

YEAR-END REPORT

JAN – DEC 2022

neobo



JANUARY–DECEMBER 2022

- Rental revenue increased to SEK 839 M (694) during the year. For like for like portfolio, rental revenue increased by 3.6 percent.
- Net operating income increased to SEK 423 M (355) during the year. For like for like portfolio, net operating income increased by 5.2 percent.
- The result before tax was SEK –1,983 M (4,089) during the year, of which:
 - Income from property management is included in an amount of SEK 172 M (156), which corresponds to an increase of 10.2 percent.
 - Change in property values is included in an amount of SEK –2,238 million (3,887).
 - Change in the value of financial instruments is included in an amount of SEK 100 M (36).
- The result for the year amounted to SEK –1,355 M (3,226) after deferred tax of SEK 666 M (–851) and current tax of SEK –38 M (–12), corresponding to earnings per ordinary share of SEK –9.32 (23.34).
- Cash flow from operating activities before changes in working capital amounted to SEK 147 M (157).
- At year-end, the value of the property portfolio was SEK 15,295 M (17,173).

OCTOBER–DECEMBER 2022

- Rental revenue increased to SEK 204 M (193) during the quarter.
- Net operating income totaled SEK 93 M (100) during the quarter.
- The result before tax for the quarter was SEK –1,423 M (3,396), of which:
 - Income from property management is included in an amount of SEK 11 M (23).
 - Change in property values is included in an amount of SEK –1,419 M (3,334).
 - Change in the value of financial instruments is included in an amount of SEK 5 M (17).
- The result for the quarter was SEK –841 M (2,703) after deferred tax of SEK 588 M (–707) and current tax of SEK –5 M (15), corresponding to earnings per ordinary share of SEK –5.78 (18.64).
- Cash flow from operating activities before changes in working capital amounted to SEK 23 M (34).

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

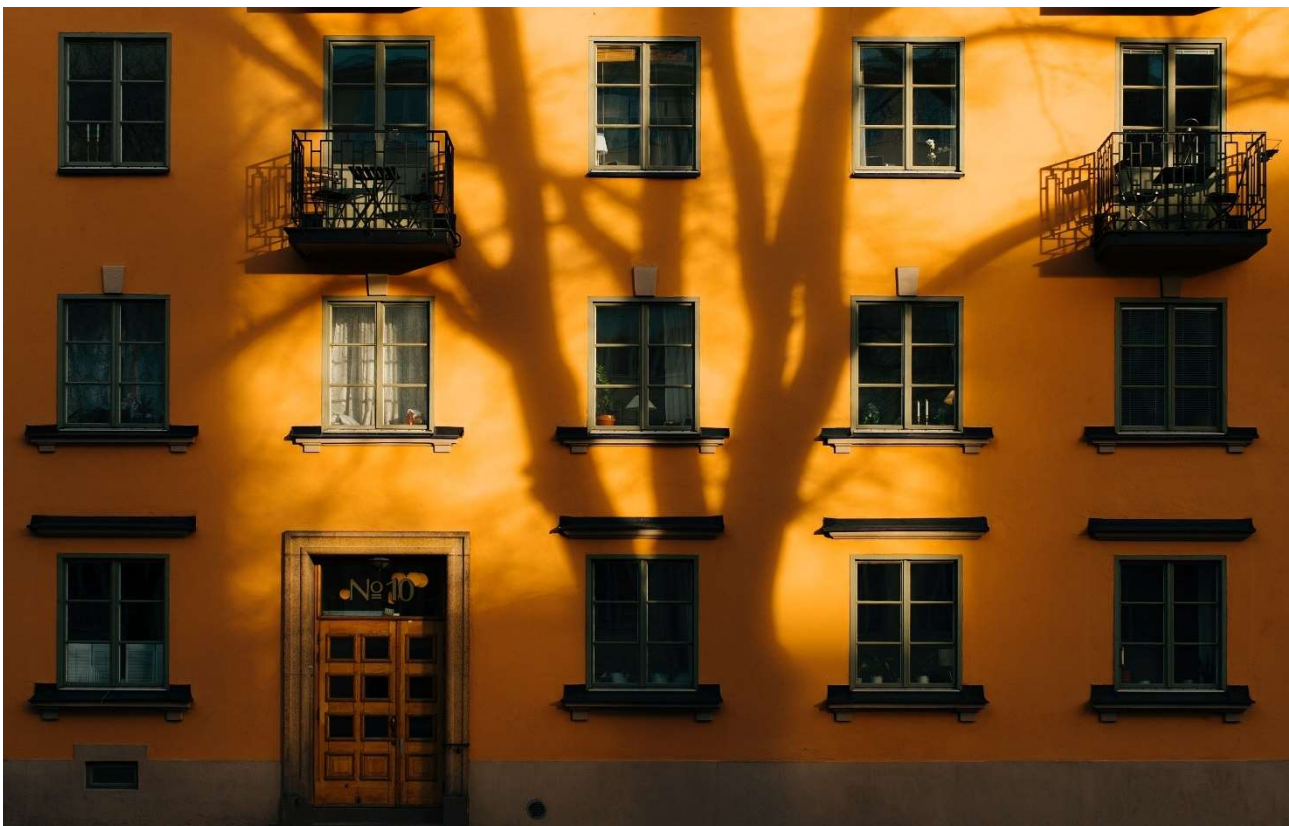
- On November 10, 2022, the Amasten Board of Directors appointed Ylva Sarby Westman as the new Chief Executive Officer.
- On December 21, 2022, it was resolved at an Extraordinary General Meeting of Samhallsbyggnadsbolaget i Norden AB (publ) ("SBB") that all of SBB's shares in the subsidiary Amasten Fastighets AB (publ) would be distributed to the holders of Class A and Class B SBB shares. The record date was December 28, 2022.
- An Extraordinary General Meeting of Amasten Fastighets AB (publ) held on December 21, 2022 resolved on a change of name to Neobo Fastigheter AB (publ). A merger and split of the company's ordinary shares was also resolved. Subsequently, the number of shares outstanding amounts to 145,400,737 ordinary shares.
- At the end of the fourth quarter, the company acquired properties from SBB at a value of SEK 5.2 billion and divested properties to SBB at a value of SEK 5.8 billion in order to create the property portfolio that Neobo has today. All acquisitions and sales occurred at market value and financial acquisition and withdrawal took place on December 30, 2022.
- At the end of the fourth quarter, Neobo entered into a loan agreement of SEK 5.4 billion in order to refinance existing external financing. In conjunction with this, the company acquired interest rate derivatives from SBB in a nominal amount of SEK 3.8 billion at a value of SEK 309.6 M.

EVENTS AFTER THE END OF THE YEAR

- Shares of Neobo were listed on the Nasdaq First North Premier Growth Market on February 10, 2023.
- In the beginning of the year, Neobo completed refinancing of existing external financing of SEK 2 billion.
- 2023 is Neobo's first year of operation as an independent company. The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for the financial year 2022.

