

# INTERIM REPORT

# Q1

**neobo**

Interim report January–March 2024

## JANUARY–MARCH 2024

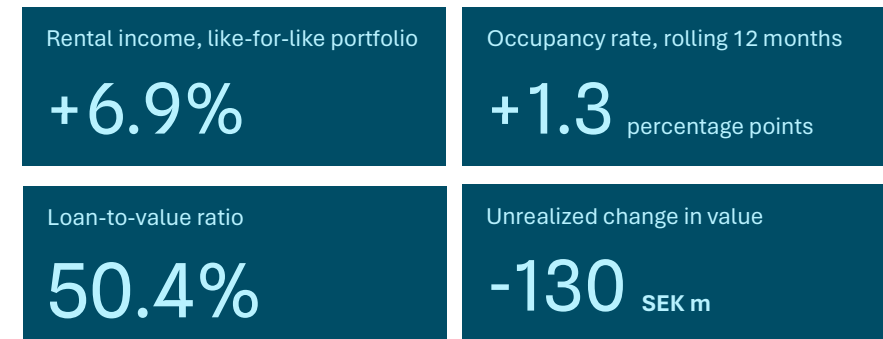
- Rental income increased to SEK 227 m (214). For the like-for-like portfolio, rental income increased by 6.9 percent as a result of the preceding year's rent increases in the residential portfolio, decreased vacancies and the rent increases for the year in commercial contracts. The full effect of the rent increase for the year in the residential portfolio will be seen in the third quarter and has not appreciably impacted the first quarter.
- Net operating income for the first quarter decreased to SEK 91 million (98). The decrease is partly explained by the fact that the comparison between the first quarter of 2023 and the first quarter of 2024 is misleading, as costs attributable to the first quarter of 2023 were not received until the second quarter of 2023. The decrease is also explained by increased heating and snow removal costs as a result of a colder and snowier winter.
- Profit from property management amounted to SEK 11 million (29). The decrease is partly explained by the fact that the comparison between the first quarter of 2023 and the first quarter of 2024 is misleading, as costs attributable to the first quarter of 2023 were not received until the second quarter of 2023. The decrease is also due to increased operating and financing costs, as well as administrative costs affecting comparability of SEK 2 million in the first quarter.
- The unrealized change in value of the properties amounted to SEK -130 m (-329) during the period.
- The value of the property portfolio totaled SEK 13,798 m (14,018) at the end of the period.
- Net loss for the period amounted to SEK -27 m (-222), corresponding to SEK -0.19 per share (-1.53).
- The net asset value amounted to SEK 44.99 per share (45.83).

## SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- In February, six residential properties in Eskilstuna were divested at an underlying property value of SEK 113 m, which was in line with the most recent external valuation conducted.
- Neobo completed its first climate report and established short- and long-term sustainability targets.
- Neobo became a member of the European Public Real Estate Association (EPRA) during the quarter.
- In February, Peter Wågström stepped down from the Board of Directors at his own request due to a commitment in another company.

	2024	2023	2023/2024	2023
Summary <sup>1)</sup>	Jan–Mar	Jan–Mar	Apr–Mar	Jan–Dec
Rental income, SEK m	227	214	901	888
Net operating income, SEK m	91	98	453	460
Change in value of investment properties, SEK M	-131	-329	-1,155	-1,353
Profit from property management, SEK m	11	29	130	148
SEK/share	0.08	0.20	0.89	1.02
Net profit/loss for the period, SEK m	-27	-222	-1,178	-1,373
SEK/share	-0.19	-1.53	-8.10	-9.44
Market value of properties, SEK m	13,798	14,904	13,798	14,018
Loan-to-value ratio, %	50.4	47.6	50.4	50.2
Interest coverage ratio, multiple	1.2	1.5	1.6	1.7
Net asset value per share, SEK	44.99	52.12	44.99	45.83
Economic occupancy rate, %	93.0	91.7	93.0	92.5
Surplus ratio, %	40	46	50	52

<sup>1)</sup> For the complete table of key metrics, see page 20 and for definitions see page 19.



# Higher rental income and falling vacancy rate

Our operations are continuing to develop positively, with higher rental income and a falling vacancy rate. Rental income has increased by 6.9 percent in the like-for-like portfolio, and there is significant demand for rental apartments in Sweden. Alongside the positive income performance, our costs for heating, snow removal and financing, among other things, have increased. In addition, the comparison between the first quarter of 2023 and the first quarter of 2024 is not fair, as costs attributable to the first quarter of 2023 were not received until the second quarter of 2023.

## STEADILY FALLING VACANCY RATE

Reducing the vacancy rate is one of our top priorities. We entered last year with a vacancy rate in the residential portfolio of 6.6 percent and ended the first quarter of this year at 5.0 percent. There were a number of measures that led to this improvement, such as more efficient marketing, renovation of vacated apartments and a focused effort from our committed employees. At our Tidaholm property, with a total of 237 apartments, we succeeded in reducing the number of available apartments from 42 to 9 in 2023 owing to a dedicated and solution-oriented effort from our team on site.

We are also continuing to work purposefully with insights from the customer survey that was conducted last autumn to increase the attractiveness and comfort in our residential districts, thus further increasing customer satisfaction and further reducing the vacancy rate.

## OPTIMIZATION OF OUR PORTFOLIO INITIATED

In February, we divested six low-yielding residential properties in Eskilstuna at an underlying property value of SEK 113 m, which was in line with the most recent external valuation conducted. The six properties in Eskilstuna are facing significant investments, which means the sale will help to strengthen our cash flow as we move forward. Liquidity in the transaction market has increased markedly since the preceding year, which is positive both for us and for the property market as a whole.

## STABLE FINANCIAL POSITION BASED EXCLUSIVELY ON BANK FINANCING

Neobo has a stable financial position based exclusively on bank financing from banks in the Nordic region. Our high hedge ratio has effectively offset the robust upswing in interest rates that took place over the past year. To increase predictability in future cash flows and further reduce financial risk, during the quarter we entered new swap agreements and extended our fixed interest term to 2.8 years (2.2).

The yield requirement continued to rise during the quarter, and the average yield requirement used in external valuations now totals 4.9 percent. However, the decrease in value of the property portfolio as a result of higher yield requirements was offset by the assumptions of higher rent increases in coming years. The unrealized change in value of the properties represented a decrease of -0,9 percent during the quarter.

## ONGOING RENT NEGOTIATIONS

At the end of the quarter, we had completed negotiations for about 74 percent of our rental income in the residential portfolio with an average rent increase of 5.1 percent. The remaining negotiations are expected to be completed during the second quarter and will take full effect in the third quarter of the year.

