5	1.9	1.9	2.0
RETURN ON EQUITY				
Net income for the period	-222	-37	-1,540	-1,355
Equity, average	7,635	9,112	8,293	8,454
Return on equity, %	-2.9	-0.4	-18.6	-16.0
INVESTMENT YIELD				
Net operating income according to earnings capacity	480		480	462
Investment properties	14,904		14,904	15,295
Building rights/development properties	73		73	80
Property value, excl. building rights/development properties	14,832		14,832	15,215
Investment yield, %	3.2		3.2	3.0
ECONOMIC OCCUPANCY RATE				
Rental income according to earnings capacity	869		869	850
Rental value according to earnings capacity	948		948	924
Economic occupancy rate, %	91.7		91.7	92.0
EARNINGS PER SHARE				
Net income for the period	-222	-37	-1,540	-1,355
Average number of shares	145,400,735	145,400,735	145,400,735	145,400,735
SEK/share	-1.53	-0.25	-10.59	-9.32
EQUITY/ASSETS RATIO				
Equity	7,555	9,093	7,492	7,777
Total assets	15,615	18,684	15,615	16,054
Equity/assets ratio, %	48	49	48	48

Financial calendar

Interim report for the period January–June 2023, Q2	July 12, 2023
Interim report for the period January–September 2023, Q3	November 16, 2023
Year-end report for the period January–December 2023, Q4	February 14, 2024
Interim report for the period January–March 2024, Q1	April 23, 2024

neobo.se

On Neobo’s website, you can both download and subscribe for press releases and financial statements.

Invitation to presentation of interim report

CEO Ylva Sarby Westman will present the interim report in a webcast/teleconference on May 10, at 9:00 a.m. The presentation will be held in English and there will be an opportunity to ask questions after the presentation.

To participate by telephone with an opportunity to ask questions verbally, use the below link. After registration, you will be issued with a telephone number and a conference ID for logging in to the conference.

[Call Access \(financialhearings.com\)](https://financialhearings.com)

To participate via the webcast, with an opportunity to ask questions in writing, use the below link.

[Neobo Fastigheter Q1 Report 2023 \(financialhearings.com\)](https://financialhearings.com)

Presentation material and a link to a recorded version of the webcast will be made available on Neobo’s website after the presentation.

The information in this interim report is information that Neobo Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was issued for publication on May 10, 2023, at 7:30 a.m. CEST through the agency of the contact persons stated below.

Contact

For further information, please contact

Ylva Sarby Westman, CEO, + 46 70 690 65 97, ylva.sarby.westman@neobo.se

Maria Strandberg, CFO, + 46 70 398 23 80, maria.strandberg@neobo.se

Johan Bergman, IR, +46 70 354 80 35, johan.bergman@neobo.se

Neobo Fastigheter AB (publ)
Corporate Registration Number: 556580-2526
Kungsgatan 9, SE-111 43 Stockholm, Sweden
neobo.se