KEY METRICS

	2022 Jan–Dec	2021 Jan–Dec	2022 Oct–Dec	2021 Oct–Dec
Property-related key metrics				
Market value of properties, SEK M	15,295	17,173	15,295	17,173
Number of properties	268	249	268	249
Number of sq.m., thousands	714	705	714	705
Surplus ratio, %	50	51	46	52
Yield, %	3.0	3.3	3.0	3.3
Economic letting ratio, %	92.0	92.5	92.0	92.5
Key financial metrics				
Rental revenue, SEK M	839	694	204	193
Net operating income, SEK M	423	355	93	100
Profit/loss for the period, SEK M	-1,355	3,226	-841	2,703
Cash flow from operating activities before changes in working capital, SEK M	147	157	23	34
Return on equity, %	-16	45	-10	35
Loan-to-value (LTV) ratio, %	48	44	48	44
Equity/assets ratio, %	48	50	48	50
Interest coverage ratio, multiple	2.0	2.4	-	-
Share-related key metrics				
Net asset value, SEK M	8,282	10,103	8,282	10,103
Net asset value per ordinary share, SEK	56.96	73.09	56.96	73.09
Earnings per ordinary share, SEK	-9.32	23.34	-5.78	18.64
Average number of ordinary shares	145,400,735	138,220,993	145,400,735	145,041,548



Strong financial position and good market conditions

There was a considerable amount of activity in the fourth quarter and it feels good to be able to present Neobo's first year-end report as an independent, freestanding housing company listed on the Nasdaq First North Premier Growth Market.

Neobo's current Group structure was created during the fourth quarter of 2022 and the company was spun off to SBB's shareholders at year-end. 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 in order to create the property portfolio that Neobo has today. At year-end, Neobo held properties valued at SEK 15.3 billion.

The 2022 results for Neobo are based on the property portfolio that existed in the Group at September 30, 2022. That said, rental revenue amounted to SEK 839 M, net operating income to SEK 423 M and income from property management to SEK 172 M for full-year 2022.

STRONG FINANCIAL POSITION

We have devoted great effort to ensuring that Neobo has a strong financial position and a stable capital structure based solely on bank financing. As of February 2023, we have a low loan-to-value ratio of 48 percent, an average loan-to-maturity period of 4.2 years, a high interest hedging ratio of 74 percent, an average fixed rate period of 1.8 years and an average interest rate of 2.7 percent, which feels very assuring in today's financial market.

COMMITTED EMPLOYEES

Another prioritized aim has been to build an efficient organization and I am extremely proud to state that, since year-end, we have both a property management organization and a management team in place that are committed to the further development of Neobo.

The property management organization comes from SBB and has long-standing experience of our property portfolio and has maintained a close dialogue with our tenants, which is a prerequisite for active and value-generating property management. I have also recruited a management team with considerable drive and extensive experience of the property and stock markets.



FAVORABLE MARKET CONDITIONS

Neobo is active in municipalities with a population growth that slightly exceeds the national average and with a good rate of employment. Most of the municipalities also state that they are experiencing a housing shortage. This factor, together with a low rate of new production of residential properties, creates favorable market conditions for Neobo and we will devote great effort to reducing our vacancies during the current year. Rent negotiations are currently under way for 2023 and, although we will not secure compensation for the entire rate of inflation during the current year, we note that rents for residential properties in Sweden have historically increased more than inflation.

I am looking forward to leading and developing Neobo as a freestanding listed company. With our dedicated employees and financial strength, we have the best prerequisites in the prevailing market situation for adding value to the property portfolio and generating value for our tenants and owners.

Stockholm, February 23, 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 at year-end. 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.

The 2022 results for Neobo are based on the property portfolio that existed in the Group at September 30, 2022.

BUSINESS CONCEPT

Neobo's business concept is to manage and refine properties in Swedish municipalities with population growth, a good employment rate and a stable rental market. Long-term growth in value and cash flow will be achieved by being an active property owner in communities where people want to live and work. Neobo strives to be a reliable long-term landlord that works actively with sustainability to contribute to the good development of society.

STRATEGY

Neobo's strategy consists of long-term ownership and refinement of residential properties with stable cash flows that generate a positive return over time. Neobo aims to protect the role of rental properties in Sweden by offering attractive living environments and thus contributing to sustainable social development.

Neobo works actively with both environmental and social sustainability to reduce the company's climate impact and to offer cost-effective and sustainable properties. Neobo currently has a geographically diversified property portfolio in municipalities experiencing good demand for residential properties and a low vacancy rate.

VALUE-CREATING PROPERTY MANAGEMENT AND REFINEMENT

Neobo's property management organization facilitates active and value-creating property management. The property management organization consists of local property managers in the respective regions in order to ensure a close dialogue between Neobo and its tenants. Refinement of the property portfolio is a central part of Neobo's strategy and continuous work is conducted to identify potential development requirements in the form of, for example, energy optimization and upgrades of existing properties. Through refinement of the property portfolio, Neobo is able to increase its rental revenue, reduce vacancy rates and cut costs which, in turn, increases the value of the properties.

FINANCIAL TARGETS

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

Our properties

Neobo manages and refines residential properties in 40 municipalities in Sweden. The portfolio consists of 268 properties and 8,396 residential apartments with a total property value of SEK 15.3 billion. The total lettable area of these properties is 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.



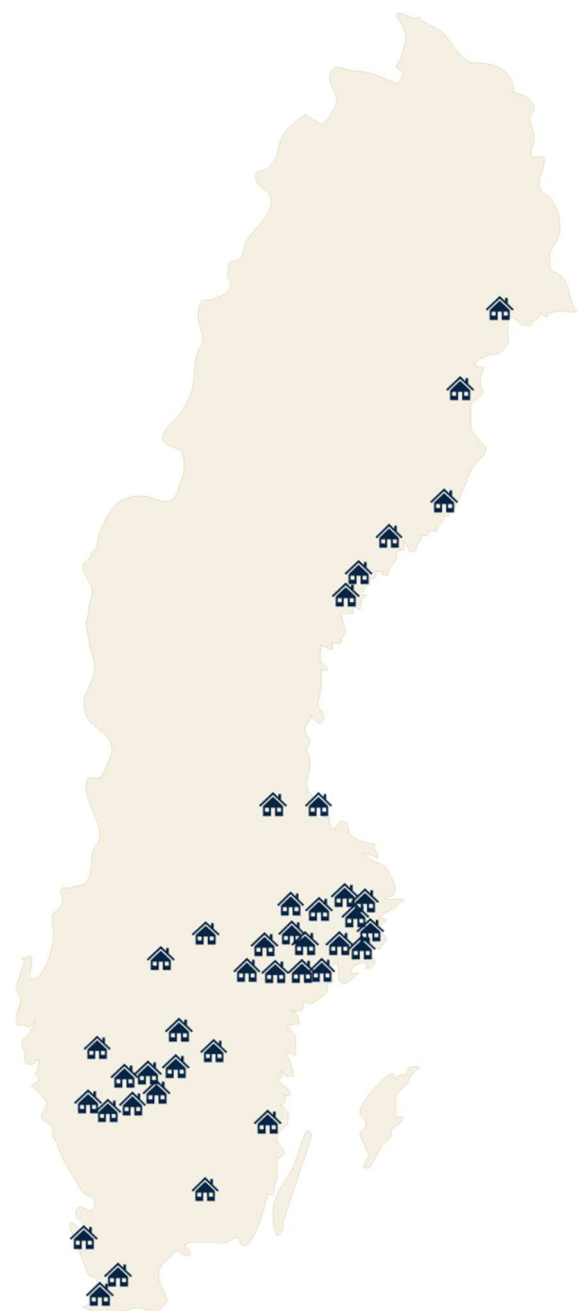
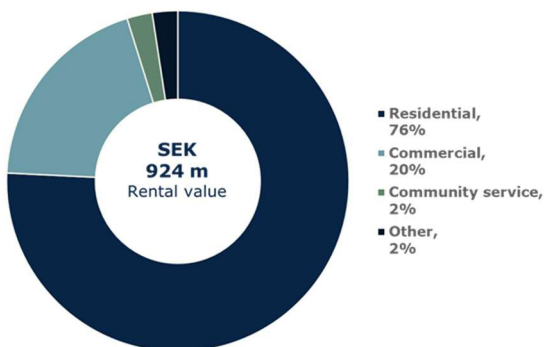
RENTAL VALUE AND LETTING RATIO