“Our prime focus is on increasing the return from the property portfolio”



## FOCUS ON SUSTAINABLE VALUE CREATION

Our prime focus is on increasing the return from the property portfolio by raising rental income, reducing the vacancy rate and implementing value-generating investments. We have also begun our crucial sustainability journey, which you can read more about in the section on sustainability in this report. Together with continued refinement and more active portfolio optimization, this will bring us closer to our goal of a return on equity of at least 10 percent.

An intense effort is now under way to prepare Neobo for a switch to Nasdaq Stockholm's main list during the year, for the purpose of creating the best conditions for delivering an attractive total yield to our shareholders going forward.

Stockholm, April 23, 2024

Ylva Sarby Westman, CEO

# Strategic focus and targets

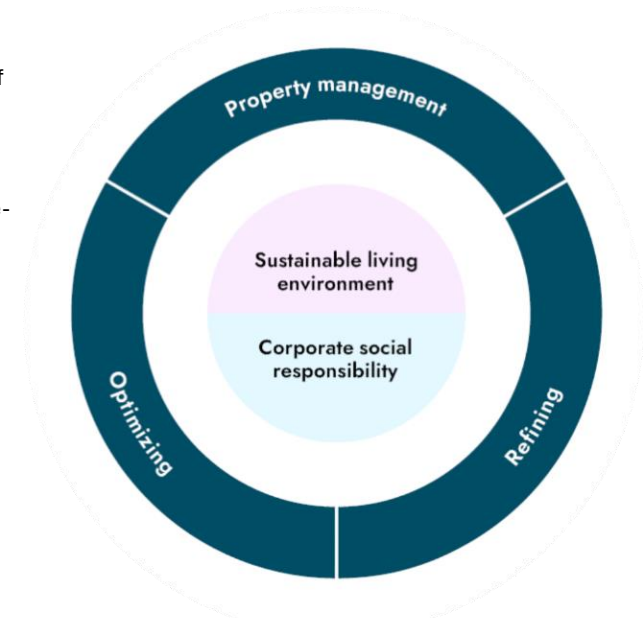
## VISION

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

## STRATEGY

- Long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield.
- Sustainability activities that are an integrated part of all of our operations and are continuously adapted to meet the requirements of the CSRD.
- A local property management organization that works closely with customers, with a focus on leasing and value-generating refinement.
- A geographically well-diversified property portfolio in municipalities with population growth and a housing deficit.

## BUSINESS MODEL



## FINANCIAL TARGETS

Return on equity over time to exceed	10%
The loan-to-value ratio shall not exceed	65%
The interest coverage ratio shall exceed a multiple of	1.5

## SELECTED SUSTAINABILITY TARGETS

Reduced climate emissions by 2030, Scope 1 and 2	-50%
Reduced energy consumption by 2030	-20%
Tenant turnover by year, 2030	<20%
Employee commitment (eNPS), 2030	>20%

# Property portfolio

Neobo manages and refines residential properties in 40 municipalities in Sweden. The portfolio consists of 261 properties and 8,300 residential apartments with a total leasable area of 708,000 sq. m. Residential properties account for 95 percent of the properties, with the remainder mainly consisting of community service properties in the schools and healthcare segments.

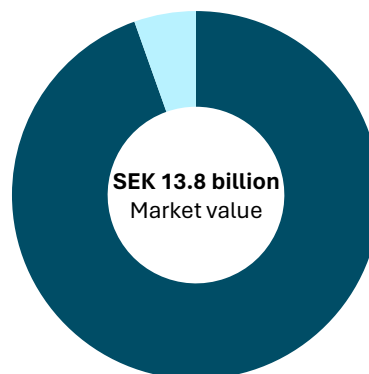
During the quarter, six properties in Eskilstuna were divested at a value of SEK 113 m, which was in line with the latest external valuation conducted.

## PROPERTY VALUATION

The unrealized change in value of the property portfolio amounted to SEK -130 m (-329) during the quarter corresponding a decrease of -0,9 percent (2,2). At the end of the period the property portfolio was valued at SEK 13,798 m (14,018). The decrease in value was primarily a result of increased yield requirements while higher estimated future rental income had a positive impact on the portfolio value.

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 contracts, the market's yield requirement, rental levels, operating and maintenance costs and the properties' investment requirements have been taken into account. An average weighted yield requirement of 4.9 percent (4.7) was used in the valuation.

The property value includes SEK 115 M (131) 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.

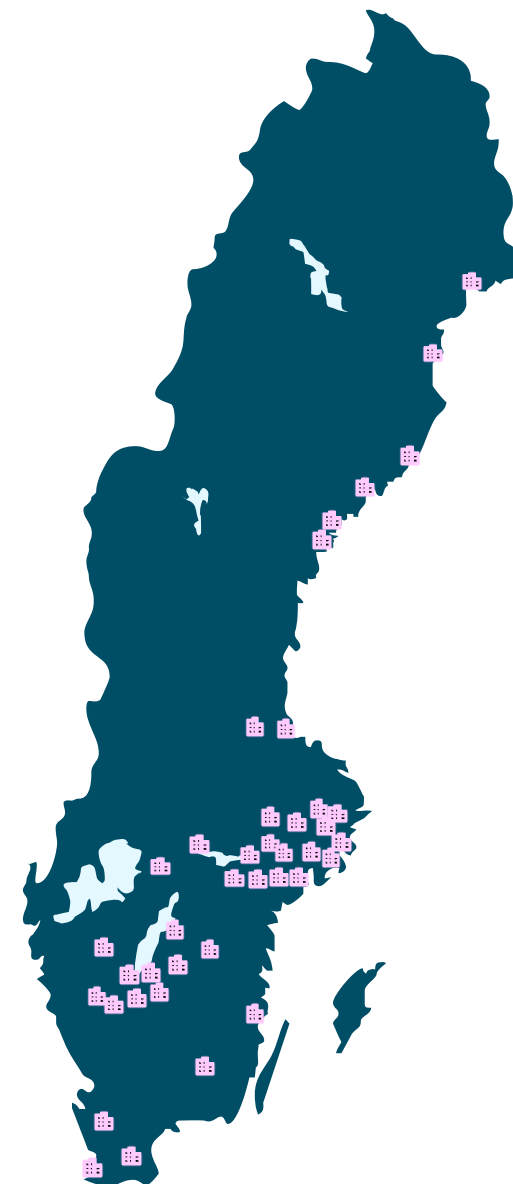


**Residential properties, 95%**

## SENSITIVITY ANALYSIS VALUATION

The property valuations were performed according to generally accepted principles based on market-aligned assumptions and assessments. The table below presents the effect of the market value of the investment properties in conjunction with changes to each individual parameter.