The annual rental value of Neobo's property portfolio amounted to SEK 924 M as per December 31, 2022. Residential properties account for 76 percent of the rental value and commercial premises for 22 percent. The rental value increased during the quarter primarily as a result of indexation of rents for commercial premises. Rent negotiations for residential properties 2023 are under way and the agreements concluded to date entail a rent increase of 3.5–5 percent.

Neobo's tenants are mainly private individuals, and a number of corporate customers who primarily lease stores, restaurants and offices on the ground floors of the residential properties, as well as customers in one of the company's community service properties. Neobo's main commercial tenant, Amasten Continental Apartments AB, which is also a subsidiary of Neobo, operates apartment hotels in Sollentuna, Knivsta, Helsingborg and Sundsvall.

The economic letting rate, on the basis of current rental contracts as per December 31, 2022, amounted to 92.0 percent for the entire portfolio.

The economic vacancy rate for residential contracts amounted at year-end to 6.6 percent and to 11.3 percent for commercial leases. The vacancy rates within commercial premises were mainly due to a small number of larger vacant premises. The residential vacancy rates is explained partly by a low level of letting in a recently completed property.



LOCAL PROPERTY MANAGEMENT

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 letting ratio and is a prerequisite for being able 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	6,533	24,906	381	1,453
South	168	5,559	452	8,762	19,404	543	1,203
Total	268	8,396	714	15,295	21,425	924	1,295

SUSTAINABILITY

Neobo actively pursues systematic environmental, economic and social sustainability efforts, to ensure that sustainability is an integral part of its operations. 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 can contribute to increased stability, security and long-term sustainable environments and attractive residential areas.

Neobo has implemented 31 energy saving projects that have resulted in energy savings of approximately 1,000,000 kWh and has 35 ongoing energy saving projects in the property portfolio, which are expected to lead to annual energy savings of about 3,000,000 kWh. The projects comprise energy improvement measures, such as solar cells and more efficient heating systems. In addition, Neobo is working to environmentally certify the property portfolio to be able to offer green residential properties, in line with Neobo's strategy of being a sustainable property manager. Neobo has 16 ongoing and planned applications to secure Miljöbyggnad iDrift certification.



Current earnings capacity

The table below shows Neobo's current earnings capacity on a 12-month basis, based on the Group's property portfolio at January 1, 2023.

Current earnings capacity is not a forecast of the coming 12 months; it is a hypothetical instantaneous impression that is presented 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 expenses, interest rates, value changes, 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 revenue (including supplements and rent discounts), plus other property-related income based on current rental contracts as per January 1, 2023. All vacancies as per January 1, 2023, including temporary vacancies, have been indexed on an annualized basis. Property expenses 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 January 1, 2023. Central administration expenses have been calculated on the basis of Neobo's organization being an independent unit. Net financial items are defined as interest expense, which has been calculated by applying, on top of Neobo's indebtedness, financing terms and conditions subject to the

variable/market conditions applying as per January 1, 2023, including the effects of derivatives. Any interest income on cash and cash equivalents and non-recurring costs related to the spin-off and the listing of Neobo shares have not been taken into account.

Neobo's earnings capacity on January 1, 2023 SEK m

Rental value	924
Vacancy	-74
Rental revenue	850
Property expenses	-365
Property tax	-23
Net operating income	462
Central administration	-50
Net financial items	-190
Income from property management	222



Consolidated income statement

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Rental revenue	839	694	204	193
Operating costs	-298	-242	-70	-66
Maintenance	-58	-53	-18	-18
Property administration	-37	-25	-17	-4
Property tax	-23	-18	-5	-5
Property expenses	-416	-338	-110	-93
Net operating income	423	355	93	100
Central administration	-79	-85	-31	-40
Results from associated companies/joint ventures	0	0	-2	0
Profit before financial items	344	270	60	60
Profit from financial items				
Interest income and similar items	16	1	14	0
Interest expenses and similar items	-188	-114	-64	-35
Ground rent	0	0	0	0
Income from property management	172	156	11	23
Changes in value, properties	-2,238	3,887	-1,419	3,334
Results from production of residential properties	-17	9	-19	20
Changes in the value of financial instruments	100	36	5	17
Profit/loss before tax	-1,983	4,089	-1,423	3,396
Current tax	-38	-12	-5	15
Deferred tax	666	-851	588	-707
PROFIT/LOSS FOR THE PERIOD	-1,355	3,226	-841	2,703
Earnings per ordinary share (SEK)	-9.32	23.34	-5.78	18.64

Consolidated statement of comprehensive income

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Profit/loss for the period	-1,355	3,226	-841	2,703
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-1,355	3,226	-841	2,703

Comments on the consolidated income statement

NET OPERATING INCOME

Net operating income increased by SEK 68 M to SEK 423 M (355) during the year. For like for like portfolio, the increase was 5.2 percent. Within the quarter the net operating income was 93 M (100).

Rental revenue increased to SEK 839 M (694) during the year and to SEK 204 M (193) for the quarter. For like for like portfolio, the increase was 3.6 percent. The increase in rental revenues is attributable to properties acquired in 2021 and 2022, completed new production, upgrades of apartments and annual rent negotiations. In addition, revenue from properties acquired in 2021 and 2022 also contributed, which was partly offset by a loss of revenue from sold properties in Finspång during the final quarter of 2022. The economic letting ratio was 92 percent (92.5).

Property expenses amounted to SEK -416 M (-338) during the year and SEK -110 M (-93) for the quarter. Property expenses consist primarily of tariff-based costs, operating and maintenance costs and property management administration. The increase in property expenses was due to both an expanded property portfolio, meaning newly acquired properties and completed new production, and to increased electricity and heating costs during the final quarter.

INCOME FROM PROPERTY MANAGEMENT

Income from property management increased 10.2 percent to SEK 172 M (156) during the year due to a larger property portfolio and reduced central costs. Income from property management totaled SEK 11 M (23) during the quarter. Non-recurring costs were charged to the fourth quarter of 2022 resulting from the separation from SBB and Neobo's listing on Nasdaq First North Premier Growth Market.

Central administration costs declined to SEK -79 M (-85) during the year and to SEK -31 M (-40) for the quarter.

Net financial items amounted to SEK -172 M (-113) during the year and SEK -50 M (-35) for the quarter. The change was mainly due to rising variable market rates.

CHANGES IN VALUE AND TAX

Changes in property values amounted to SEK -2,238 M (3,887), of which realized value changes accounted for SEK -1,087 M (9) and unrealized changes in value accounted for SEK -1,151 M (3,878). Changes in property values for the quarter amounted to SEK -1,419 M (3,334). The negative unrealized value change was primarily due to an increased yield requirement for residential properties.

The total changes in the value of financial instruments of SEK 100 M (36) pertained to changes in the value of derivatives, of which unrealized changes amounted to SEK 72 M (3) and realized changes to SEK 28 M (33). For the quarter, total changes in value of financial instruments amounted to SEK 5 M (17).

The result after tax amounted to SEK -1,355 M (3,226) for the year, and SEK -841 M (2,703) for the quarter. Tax on profit for the year amounted to SEK 628 M (-863), of which SEK -38 M (-12) pertained to current tax and SEK 666 M (-851) pertained to deferred tax, the majority of which related to unrealized changes in the value of properties. Tax on profit for the quarter amounted to SEK 583 M (-692), of which current tax accounted for SEK -5 M (15) and deferred tax for SEK 588 M (-707).

Consolidated balance sheet

Amounts in SEK M	Dec 31, 2022	Dec 31, 2021
ASSETS		
Non-current assets		
Intangible assets	3	-
Total intangible assets	3	-
Property, plant and equipment		
Investment properties	15,295	17,173
Right-of-use assets, leaseholds	0	14
Equipment, machinery and installations	4	6
Total property, plant and equipment	15,299	17,193
Financial assets		
Participations in associated companies/joint ventures	0	10
Receivables from associated companies/joint ventures	0	16
Derivatives	393	11
Financial fixed assets at fair value	0	50
Other long-term receivables	0	16
Total financial assets	393	103
Total non-current assets	15,696	17,296
Current assets		
Properties held for sale	0	245
Current receivables		
Accounts receivable	16	122
Other receivables	51	210
Prepaid expenses and accrued income	60	37
Total current receivables	127	369
Cash and cash equivalents	231	344
Total current assets	358	958
TOTAL ASSETS	16,054	18,254
EQUITY AND LIABILITIES		
Equity		
Share capital	752	752
Other contributed capital	5,141	5,141
Retained earnings, including comprehensive income for the year	1,884	3,238
Total equity	7,777	9,132
Non-current liabilities		
Liabilities to credit institutions	6 571	3,228
Deferred tax liabilities	505	1,171
Lease liabilities, leaseholds	-	14
Other non-current liabilities	2	206
Total non-current liabilities	7,078	4,619
Current liabilities		
Liabilities to credit institutions	923	4,261
Accounts payable	56	48
Current tax liabilities	32	33
Other liabilities	14	16
Accrued expenses and prepaid income	173	144
Total current liabilities	1,198	4,502
TOTAL EQUITY AND LIABILITIES	16,054	18,254

Comments on the consolidated balance sheet

INVESTMENT PROPERTIES

Neobo's properties had a value of SEK 15.3 billion at the end of the year. The value of the property portfolio has been based on valuations conducted by external, authorized property assessors. The valuations were based on analyses of future cash flows for the respective properties, whereby current rental contract terms, the market's yield requirement, rent levels, operating and maintenance expenses and the properties' investment requirements have been taken into account. An average yield requirement of 4.1 percent was used in the valuation. The value of the properties includes SEK 80 M (314) for development 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 development rights. Accordingly, fair value was measured according to IFRS 13, Level 3.

CHANGE IN PROPERTY PORTFOLIO

Opening fair value, Jan 1, 2022	17,173
Acquisitions	6,064
Investments	727
Divestments	-7,602
Unrealized changes in value	-1,151
Reclassifications	85
Closing balance, fair value	15,295

Opening fair value, Jan 1, 2021	9,966
Acquisitions	2,338
Investments	778
Divestments	-125
Unrealized changes in value	3,878
Reclassification	338
Closing balance, fair value	17,173

SENSITIVITY ANALYSIS

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 parameters assumed for the valuation.

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

	Change	Value impact
Rental value	+/- 5%	+1,140/-1,141 SEK M
Required yield	+/- 0.25%	SEK -929 M/SEK +1,067 M

CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2022 amounted to SEK 231 M (344).

EQUITY

Equity at December 31, 2022 amounted to SEK 7,777 M (9,132).

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 loss carryforwards into account. The deferred tax liability at December 31, 2022 was SEK 505 M (1,171) and was largely attributable to investment properties.

INTEREST-BEARING LIABILITIES

Interest-bearing liabilities in the Group amounted to SEK 7,494 M (7,709) on December 31, of which liabilities to credit institutions accounted for SEK 7,494 M (7,489) and liabilities to other Group companies for SEK 0 M (206) (earlier consisted of debt to the SBB group).

Consolidated statement of changes in equity

Amounts in SEK M

	Share capital	Other contributed capital	Retained earnings	Total	Non-controlling interests	Total equity
Opening equity, Jan 1, 2021	679	4,486	28	5,193	13	5,206
Profit/loss for the period	-	-	523	523	-	523
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-	-	523	523	-	523
New share issue	65	591	-	656	-	656
Non-cash issue	3	19	-	22	-13	9
Dividend on preference shares	-	-	-16	-16	-	-16
Closing equity, Sep 30, 2021	747	5,096	535	6,379	-	6,379
Opening equity, Oct 1, 2021	747	5,096	535	6,379	-	6,379
Profit/loss for the period	-	-	2,703	2,703	-	2,703
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-	-	2,703	2,703	-	2,703
New share issue	5	45	-	50	-	50
Closing equity, Dec 31, 2021	752	5,141	3,238	9,132	-	9,132
Opening equity, Jan 1, 2022	752	5,141	3,238	9,132	-	9,132
Profit/loss for the period	-	-	-1,355	-1,355	-	-1,355
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-	-	-1,355	-1,355	-	-1,355
Closing equity, Dec 31, 2022	752	5,141	1,883	7,777	-	7,777

Condensed consolidated cash flow statement

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2022 Dec 31, 2022	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Operating activities				
Income from property management	172	156	11	23
<i>Adjustment for non-cash flow items</i>				
Depreciation	1	2	1	0
Net interest income	172	112	50	34
Interest paid	-192	-97	-64	-23
Interest received	16	1	14	0
Paid tax	-22	-17	11	0
Cash flow from operating activities before changes in working capital	147	157	23	34
Cash flow from changes in working capital				
Increase (-)/Decrease (+) of operating receivables	224	-44	2	191
Increase (+)/Decrease (-) of operating liabilities	172	-184	161	-91
Cash flow from operating activities	542	-71	186	134
Investing activities				
Investments in properties	-722	-616	-74	-81
Property sales	-	11	-	11
Acquisition of subsidiaries less acquired cash and cash equivalents	-3,084	-1,488	-2,292	-230
Divestments of subsidiaries less cash and cash equivalents	5,451	58	5,053	58
Investments/divestments, equipment, machinery and installations	0	-4	0	3
Investments/divestments, associated companies/joint ventures	0	-34	0	0
Cash flow from financial assets	-318	268	-351	10
Change in other long-term receivables	0	0	42	0
Cash flow from investing activities	1,327	-1,805	2,379	-229
Financing activities				
Non-cash issue/new share issue	-	653	-	0
Dividend paid	-	-12	-	0
Borrowings	4,143	3,398	2,774	491
Repayment of loans	-5,919	-2,503	-3,097	-213
Change in other non-current liabilities	-206	9	-2,065	-
Cash flow from financing activities	-1,982	1,545	-2,388	278
Cash flow for the period	-112	-331	177	183
Cash and cash equivalents at the beginning of the period	344	674	55	161
Cash and cash equivalents at the end of the period	231	344	231	344