	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+/- 5%	+998/-1,000	+/- 7%
Operating and maintenance costs	+/- 5%	-345/+350	+/- 3%
Valuation yield	+/- 0.25% unit	-690/+769	-5%/+6%
Long-term vacancy rate	+/- 0.25% unit	-44/+43	+/- 0%



## RENTAL VALUE AND CUSTOMERS

The annual rental value amounted to SEK 992 M on April 1, 2024 and consists of 76 percent residential properties, 21 percent commercial and community service premises, and 3 percent other properties.

At the end of the quarter, negotiations for 74 percent of rental income in the residential portfolio had been completed, with an average increase of 5.1 percent. The remaining negotiations are expected to be completed during the second quarter and will take full effect in the third quarter of the year.

Our 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 community service properties. We also have four apartment hotels with residential apartments in Sollentuna, Knivsta, Sundsvall and Helsingborg. Our largest commercial tenants include Axfood, Sala Municipality and Timrå Municipality.

## ECONOMIC OCCUPANCY RATE

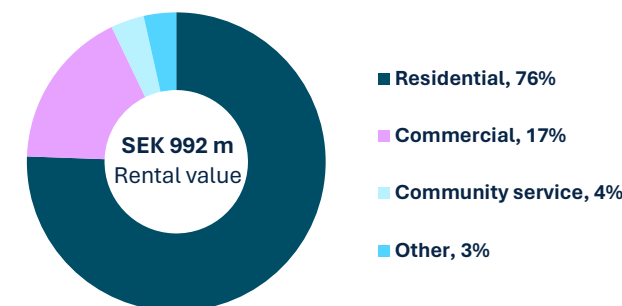
The economic occupancy rate rose during the quarter from 92.5 to 93.0 percent.

In the residential portfolio, the occupancy rate rose from 94.6 percent at the beginning of the year to 95.0 percent at the end of the quarter. The remaining residential vacancies were in part due to apartments vacated pending renovation.

The economic occupancy rate for commercial premises was 87.4 percent at the end of the period. The vacancies for commercial premises were mainly due to a small number of large vacant premises.

## LOCAL PROPERTY MANAGEMENT ORGANIZATION

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



January–March	Total Neobo		South Region		North Region	
	2024	2023	2024	2023	2024	2023
Market value of properties, SEK m	13,798	14,904	7,993	8,560	5,805	6,345
Market value, SEK/sq. m.	19,499	20,883	17,706	18,961	22,658	24,191
Rental value, SEK m	992	948	591	559	401	389
Rental value, SEK/sq. m.	1,402	1,328	1,309	1,238	1,564	1,483
Rental income, SEK m	227	214	134	125	93	89
Net operating income, SEK m	91	98	52	56	39	42
Surplus ratio, %	40	46	42	45	39	47
Occupancy rate, %	93.0	91.7	93.6	92.1	92.0	91.2
Number of properties	261	268	167	168	94	100
Number of apartments	8,309	8,401	5,556	5,564	2,753	2,837
Floor area, thousand sq. m.	708	714	451	451	256	262

# Current earnings capacity

The current earnings capacity on a 12-month basis, based on Neobo's property portfolio at April 1, 2024, is presented below.

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 rate, 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, 2024. Rent negotiations in the residential portfolio that have agreed on to date are included. All vacancies as per April 1, 2024, including temporary vacancies, have been indexed on an annualized basis.

Property 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, 2024.

Central administration costs have been calculated on the basis of Neobo's organization and operations. Net financial items are defined as interest costs, which have been calculated by applying, on top of Neobo's indebtedness, the contractual financing terms and conditions subject to the variable market conditions applying as per April 1, 2024, including the effects of derivatives. Any interest income on cash and cash equivalents and non-recurring costs have not been taken into account.

## NEOBO'S EARNINGS CAPACITY

Amounts in SEK m	Apr 1, 2024	Jan 1, 2024	Oct 1, 2023	Jul 1, 2023	Apr 1, 2023
Rental value	992	969	959	956	948
Vacancy	-70	-73	-76	-80	-79
<b>Rental income</b>	<b>922</b>	<b>896</b>	<b>883</b>	<b>877</b>	<b>869</b>
Property management costs	-390	-390	-380	-365	-365
Property tax	-24	-24	-24	-24	-24
<b>Net operating income</b>	<b>508</b>	<b>482</b>	<b>479</b>	<b>488</b>	<b>480</b>
Central administration	-60	-55	-55	-50	-50
Net financial items	-243	-250	-231	-227	-222
<b>Profit from property management</b>	<b>205</b>	<b>177</b>	<b>192</b>	<b>211</b>	<b>208</b>



# Sustainability

Sustainability is a central component of our vision and business model.

Neobo will be covered by the reporting requirements under the EU Corporate Sustainability Reporting Directive (CSRD) most likely starting with fiscal year 2025. If the proposed directive is adopted, the first reporting under CSRD will thus be submitted in the spring of 2026. Since Neobo is a newly established company, we have already adapted our sustainability agenda from the start based on the new requirements that are forthcoming. We are working with an increased focus on a portfolio approach, and a plan for transitioning the entire property portfolio. We are putting our resources into that part of the operations, and into the specific projects and properties where we are getting the greatest effect.