PROPERTIES, DEC 31, 2022

County	Number of apartments	Floor area, thousand sq.m.	Market value, SEK M	<i>SEK/sq.m.</i>	Of which, development rights value, SEK M
Västra Götaland	1,668	140	2,320	16,548	11
Stockholm	685	70	1,925	27,431	-
Vasternorrland	752	68	1,673	24,566	2
Skåne	693	53	1,451	27,544	6
Östergötland	824	68	1,448	21,213	27
Södermanland	813	63	1,415	22,353	-
Uppsala	379	36	1,010	28,370	-
Kronoberg	452	29	797	27,840	18
Jönköping	517	48	644	13,321	-
Kalmar	516	43	620	14,415	5
Västmanland	368	35	584	16,555	11
Värmland	244	18	486	26,412	-
Jämtland	161	7	258	34,822	-
Örebro	148	18	237	12,927	-
Gävleborg	51	3	132	44,444	-
Västerbotten	76	3	124	47,463	-
Norrbottn	49	2	87	35,591	-
Dalarna	-	8	85	10,385	-
Total	8,396	714	15,295	21,425	80

PROPERTIES, DEC 31, 2021

County	Number of apartments	Floor area, thousand sq.m.	Market value, SEK M	SEK/sq.m.	Of which, development rights value, SEK M
Västra Götaland	1,224	106	2,140	19,934	-
Stockholm	836	75	3,136	39,600	291
Vasternorrland	679	58	1,760	30,234	2
Östergötland	1,744	153	2,794	20,987	3
Södermanland	1,096	83	2,151	30,017	-
Uppsala	120	8	391	55,199	-
Jönköping	517	48	662	13,220	-
Västmanland	368	35	598	17,365	16
Värmland	244	18	547	27,788	-
Örebro	296	42	785	11,171	-
Gävleborg	865	66	1,871	30,388	-
Västerbotten	76	3	123	37,750	-
Norrbottn	-	0	89	35,386	-
Dalarna	-	8	126	29,092	-
Total	8,065	705	17,173	24,365	314

Financing

Neobo's operations are financed with equity and bank loans. Neobo pursues a strategy of having a low financial risk. 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.

INTEREST-BEARING LIABILITIES

Interest-bearing liabilities in the Group amounted to SEK 7,494 M (7,709) on December 31, of which liabilities to credit institutions accounted for SEK 7,494 M (7,489) and liabilities to other Group companies for SEK 0 M (206).

The average loan-to-maturity period at year-end was 3.9 years (2.5).

The loan-to-value ratio was 48 percent (40) and the equity/assets ratio 48 percent (50).

The interest hedging ratio was 80 percent (44) and the average fixed rate period was 1.8 years (0.9). The interest coverage ratio was a multiple of 2.0 (2.4).

Neobo has continued to work actively to keep interest-bearing liabilities at low levels. The average interest rate for interest-bearing liabilities at the end of the year was 2.8 percent (1.7).

FINANCIAL TARGETS

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

CHANGES IN VALUE, DERIVATIVES

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. At year-end, the aggregated nominal value of interest rate derivatives was SEK 404 M (2,433) with maturities of between one and three 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 year, interest rate derivatives had a fair value of SEK 393 M (11)

LOAN-TO-MATURITY STRUCTURE, DEC 31, 2022

Year of maturity	Nominal amount, SEK M	Percentage
<1	832 ¹	11%
1-2	0	-
2-3	3,614	48%
3-4	1,333	18%
4-5	1,133	15%
5<	583	8%
Total	7,494	100%

LOAN-TO-MATURITY STRUCTURE, DEC 31, 2022

Year of maturity	Nominal amount, SEK M	Percentage
<1	2,612	35%
1-2	1,432	19%
2-3	2,500	33%
3-4	950	13%
4-5	0	-
5<	0	-
Total	7,494	100%

LOAN-TO-MATURITY STRUCTURE, DEC 31, 2021

Year of maturity	Nominal amount, SEK M	Percentage
<1	2 782	37%
1-2	1 783	24%
2-3	2 600	35%
3-4	137	2%
4-5	194	3%
5<	0	0%
Total	7,496	100%

LOAN-TO-MATURITY STRUCTURE, DEC 31, 2021

Year of maturity	Nominal amount, SEK M	Percentage
<1	5,063	64%
1-2	800	12%
2-3	933	14%
3-4	500	7%
4-5	200	3%
5<	0	0%
Total	7,496	100%

¹ After the end of the quarter, SEK 733 M of these liabilities were refinanced, SEK 99 M refers to amortization of long-term liabilities.

Parent Company income statement

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Net sales	82	76	25	27
Personnel costs	-48	-82	-1	-26
Other operating expenses	-94	-63	-38	-25
Operating profit/loss	-60	-69	-14	-24
Profit from financial items				
Profit from participations in Group companies	3,587	4	3,587	4
Interest income and similar items	113	63	28	15
Interest expenses and similar items	-40	-22	-16	-4
Profit/Loss after financial items	3,600	-24	3,585	-9
Appropriations	0	79	0	79
Profit/loss before tax	3,600	55	3,585	70
Tax	-5	0	-5	0
PROFIT/LOSS FOR THE PERIOD	3,595	55	3,580	70

Parent Company statement of comprehensive income

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Profit/loss for the period	3,595	55	3,580	70
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FÖR PERIODEN	3,595	55	3,580	70

Parent Company balance sheet

Amounts in SEK M	Dec 31, 2022	Dec 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment		
Plant and equipment	0	0
Financial assets		
Participations in Group companies	0	1,923
Participations in associated companies/joint ventures		9
Receivables from Group companies	0	3,033
Receivables from associated companies/joint ventures		-
Other non-current receivables	0	12
Total financial assets	0	4,977
Total non-current assets	0	4,977
Current assets		
Current receivables		
Current receivables from Group companies	7,838	791
Other receivables	27	50
Prepaid expenses and accrued income	27	9
Total current receivables	7,891	851
Cash at bank balances	224	18
Total current assets	8,116	869
TOTAL ASSETS	8,116	5,846
	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES		
Equity		
Restricted equity	756	756
Non-restricted equity	7,329	3,733
Total equity	8,085	4,490
Non-current liabilities		
Liabilities to credit institutions	0	16
Liabilities to Group companies	0	678
Total non-current liabilities	0	694
Current liabilities		
Accounts payable	8	4
Current tax liabilities	0	4
Current liabilities to Group companies	0	618
Other liabilities	3	16
Accrued expenses and prepaid income	20	20
Total current liabilities	31	662
TOTAL EQUITY AND LIABILITIES	8,116	5,846

Other information and accounting policies

GENERAL INFORMATION

Neobo Fastigheter AB (publ), Corp. Reg. No. 556580-2526, with its subsidiaries, conducts operations involving property management and property development. The Parent Company is a holding company registered in Sweden with its registered office in Stockholm, Sweden.