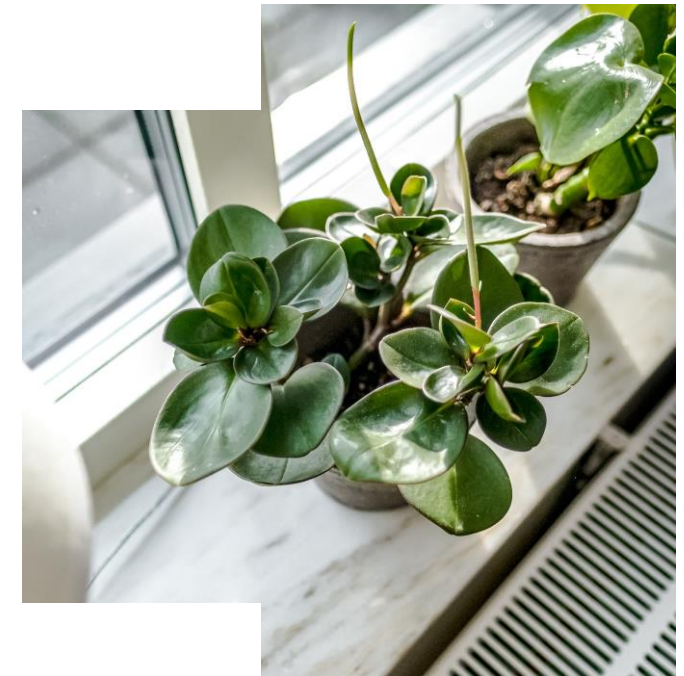
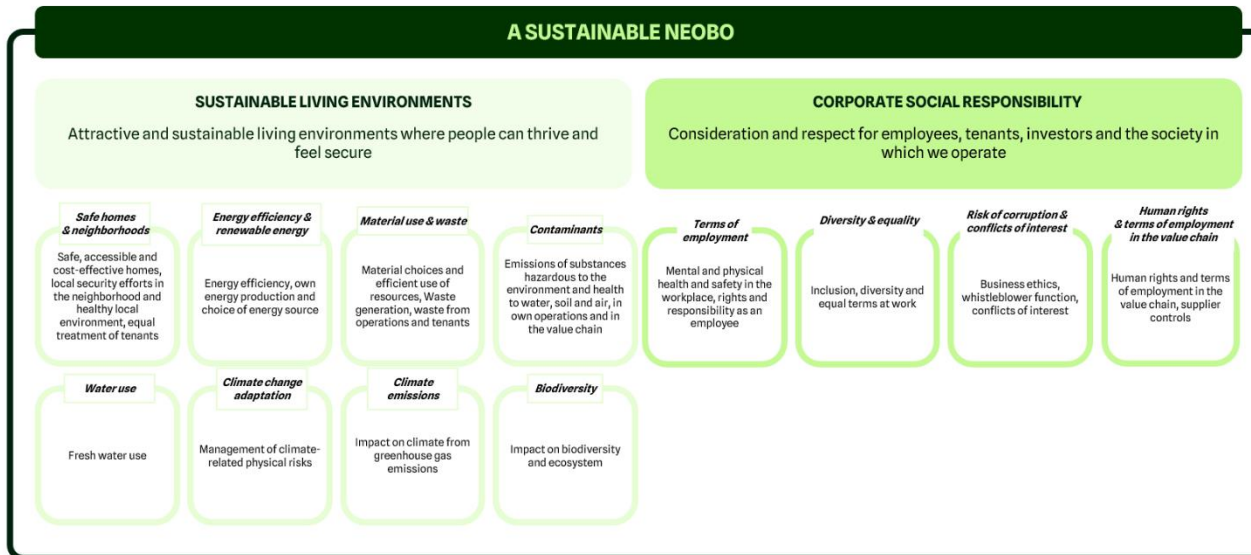
## SUSTAINABILITY STRATEGY

As an initial step in developing a sustainability strategy, we have conducted a stakeholder analysis. After that, we conducted a double materiality assessment based on the regulations in the CSRD. The outcome of the assessment is that there are twelve sustainability topics that are material for Neobo, and have therefore been set as targets and will be monitored; refer to the model below, which also indicates the overall targets. The long-term targets for 2030 are indicated in the 2023 Annual Report.

The sustainability strategy, which will ensure a sustainable Neobo, is based on the following two perspectives:

**Sustainable living environments** – attractive and sustainable living environments where people can thrive and feel secure.

**Corporate social responsibility** – consideration and respect for employees, tenants, investors and the society in which we operate where we will have the greatest effect.





# Sustainability

## Interview with Malin Axland, General Counsel and Head of Sustainability at Neobo

### Malin, what does sustainability mean to Neobo?

It's entirely central. We manage residential properties with a clear responsibility for developing safe, sustainable living environments where people thrive and want to stay. With this comes a long-term perspective, and taking a holistic approach to social and environmental issues. Today, sustainability is an integral component of our strategy, but over the long term it is likely that sustainability will drive our strategy.

### What difference can Neobo make?

We have tremendous opportunities to make a difference, considering that we own 261 properties with 8,309 apartments in 40 municipalities all together. The properties vary in age, they are from different decades and many – like the rest of Sweden's residential portfolio – lack the latest technology and the latest solutions. Here, we have an advantage in being a newly established company. We are not locked into anything, but can see the totality from the start and implement the measures that mean all properties and areas will develop in a positive direction.

### What did you work on during the quarter?

For the first time, we have compiled all of Neobo's greenhouse gas emissions into a climate report. Annual climate reports improve the possibilities for monitoring and measuring progress towards Neobo's sustainability targets and comparing emissions with similar property companies. According to industry practice, the climate report follows the policies of the GHG Protocol, dividing emissions into Scope 1, 2 and 3. The climate report can be read in its entirety in the Annual Report for 2023.

We have also continued our efforts to connect our properties to enable us to monitor the consumption of water, energy and electricity in a smart tool. With know-how and data in place, we have the tools, for example, to quickly identify properties in acute need of action. It could be a matter of high energy consumption, an unsafe environment or leaks with a risk of water damage. But above all we have something to go on in order to implement the measures that will have the best effect over the long term.

### What is the top priority today?

We have conducted a double materiality assessment and held internal discussions, including on the basis of the outcome of our customer survey, in order to identify what should be prioritized at an initial stage. *Climate emissions, Energy efficiency & renewable energy* and *Safe homes and neighborhoods* are the three aspects that are the highest priority for us at present and we will focus the majority of our measures and activities on these. At the same time, we are continuing to work on all topics. We want to move all of Neobo forward.

“We want to move all of Neobo forward”

### Where will Neobo be in a few years?

By then, our structured and purposeful sustainability activities will have yielded significant results and brought us closer to our long-term targets. This commitment will have strengthened our position as a sustainable and responsible company – among employees, customers, investors, bankers and other key stakeholders.



# Financing

Neobo endeavors to have a low financial risk and operations are financed with equity and bank loans. 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 income from property management, interest rate derivatives are used.

Neobo's high hedge ratio has effectively offset the robust upswing in interest rates that took place in 2023. The Riksbank's key interest rate of 4 percent remained unchanged during the quarter, and the market now expects a number of reductions to the interest rate going forward. To hedge forthcoming interest-rate reductions and thereby mitigate the financial risk, Neobo signed swap agreements during the quarter that will start at future dates and restructured an existing interest rate derivative. This means that the predictability of future cash flows will increase, while the average fixed rate period has been extended to 2.8 years (2.2).

## 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 7,155 m (7,278) at the end of the period.

The loan-to-value ratio was 50.4 percent (50.2) and the equity/assets ratio 45.0 percent (44.2). At the end of the quarter, the average debt duration was 3.0 years (3.3) and the average fixed rate period was 2.8 years (2.2). The hedge ratio amounted to 75 percent (74) and the interest coverage ratio was a multiple of 1.6 (1.9).

We have continued to work actively to maintain a low rate of interest on interest-bearing liabilities. At the end of the quarter, the average interest rate including derivative instruments was 3.4 percent (3.0).