For most of the reporting period, the Group, in which Neobo Fastigheter AB (publ) is the Parent Company, the Neobo Group, belonged to a group for which Samhällsbyggnadsbolaget i Norden AB (publ) is the Parent Company, the SBB Group. The Neobo Group published its most recent interim report on February 6, 2023 in respect of the Neobo Group's financial position as per September 30, 2022. At that date, the Parent Company's name was Amasten Fastighets AB (publ). With the support of Chapter 7:2 of the Annual Accounts Act, Neobo did not issue consolidated annual accounts as per December 31, 2021, whereupon the Group and the Parent Company decided to include their accounting policies in Notes 1–3 of this interim report.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. Additionally, the Annual Accounts Act and the RFR 1 Supplementary Accounting Rules for Corporate Groups were applied. The most recent consolidated annual report prepared and published in accordance with IFRS was for 2020, though this report was prepared as if IFRS had always been applied according to IFRS 1 item 1.4A. The accounting policies are described in more detail below as a consolidated annual report is not available for the last calendar year.

The Parent Company applies the same accounting policies as the Group with the exceptions and supplements stipulated in the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities.

PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Additionally, the Annual Accounts Act and the RFR 1 Supplementary Accounting Rules for Corporate Groups were applied. Unless otherwise indicated,

the following accounting policies have been applied consistently in all periods that are presented in the consolidated financial statements. The Group's accounting policies were applied consistently by the Group's companies. Assets and liabilities are recognized at cost with the exception of investment properties and certain financial instruments that are measured and recognized at fair value. The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Parent Company and the Group. All amounts are stated in SEK million (SEK M) unless otherwise stated.

SUBSIDIARIES

Subsidiaries are all the companies where the Group is exposed or entitled to variable returns from its commitments and can also affect the returns by means of its influence over the company. Initial recognition of subsidiaries in the consolidated financial statements complies with the acquisition method. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group, and they are deconsolidated from the date that control ceases. Intra-Group transactions and balance sheet items as well as unrealized gains or losses on transactions between Group companies are eliminated in the consolidated financial statements.

ASSOCIATED COMPANIES AND JOINT VENTURES

Companies where the Group exercises significant, but not controlling, influence are recognized as associated companies, which is presumed to be the case when the holding amounts to not less than 20% and not more than 50% of the votes. It also presumes that the ownership forms part of a permanent relationship and that the holding will not be recognized as a joint venture.

Associated companies and joint ventures are recognized in accordance with the equity method. When using the equity method, the investment is initially measured at cost in the Group's statement of financial position and the amounts recognized adjusted upward or downward thereafter to recognize the Group's share of the post-acquisition profits or losses and other comprehensive income. If the Group's share of losses in an associated company or joint venture exceed the holding in this associate or joint venture, the Group does not recognize any further

losses unless the Group has undertaken obligations on behalf of the company. The Group's share of profit/loss and other comprehensive income in an associated company and joint venture is included in the consolidated profit/loss and other comprehensive income.

On each balance sheet date, the amounts recognized are tested for any indication of a need for impairment of the investment in an associated company or joint venture. In such an event, a calculation of the impairment amount is made that corresponds to the difference between the recoverable amount and the carrying amount. The impairment is recognized under the item "Share of profits of associated companies recognized in accordance with the equity method" in profit or loss.

REVENUE IN THE INCOME STATEMENT

The Group's revenue consists primarily of rental revenue. Revenue is recognized less any discounts.

Rental contracts are classified in their entirety as operating leases. Rental revenue including surcharges is invoiced in advance and the rents are allocated straight line so that only the portion of the rents that fall due during the period is recognized as revenue. Where appropriate, recognized rental revenues have been reduced by the value of rent discounts granted. Should rental contracts grant a reduced rent over a specified period, this is allocated straight line over the particular contractual period. Surrender premia paid by tenants in conjunction with vacating leases prior to lease expiry are recognized as revenue when the agreement with the tenant expires and no commitments remain, which generally arises when the premises are vacated.

Based on the leases held by the Group and their wording, Neobo found that the service provided by the Group is subordinate to the rental contract and that all premiums shall be deemed to be rent. The sale of property is recognized when control is transferred to the buyer from the seller. An assessment of whether control has been transferred is conducted on the occasion of each individual divestment. The result of the property sale is recognized as a realized change in value.

LEASES

Leases in which essentially all of the risks and benefits associated with ownership remain with the lessor are classified as operating leases. All of the Group's leases are therefore regarded as operating leases. Properties leased out under

operating leases are included in the item investment properties.

PROPERTY EXPENSES

Property expenses that are part of the Group's net operating income include operating and maintenance expenses, costs for property administration and property tax. Operating costs include tariff-based costs, such as electricity, water, heating and sanitation, insurance and property upkeep. Maintenance expenses refer to costs for measures to maintain the standard and technical condition of the property. Property administration includes costs for property management and letting and some parts of financial management. Property tax pertains to both property tax based on the property's tax assessment value and, where relevant, a levy on real estate based on fees per apartment.

CENTRAL ADMINISTRATION

The Group's administration costs are allocated to the property administration, which is part of the Group's net operating income and central administration. Costs at a Group-wide level that are not directly related to property management, such as costs for Group management, business development, property development and financing, are classified as central administration costs.

REMUNERATION OF EMPLOYEES

Remuneration of employees comprises salaries, paid holiday, paid sick leave and other benefits as well as pensions. The Group only has defined-contribution pension plans. A defined-contribution plan is a pension plan under which the company pays fixed contributions into a separate legal entity, thereby discharging its obligation to the employee. Defined-contribution plans are recognized as costs in the period to which the premiums paid pertain.

FINANCIAL INCOME AND EXPENSES

Calculations of interest income on receivables and interest expense on liabilities are based on the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts throughout the fixed-interest tenor to the carrying amount of the financial asset or financial liability. Financial income and expenses are recognized in the period to which the amounts pertain.

CHANGE IN VALUE OF INVESTMENT PROPERTIES

Both unrealized and realized changes in value are recognized in profit or loss on the row "Change in value of investment properties". Unrealized changes in value are calculated on the basis of the period-end valuation compared with the valuation conducted at the beginning of the period, or alternatively, if the property was acquired during the period, at cost, taking investments during the period into account. Realized changes in value on properties are calculated as price less selling expenses less carrying amount including the year's unrealized changes in value.

TAXES

Tax for the period comprises current and deferred tax. Tax is recognized in profit or loss, except when the underlying transaction is recognized in other comprehensive income or directly in equity, in which case, the related tax is also recognized in other comprehensive income or equity.

The current tax charge is calculated based on taxable profit for the period. Taxable income differs from recognized profit, in that it has been adjusted for non-taxable income and non-deductible items. Current tax is tax that is to be paid or received in the current year adjusted with current tax attributable to previous periods. Deferred tax is recognized on the difference between carrying amounts and the tax values of assets and liabilities. Change in the recognized deferred tax assets or liabilities is recognized in profit or loss as a cost or revenue except when the tax pertains to items recognized in other comprehensive income or directly in equity.

EARNINGS PER SHARE

Earnings per ordinary share is determined by dividing net income attributable to Parent Company shareholders by the weighted average number of ordinary shares outstanding during the year.