## DERIVATIVE INSTRUMENTS

At the end of the quarter, the aggregated nominal value of active interest rate derivatives was SEK 5,394 m (5,406) with maturities of between one and seven years.

In addition to this, there are interest rate derivatives with future starts at a nominal amount of SEK 1,375 m.

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 196 m (171).

Year of maturity	Loan-to-maturity		Fixed interest term		Interest rate derivative	
	Liability, SEK m	Percentage, %	Liability, SEK m	Percentage, %	Nominal amount, SEK m	Average interest, %
0-1	190	3	1,261	18	875	0.21
1-2	3,462	48	1,660	23	1,660	0.25
2-3	1,366	19	1,659	23	1,659	0.64
3-4	1,840	26	375	5	0	0
4-5	201	3	600	8	600	2.56
5-	96	1	1,600	22	600	2.73
<b>Total</b>	<b>7,155</b>	<b>100</b>	<b>7,155</b>	<b>100</b>	<b>5,394</b>	<b>0.89</b>

Interest rate derivatives, future start			
Start	Maturity	Nominal amount, SEK m	Interest rate, %
Dec 2024	Sep 2027	375	0.95
Sep 2024	Sep 2029	500	2.49
Mar 2025	Mar 2030	500	2.40

# Condensed consolidated income statement

Amounts in SEK m	2024	2023	2023/2024	2023
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
Rental income	227	214	901	888
Operating costs	-101	-83	-290	-272
Maintenance	-12	-15	-63	-66
Property administration	-17	-12	-72	-67
Property tax	-6	-6	-24	-24
<b>Property management costs</b>	<b>-137</b>	<b>-116</b>	<b>-449</b>	<b>-429</b>
<b>Net operating income</b>	<b>91</b>	<b>98</b>	<b>453</b>	<b>460</b>
Central administration	-21	-15	-94	-88
<b>Profit before financial items</b>	<b>70</b>	<b>83</b>	<b>359</b>	<b>372</b>
Net financial items	-59	-54	-229	-224
<b>Profit from property management</b>	<b>11</b>	<b>29</b>	<b>130</b>	<b>148</b>
Change in values on properties	-131	-329	-1,155	-1,353
Change in value of financial instruments	29	-49	-145	-223
<b>Profit/loss before tax</b>	<b>-92</b>	<b>-349</b>	<b>-1,171</b>	<b>-1,428</b>
Current tax	-5	-9	-17	-21
Deferred tax	70	136	9	75
<b>Net profit/loss for the period</b>	<b>-27</b>	<b>-222</b>	<b>-1,178</b>	<b>-1,373</b>
<b>Total comprehensive income for the period</b>	<b>-27</b>	<b>-222</b>	<b>-1,178</b>	<b>-1,373</b>

The net profit/loss for the period and total comprehensive income for the period are in their entirety attributable to Parent Company shareholders.

<b>Average number of shares</b>	145,400,737	145,400,737	145,400,737	145,400,737
<b>Earnings per share before and after dilution, SEK</b>	<b>-0.19</b>	<b>-1.53</b>	<b>-8.10</b>	<b>-9.44</b>

# Comments on the consolidated income statement

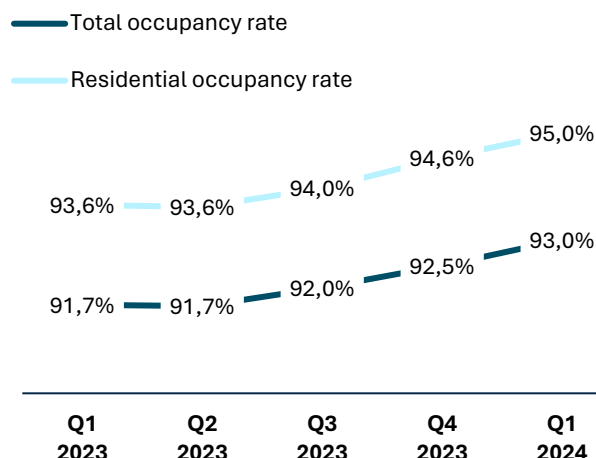
## NET OPERATING INCOME

Net operating income for the quarter totaled SEK 91 m (98). The decrease in relation to the preceding year is attributable primarily to accounting effects that impact the comparison between years, increased costs for heating and snow removal, and items affecting comparability in property administration.

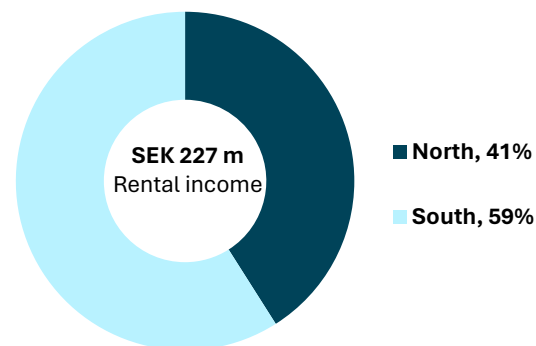
## RENTAL INCOME

Rental income increased to SEK 227 m (214) during the quarter. The like-for-like portfolio showed an increase in rental income of 6.9 percent. The increase in income is attributable to the preceding year's rent increases in the residential portfolio (that had not had an impact in the first quarter of 2023), an increased occupancy rate and rent increases for the year in commercial premises. At the end of the quarter, 74 percent of the rent negotiations for the year in the residential portfolio had been concluded with an average increase of 5.1 percent. The rent increase will be fully felt in the third quarter and did not appreciably impact the outcome of the first quarter. The economic occupancy rate increased 1.3 percentage points, totaling 93.0 percent (91.7) at the end of the quarter.

## ECONOMIC OCCUPANCY RATE



## RENTAL INCOME BY SEGMENT



## PROPERTY MANAGEMENT COSTS

Property costs increased by SEK 21 million to SEK -137 million (-116) compared with the previous year. The increase is partly explained by the fact that the comparison between the years is misleading, as costs for the first quarter of 2023 were not received until the second quarter of 2023, and partly by increased costs for heating and snow removal as a result of a colder and more snowy winter. Costs for property administration also increased, which is partly explained by a redistribution between property administration and central administration. The quarter was charged with items affecting comparability of SEK 1 million.

## PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the first quarter decreased to SEK 11 m (29). The deviation is attributable to accounting effects that make the comparison between years misleading, increased costs for operation and financing and the fact that items affecting comparability of SEK 2 m were charged to total administration costs during the first quarter.

## CENTRAL ADMINISTRATION

Central administration costs increased to SEK -21 million (-15). The increase is partly explained by the fact that the comparison between the years is misleading, due to the fact that costs for the first quarter of 2023 were not received until the second quarter of 2023, and partly by the fact that Neobo's organization and operations are now fully in place. The quarter was charged with items affecting comparability of SEK 1 million.