REVENUE FROM PREVIOUS PROJECT DEVELOPMENT OF RESIDENTIAL PROPERTIES AS TENANT-OWNER APARTMENTS

Neobo's development of residential properties as tenant-owner apartments is conducted in the form of a construction contract, and a project development contract is signed with a tenant-owner association as client. The tenant-owner association signs agreements to construct the apartments with end customers. Based on IFRS 10 Consolidated Financial Statements, Neobo has performed an analysis and assessed the accounting effects of the company's entire

housing development business. Neobo's analysis and assessment is that the company exercises controlling influence over the tenant-owner association, meaning it is to be consolidated during construction until the apartment owners become members of the association and a housing board has been appointed. As a consequence of the principle for consolidation of the association, the date on which Neobo recognizes revenue under IFRS 15 Revenue from Contracts with Customers is also affected and the revenue is to be recognized on the date when end customers gain access to each apartment. The total revenue for project development, meaning the sale of land, planning and construction, is recognized at a point in time. Revenue for granting access and transferring a residential property is recognized on the date when control is transferred to the apartment buyer, the end customer, which occurs when the individual apartment owner takes possession of their apartment. Neobo's entitlement to payment for each apartment also occurs on this date. The recognized revenue is based on the actual revenue for sold housing projects and recognized in conjunction with the transfer of possession for each apartment. The recognized cost per apartment sold is based on a share of the apartments estimated cost when the project is completed. During construction, accrued costs are recognized as an asset in the project properties item, and the tenant-owner association's liabilities are recognized as current and non-current interest-bearing liabilities in Neobo's balance sheet.

INVESTMENT PROPERTIES

Investment properties, which are properties held to generate rental revenues and capital appreciation, are initially recognized at cost, including directly attributable transaction costs. Following initial recognition, investment properties are recognized at fair value. Fair value is primarily based on prices in an active market and is the amount to which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of the properties is established by assessing the market value of all properties at each individual period end.

Additional expenditure is capitalized when it is probable that the Group will receive future financial benefits associated with the expenditure, which means that it is value enhancing, and the expenditure can be reliably determined. Other maintenance expenses and repair costs are

expensed when incurred. In the case of major new builds, extensions or redevelopments, interest expense during the production period is capitalized.

EQUIPMENT, MACHINERY AND INSTALLATIONS

Equipment, machinery and installations mainly comprises office equipment and cars, recognized at cost less accumulated depreciation and impairment. Equipment, machinery and installations is depreciated on a straight line basis during the assets' estimated useful life.

Equipment, machinery and installations is estimated to have a useful life that is assumed to be equal to the asset's technical longevity, which is why the residual value is assumed to be negligible and is disregarded. Depreciation is calculated from the time when the asset is ready for use.

FINANCIAL INSTRUMENTS

Financial instruments are any form of agreement that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. Financial instruments recognized in the balance sheet include on the asset side shares and participations in companies where the Group has a non-controlling interest (financial fixed assets at fair value), derivative instruments, receivables from associated companies/joint ventures, other long-term receivables, rent receivables, other current receivables as well as cash and cash equivalents. Liabilities include liabilities to credit institutions, other non-current liabilities, derivative instruments, accounts payable, accrued expenses and other current liabilities. Recognition depends on how the financial instruments have been classified.

RECOGNITION AND DERECOGNITION

A financial asset or a financial liability is recognized in the balance sheet when the company becomes a party under the contractual terms and conditions for the instrument. Rent receivables are recognized in the balance sheet when the invoice has been sent. Liabilities are recognized when the counterparty has executed its part of the agreement and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognized when the invoice has been received. A financial asset and a financial liability are offset and recognized net in the balance sheet only when a legal right exists to offset the amounts and the intention is either to settle the item in a

net amount or simultaneously realize the asset and settle the liability. A financial asset is normally derecognized from the balance sheet when the contractual rights to the cash flows from the financial asset cease. For example, when rent payment has been received. The same applies for part of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the contract is met or extinguished in another manner. The same applies for part of a financial liability.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

The Group's financial assets comprise debt instruments, equity instruments as well as derivatives.

Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the character of the asset's contractual cash flows. The Group's debt instruments are classified at amortized cost and include: non-current receivables, rent receivables, other current receivables, accrued income as well as cash and cash equivalents. Financial assets are classified at amortized cost and are initially measured at fair value plus any transaction costs. Rent receivables are initially recognized at invoiced value. Following initial recognition, the assets are measured according to the effective interest rate method. Assets classified at amortized cost are held according to the business model of collecting contractual cash flows that only comprise payments of principal and interest payments on the principal outstanding. The assets are covered by a loss allowance for expected credit losses.

Equity instruments: The Group's equity instruments comprise shares held (listed and unlisted) as well as other securities. All of the Group's equity instruments are measured at fair value through profit or loss.

Derivatives: classified at fair value through profit or loss.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

Financial liabilities, with the exception of derivatives, are classified at amortized cost. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. Following initial recognition, they are measured at amortized cost using the effective interest rate method.

FAIR VALUE MEASUREMENT

Fair value is the price at the measurement date that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The different levels are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Other observable inputs for the asset or liability other than quoted prices included within Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data

IMPAIRMENT OF FINANCIAL ASSETS

The Group's financial assets that are recognized at amortized cost, are subject to impairment for expected credit losses. Impairment of loan losses is forward looking and a reserve for losses is posted already on initial recognition when there is exposure to credit risk.

Rent receivables: The modified retrospective approach is applied for the Group's rent receivables. Using the modified retrospective approach, a loss allowance is recognized for the expected remaining maturity of the receivable. The Group bases the valuation of expected credit losses on the historical rate of loan losses combined with forward-looking factors.

Other financial assets recognized at amortized cost: A three-stage impairment model is applied for receivables from associated companies/joint ventures and other current receivables. Initially, and at every balance sheet date, a loss allowance is recognized for the forthcoming 12 months, alternatively for a shorter period depending on remaining maturity (stage 1). If there has been a material increase in credit risk since initial recognition, a loss allowance is recognized for the asset's remaining maturity (stage 2). For assets regarded as credit impaired, reserves continue to be posted for expected credit losses for the remaining maturity (stage 3). For credit-impaired assets and receivables, the calculation is based on interest income on the asset's carrying amount, net of loss allowances, in contrast to the gross amount used in the preceding stages.

When valuing expected credit losses, the Group applies a method based on external credit rating. Expected credit losses are measured in terms of the probability of default, loss given default and exposure at default. The Group has defined default as when payment of amounts owed is 15

or more days late, of if other factors indicate that the payment default is present. A material increase in credit risk is based on when payment is 31 or more days late.

Credit-impaired assets and receivables are assessed individually, whereby historical, current and forward-looking information is taken into account. The valuation of expected credit losses takes into account any collateral and other credit enhancement in the form of guarantees. Financial assets are recognized in the balance sheet net of gross value and loss allowances. Changes in the loss allowance are recognized in profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and immediately available balances at banks and equivalent institutions. The cash and cash equivalents are covered by a loss allowance requirement for expected credit losses.

DEFERRED TAX

Deferred tax is recognized on the difference between the carrying amounts of assets and liabilities in the financial statements and the tax values used when calculating taxable profit. Deferred tax is recognized in accordance with the so-called balance sheet liability method. Deferred tax liabilities are recognized for taxable temporary differences and deferred tax assets are recognized for deductible temporary differences insofar as it is probable that the amounts can be utilized to offset future taxable surpluses. However, deferred tax is not recognized if the temporary difference arises from the initial recognition of assets or liabilities in an asset acquisition. Deferred income tax is calculated based on statutory tax rates at the balance sheet date that have been enacted, notified or are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

CASH FLOW

The cash flow statement is prepared in accordance with the indirect method as per IAS 7. This means that profit is adjusted for non-cash transactions as well as any revenue or expenses associated with investing and/or financing activities. If cash outflows in the form of debt repayments in an acquired subsidiary are considered part of the company's investment cost, they are reported among the investing activities. If debt repayments in the acquired subsidiary do not form an integral part of the investment cost for the company or are made voluntarily, they are reported among the financing activities.