## NET FINANCIAL ITEMS

Net financial items amounted to SEK -59 M (-54) during the quarter. The average interest rate was 3.4 percent (3.4) at the end of the quarter. Financial expenses rose compared with the year-earlier period as a result of the higher underlying interest rate.

## NET PROFIT/LOSS FOR THE PERIOD

Net loss for the period amounted to SEK -27 m (-222).

## CHANGES IN VALUE

The unrealized change in value of the properties amounted to SEK -130 m (-329) for the period. The decrease in value was primarily a result of increased yield requirements for properties while higher estimated future rental income had a positive impact on the portfolio value. Changes in value of financial instruments amounted to SEK 29 m (-49), driven by rising market interest rates.

## TAX

Reported tax during the period amounted to SEK 65 m (127), of which SEK -5 m (-9) is current tax and the remainder is deferred tax. The change in current tax is attributable primarily to lower earnings in the subsidiaries as a result of increased costs. The change in deferred tax is attributable to a lower decrease in value in the property portfolio.

## Condensed consolidated balance sheet

Amounts in SEK m	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
<b>ASSETS</b>			
Investment properties	13,798	14,904	14,018
Intangible assets	0	3	0
Other non-current assets	5	4	4
Derivatives	200	344	194
<b>Total non-current assets</b>	<b>14,003</b>	<b>15,255</b>	<b>14,217</b>
Current assets	64	201	81
Cash and cash equivalents	118	159	199
<b>Total current assets</b>	<b>183</b>	<b>360</b>	<b>280</b>
<b>Total assets</b>	<b>14,186</b>	<b>15,615</b>	<b>14,497</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	6,378	7,555	6,405
Deferred tax liabilities	360	367	430
Interest-bearing liabilities	6,965	7,352	7,089
Derivatives	4	0	23
Other non-current liabilities	2	1	1
<b>Total non-current liabilities</b>	<b>7,330</b>	<b>7,720</b>	<b>7,543</b>
Interest-bearing liabilities	190	83	189
Other current liabilities	287	256	361
<b>Total current liabilities</b>	<b>477</b>	<b>340</b>	<b>550</b>
<b>Total equity and liabilities</b>	<b>14,186</b>	<b>15,615</b>	<b>14,497</b>

## Condensed consolidated change in equity

Amounts in SEK m	Attributable to Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings	
<b>Opening balance at January 1, 2023</b>	<b>752</b>	<b>5,141</b>	<b>1,883</b>	<b>7,777</b>
Net profit/loss for the period			-222	-222
<b>Closing balance at March 31, 2023</b>	<b>752</b>	<b>5,141</b>	<b>1,661</b>	<b>7,555</b>
Net profit/loss for the period			-1,151	-1,151
Issue of employee warrants			1	1
<b>Closing balance at December 31, 2023</b>	<b>752</b>	<b>5,141</b>	<b>511</b>	<b>6,405</b>
Net profit/loss for the period			-27	-27
<b>Closing balance at March 31, 2024</b>	<b>752</b>	<b>5,141</b>	<b>484</b>	<b>6,378</b>

# Comments on the consolidated balance sheet

## INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 13,798 m (14,018) 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 4.9 percent (4.7) was used in the valuation. For more information, refer to the Property portfolio section.

## CHANGE IN PROPERTY VALUES

SEK m	2024	2023
	Jan–Mar	Jan–Mar
<b>Fair value, opening balance</b>	<b>14,018</b>	<b>15,295</b>
Acquisitions	0	-100
Investments	24	38
Divestments	-114	0
Unrealized change in value	-130	-329
Reclassifications	0	0
<b>Fair value, closing balance</b>	<b>13,798</b>	<b>14,904</b>

During the period, SEK 24 m (38) was invested in existing properties.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 118 m (199).

## EQUITY

Consolidated equity attributable to Parent Company shareholders totaled SEK 6,378 m at the end of the period. (6,405).

## 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 360 m (430) and was largely attributable to investment properties.

## INTEREST-BEARING LIABILITIES

At the end of the period, interest-bearing liabilities amounted to SEK 7,155 m (7,278) and the loan-to-value ratio to 50.4 percent (50.2). The company uses interest rate derivatives to extend the fixed rate period. The value of the derivative portfolio was SEK 196 m (171) at the end of the period. For further information, see the Financing section on page 10.

# Condensed consolidated cash flow statement

Amounts in SEK m	2024 Jan–Mar	2023 Jan–Mar	2023/2024 Apr–Mar	2023 Jan–Dec
<b>Operating activities</b>				
Net operating income	91	98	453	460
Central administration	-21	-15	-94	-88
Add back, depreciation	0	0	0	0
Other non-cash items	0	0	0	0
<b>Cash flow from operating activities before interest and tax</b>	<b>70</b>	<b>83</b>	<b>359</b>	<b>372</b>
Interest paid	-56	-57	-392	-393
Interest received	0	38	131	169
Income tax paid	-48	-3	-91	-46
<b>Cash flow before changes in working capital</b>	<b>-8</b>	<b>61</b>	<b>33</b>	<b>102</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) of operating receivables	23	-13	69	33
Increase (+)/Decrease (-) of operating liabilities	-35	-23	63	75
<b>Cash flow from operating activities</b>	<b>-46</b>	<b>25</b>	<b>139</b>	<b>210</b>
<b>Investing activities</b>				
Investments in existing properties	-24	-38	-163	-177
Acquisition of properties	0	0	73	73
Divestment of properties	113	0	113	0
Other financial assets, net	0	0	0	0
<b>Cash flow from investing activities</b>	<b>89</b>	<b>-38</b>	<b>23</b>	<b>-104</b>
<b>Financing activities</b>				
Borrowings	0	0	0	0
Repayment of loans	-123	-58	-201	-136
Change in other non-current liabilities	0	-1	-1	-2
<b>Cash flow from financing activities</b>	<b>-123</b>	<b>-59</b>	<b>-202</b>	<b>-138</b>
<b>Cash flow for the period</b>	<b>-80</b>	<b>-72</b>	<b>-40</b>	<b>-32</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>199</b>	<b>231</b>	<b>159</b>	<b>231</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>118</b>	<b>159</b>	<b>118</b>	<b>199</b>

## COMMENTS ON THE CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method, which means that the net operating income 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. Cash flow from operating activities amounted to SEK 70 m (83). During the period, final tax for 2022 has been paid, which explains the increase in income tax paid. SEK 24 m (38) was invested in existing properties and projects. Cash and cash equivalents on the balance sheet date amounted to SEK 118 m (199).

## Parent Company income statement

Amounts in SEK m	2024	2023	2023/2024	2023
	Jan–Mar	Jan–Mar	Apr–Mar	Jan–Dec
Net sales	20	0	44	24
Personnel costs	-3	-3	-10	-10
Other operating expenses	-18	-11	-75	-68
<b>Operating profit/loss</b>	<b>-1</b>	<b>-14</b>	<b>-41</b>	<b>-54</b>
<b>Profit from financial items</b>				
Profit from participations in Group companies	0	0	-1,623	-1,623
Interest income and similar items	8	4	50	46
Interest costs and similar items	-3	-1	-31	-29
<b>Profit/loss after financial items</b>	<b>3</b>	<b>-11</b>	<b>-1,646</b>	<b>-1,661</b>
Appropriations	0	0	53	53
<b>Profit/loss before tax</b>	<b>3</b>	<b>-11</b>	<b>-1,593</b>	<b>-1,608</b>
Tax	0	0	1	1
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>3</b>	<b>-11</b>	<b>-1,592</b>	<b>-1,607</b>

## Parent Company balance sheet

Amounts in SEK m	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
<b>ASSETS</b>			
Financial assets	48	0	48
Current assets	6,442	8,096	6,440
<b>Total assets</b>	<b>6,491</b>	<b>8,096</b>	<b>6,489</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	6,482	8,073	6,479
Current liabilities	9	23	10
<b>Total equity and liabilities</b>	<b>6,491</b>	<b>8,096</b>	<b>6,489</b>

### PARENT COMPANY

Operations in the Parent Company Neobo Fastigheter AB (publ) consist of Group-wide functions and organization for managing the properties owned by the subsidiaries. No properties are owned directly by the Parent Company.

Income in the Parent Company amounted to the SEK 20 m (0) during the period and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered.

Profit before tax amounted to SEK 3 m (-11). Cash and cash equivalents at the end of the period amounted to SEK 89 m (143).



## Other information

### ACCOUNTING POLICIES

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are contained in the notes and elsewhere in the report. The Parent Company applies RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. The accounting policies applied correspond to what is indicated in the 2023 Annual Report.

### SEASONAL EFFECTS

Net operating income is influenced by seasonal variations in operating costs. As a general rule, costs are higher during the first and last quarters of the year, mainly caused by higher costs for heating and property upkeep.

### ROUNDING DIFFERENCES

As a result of rounding, figures presented in this interim report may in certain cases not exactly add up to the total and the percentage may differ from the exact percentage.

### COMPARATIVE FIGURES

Comparative figures in parentheses refer to the year-earlier period except in sections that describe financial position when the comparisons refer to the end of the preceding year.

### 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 2023 Annual Report on pages 34–37.

### RELATED-PARTY TRANSACTIONS

Remuneration was paid to Board members and senior executives for work performed. Apart from this remuneration, no material related-party transactions took place with any related company or private individual.

Neobo has a warrant program for the company's CEO and senior executives. At the balance sheet date, the warrant holders owned 630,067 warrants of series 2023/2026:1, which runs for three years. The warrants were acquired by the holders at a price of SEK 0.79 per warrant. The price was calculated using the Black & Scholes model. Each warrant grants the holder the right to subscribe for one (1) share in the company in the period from May 1, 2026 up to and including May 25, 2026. The warrants will become valuable when the share price exceeds the strike price of SEK 10.83.

The maximum number of shares added can be 630,067 in total, corresponding to approximately 0.4 percent of the total number of shares and votes in the company, provided that all warrants are fully subscribed and fully exercised. In that case, the increase in share capital will total a maximum of SEK 3,252,061.

### EVENTS AFTER THE BALANCE SHEET DATE

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

### SIGNING OF THE REPORT

The CEO affirms that this interim report provides a true and fair view of the company's and the Group's operations, position and earnings, and describes the significant risks and uncertainties impacting the Parent Company and the companies included in the Group.

Stockholm, April 23, 2024

Ylva Sarby Westman  
Chief Executive Officer

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

*This document is a translation of a Swedish language original report. In case of any discrepancy between the two versions, the original shall take the precedence.*

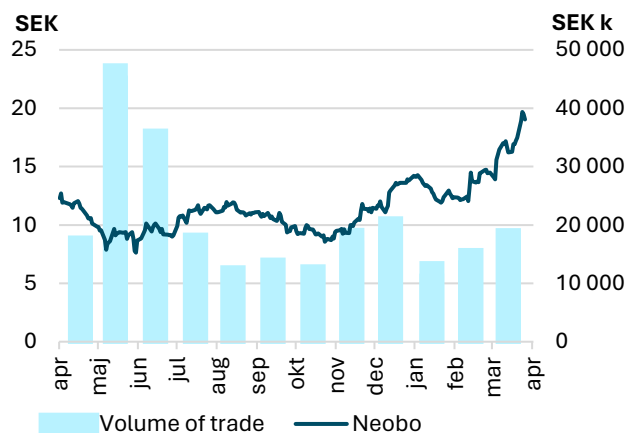
## The share

Neobo's market value, meaning the value of all listed shares outstanding, totaled SEK 2,768 m on March 31, 2024. The number of shares outstanding totaled 145,400,737.

### TRADING AND TURNOVER

Since February 10, 2023, Neobo's shares have been listed on Nasdaq First North Premier Growth Market. Share turnover over the last twelve-month period totaled 227 million shares. Turnover, meaning the number of shares sold divided by the number of shares outstanding at the balance sheet date, was 156 percent.

### SHARE PRICE AND TRADING VOLUME



### TOTAL YIELD

The total yield of the share over the last twelve-month period was 53 percent.

### NET ASSET VALUE

The net asset value is the accumulated capital that the company manages on behalf of its owners. On the basis of this capital, Neobo intends to create a stable return and growth at low levels of risk. Since Neobo's properties are recognized at fair value, the net asset value can be calculated on the basis of the equity in the balance sheet. However, items that do not entail any payments in the immediate future – in Neobo's case, derivatives and deferred tax liability – should be taken into account.

Net asset value at the end of the period amounted to SEK 44.99/share (45.83). The share price at the balance sheet date thus amounted to 42 percent of the net asset value.

Calculation of net asset value	SEK m	SEK/share
Equity according to the balance sheet	6,378	43.86
Add back according to the balance sheet:		
Derivatives	-196	-1.35
Deferred tax	360	2.48
<b>Long-term net asset value</b>	<b>6,542</b>	<b>44.99</b>

### LARGEST SHAREHOLDERS AS OF MARCH 31, 2024

Shareholders	No. of shares	Percentage of share capital and voting rights
The Association of ICA Retailers	15,000,000	10.3%
Martin Larsén	13,306,850	9.2%
Avanza Pension	12,502,827	8.6%
Arvid Svensson Invest	6,664,412	4.6%
Sven-Olof Johansson	5,500,000	3.8%
Länsförsäkringar Funds	4,893,449	3.4%
Nordnet Pension Insurance	4,269,896	2.9%
Futur Pension	3,124,908	2.2%
Öst/Väst Capital Management	3,080,200	2.1%
Gösta Welandson and companies	2,620,848	1.8%
<b>Total 10 largest</b>	<b>70,963,390</b>	<b>48.8%</b>
Other	74,437,347	51.2%
<b>Total</b>	<b>145,400,737</b>	<b>100.0%</b>

### SHAREHOLDER STRUCTURE AS OF MARCH 31, 2024

Size	No. of shares	Capital and voting rights, %	No. of known shareholders	Proportion of known shareholders, %
1–500	7,196,671	5.0	113,123	92.1
501–1,000	3,308,399	2.3	4,426	3.6
1,001–5,000	8,880,687	6.1	4,077	3.3
5,001–10,000	4,360,487	3.0	593	0.5
10,001–20,000	4,406,440	3.0	305	0.3
20,001–	105,328,997	72.4	306	0.3
<i>Anonymous ownership</i>	<i>11,919,056</i>	<i>8.2</i>	<i>0</i>	<i>0.0</i>
<b>Total</b>	<b>145,400,737</b>	<b>100</b>	<b>122,830</b>	<b>100</b>

Source: Modular Finance AB. Compiled and processed data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority, etc.

# Definitions

## FINANCIAL DEFINITIONS

### **Number of shares outstanding**

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

### **Return on equity, %**

Net profit/loss for the period in relation to average equity for the period.

### **Loan-to-value ratio, %**

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

### **Profit from property management**

Profit before changes in value and tax.

### **Average number of shares**

The number of shares outstanding weighted over the period.

## 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, %**

Net operating income according to earnings capacity 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.

### **Net operating income, SEK**

Rental income less property management cost.

### **Average interest rate, %**

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

### **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 profit/loss 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.

### **Economic occupancy rate, %**

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

### **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.

### **Rental income, SEK**

Charges for the period with deductions for rental losses.

### **Equity/assets ratio, %**

Equity in relation to total assets.

### **Net asset value, SEK**

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

### **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.

## Derivation of key metrics

	2024	2023	2023/2024	2023
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
<b>NET ASSET VALUE</b>				
Number of shares outstanding, thousands	145,401	145,401	145,401	145,401
Equity	6,378	7,555	6,378	6,405
Add back of deferred tax	360	367	360	430
Add back of derivatives	-196	-344	-196	-171
<b>Net asset value, SEK m</b>	<b>6,542</b>	<b>7,578</b>	<b>6,542</b>	<b>6,664</b>
<b>Net asset value, SEK/share</b>	<b>44.99</b>	<b>52.12</b>	<b>44.99</b>	<b>45.83</b>
<b>SURPLUS RATIO</b>				
Net operating income	91	98	453	460
Rental income	227	214	901	888
<b>Surplus ratio, %</b>	<b>40</b>	<b>46</b>	<b>50</b>	<b>52</b>
<b>LOAN-TO-VALUE RATIO</b>				
Total assets	14,186	15,615	14,186	14,497
Interest-bearing liabilities	7,155	7,435	7,155	7,278
<b>Loan-to-value ratio, %</b>	<b>50.4</b>	<b>47.6</b>	<b>50.4</b>	<b>50.2</b>
<b>INTEREST COVERAGE RATIO</b>				
Profit from property management	11	29	130	148
Add back, net interest	59	54	229	224
<b>Total</b>	<b>70</b>	<b>83</b>	<b>359</b>	<b>372</b>
Net interest income	59	54	229	224
<b>Interest coverage ratio, multiple</b>	<b>1.2</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>
<b>RETURN ON EQUITY</b>				
Net profit/loss for the period	-27	-222	-1,178	-1,373
Equity, average	6,392	7,666	6,967	7,091
<b>Return on equity, %</b>	<b>-0.4</b>	<b>-2.9</b>	<b>-16.9</b>	<b>-19.4</b>

	2024	2023	2023/2024	2023
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
<b>INVESTMENT YIELD</b>				
Net operating income according to earnings capacity	513	480	513	482
Investment properties	13,798	14,904	13,798	14,018
Building rights	115	73	115	131
Property value, excl. building rights	13,683	14,831	13,683	13,887
<b>Investment yield, %</b>	<b>3.7</b>	<b>3.2</b>	<b>3.7</b>	<b>3.5</b>
<b>ECONOMIC OCCUPANCY RATE</b>				
Rental income according to earnings capacity	922	869	922	896
Rental value according to earnings capacity	992	948	992	969
<b>Economic occupancy rate, %</b>	<b>93.0</b>	<b>91.7</b>	<b>93.0</b>	<b>92.5</b>
<b>EARNINGS PER SHARE</b>				
Net profit/loss for the period	-27	-222	-1,178	-1,373
Average number of shares	145,400,737	145,400,737	145,400,737	145,400,737
<b>Earnings, SEK/share</b>	<b>-0.19</b>	<b>-1.53</b>	<b>-8.10</b>	<b>-9.44</b>
<b>EQUITY/ASSETS RATIO</b>				
Equity	6,378	7,555	6,378	6,405
Total assets	14,186	15,615	14,186	14,497
<b>Equity/assets ratio, %</b>	<b>45.0</b>	<b>48.4</b>	<b>45.0</b>	<b>44.2</b>

## Financial calendar

Annual General Meeting	Apr 23, 2024
Interim report for the period January–June	Jul 10, 2024
Interim report for the period January–September	Oct 25, 2024
Year-end report 2024	Feb 12, 2025

### neobo.se

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

*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 April 23, 2024, at 7:00 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](mailto:ylva.sarby.westman@neobo.se)

Maria Strandberg, CFO, + 46 70 398 23 80,  
[maria.strandberg@neobo.se](mailto:maria.strandberg@neobo.se)

## Invitation to presentation of interim report

CEO Ylva Sarby Westman will present the interim report in a webcast/teleconference on April 23 at 9:00 a.m. CEST. The presentation will be held in English and there will be an opportunity to ask questions after the presentation.

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

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

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.

Teleconference: [Neobo Fastigheter Q1 Report \(financialhearings.com\)](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.

# GOOD HOUSING FOR ALL



**Neobo Fastigheter AB (publ)**

**Corporate Registration Number: 556580-2526**

**Mäster Samuelsgatan 42, SE-111 57 Stockholm, Sweden**

**[neobo.se](https://www.neobo.se)**