NOTE 2 – DISCLOSURES ON NEW AND FORTHCOMING STANDARDS

New standards and interpretations that have become effective after January 1, 2022 and have not yet been applied by Neobo

A number of new standards and interpretations enter into force for fiscal years beginning January 1, 2022 and these have not been applied in the preparation of these financial statements. These new standards and interpretations are not expected to have a material impact on the consolidated financial statements for current or forthcoming periods or on future transactions either.

NOTE 3 – SIGNIFICANT ESTIMATES AND ASSESSMENTS

The preparation of financial statements requires that the management and the Board make judgements and assumptions that affect the amounts recognized for assets, liabilities, revenue and expenses, as well as other information disclosed. These judgements are based on experience and the various assumptions that are considered reasonable by the management and the Board in view of the prevailing circumstances. The actual results may subsequently deviate from these assessments and other conditions may arise. The following assessments are those deemed most significant in preparing the company's financial statements.

The financial statements are particularly sensitive to assessments that provide the basis for the valuation of the investment properties. Investment properties are recognized at fair value, which is determined by executive management based on market assessments. Significant estimates have thus be made concerning such items as the cost of capital and the required yield, which are based on the property assessor's experience-based assessments of market yield requirements for comparable properties. Cash flow projections for operating, maintenance and administration costs are based on actual costs but also on experience of comparable properties. Future investments have been assessed based on actual requirements.

In connection with company acquisitions, an assessment is made of whether the acquisition should be classified as an asset acquisition or a business combination. A transaction qualifies as

an asset acquisition if it pertains to properties, but excludes an organization, personnel and the administrative processes required for property management. Other acquisitions are business combinations.

In conjunction with property transactions, a balanced assessment is performed of relevant facts and circumstances based on contractual conditions with the aim of establishing when risks, benefits and control are considered to transfer, in order to establish the time of initial recognition of the asset. An investment property shall be recognized as an asset when it is probable that the future financial benefits will accrue to the company and the cost can be calculated reliably. The financial benefits that are attributable to an investment property consist of both net operating income and the change in the asset's value. Based on the contractual conditions, the point in time when the future financial benefits will accrue to Neobo is established, as well as the point in time when Neobo can exercise control of the use of the asset, which is considered to be the date of initial recognition.

In conjunction with property transactions, part of the agreed purchase consideration is occasionally contingent on future events. If the obligation to pay an additional purchase consideration does not depend on Neobo's future operations – i.e. if the events that give rise to the payment are beyond Neobo's control – it is recognized as a liability. If, however, the obligation to pay the additional purchase consideration depends on Neobo's future operations, an assessment is made of whether the prerequisites exist for recognizing a provision.

Another matter of judgement in the financial statements pertains to the measurement of deferred tax. Taking into account the accounting regulations, deferred tax is recognized in nominal amounts without discounting. Current tax has been calculated based on a nominal tax rate of 20.6 percent. Deferred tax is calculated based on a nominal tax rate of 20.6 percent on differences between carrying amounts and the tax assessment values of assets and liabilities. The actual tax rate is regarded as lower, in part because of the potential to sell properties in a tax-effective manner and in part because of the time factor. When valuing loss carryforwards, an assessment is made of the likelihood that the deficit can be utilized to offset future profits.

NOTE 4 – SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Neobo belonged to the SBB Group during the period. During the period, Neobo purchased services from other companies within the SBB Group amounting to SEK 53.9 M (0). In addition, Neobo has secured group-wide borrowings from the SBB Group, whereby, at the end of the period, the Neobo Group had interest-bearing liabilities to other companies in the SBB Group of SEK 0 M (206). Interest expense to other SBB companies during the period amounted to SEK 30.8 M (0).

In the preceding year, when Neobo was not part of the SBB Group and following a resolution

passed at an Extraordinary General Meeting on March 23, 2021, properties in Mariestad and Skövde were acquired from the then Chief Executive Officer for a property value of SEK 93.5 M.

At the end of 2021, when the SBB Group held a majority interest in the Neobo Group, the SBB Group granted a loan of SEK 206 M to the Neobo Group. The loan plus interest was repaid in May 2022.

Other information

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) will be held on April 26, 2023 in Stockholm.

The Nomination Committee will consist of representatives for up to three major shareholders and the Chairman of the Board. Ahead of the 2023 AGM, the company's Nomination Committee will be based on the company's shareholder statistics from Euroclear Sweden AB effective at February 28, 2023.

Shareholders who want to submit proposals to the Nomination Committee should contact the Nomination Committee by emailing valberedningen@neobo.se no later than February 28, 2023.

The Board of Directors and the CEO affirm that this year-end report provides a true and fair view of the Parent 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, February 23, 2023

Jan-Erik Höjvall
Chairman of the Board

Mona Finnström
Board member

Ulf Nilsson
Board member

Eva Swartz Grimaldi
Board member

Peter Wågström
Board member

Ylva Sarby Westman
Chief Executive Officer

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

Neobo shares

Neobo was spun off to SBB shareholders in December 2022. Since February 10, 2023, the company's shares have been listed on Nasdaq First North Premier Growth Market.

merger of the shares followed by a split of the shares was completed during the quarter. The number of shares outstanding at year-end was 145,400,737. The share capital was 752,027,538.

SHARE CAPITAL

At the start of the quarter, the number of shares outstanding amounted to 751,227,538. In order to implement the spin-off to SBB shareholders, a

DIVIDEND POLICY

Neobo will distribute 50 percent of income from property management after tax.

SHAREHOLDER STRUCTURE AS PER DECEMBER 31, 2022

Largest shareholders	No. of shares	Percentage of capital and voting rights
Ilija Batljan	13 474 578	9,3%
Dragfast AB	7 916 346	5,4%
Länsförsäkringar Fonder	7 108 655	4,9%
Arvid Svensson Invest	6 664 412	4,6%
Sven-Olof Johansson	5 500 000	3,8%
BlackRock	4 180 274	2,9%
Vanguard	4 093 762	2,8%
Futur Pension	3 800 717	2,6%
Swedbank Robur Fonder	3 614 399	2,5%
Avanza Pension	2 559 209	1,8%
Summa 10 largest	58 912 352	40,5%
Övriga	86 488 385	59,5%
Total	145,400,737	100%

SHARE INFORMATION

Ticker	NEOBO
ISIN Code	SE0005034550
LEI Code	213800QBPS3L89U9TZ44

Definitions

FINANCIAL DEFINITIONS

Number of ordinary shares outstanding

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

Return on equity, %

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

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

Loan-to-value (LTV) ratio, %

Net debt in relation to total assets.

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

Income from property management

Profit before changes in value and tax.

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

Average number of ordinary shares

The number of ordinary 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 ratio 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 ordinary share, SEK

Profit for the period after dividend in relation to the average number of ordinary shares for the period.

Interest coverage ratio, multiple

Income from property management (past 12 months) after reversal of financial expenses in relation to financial expenses.

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

Equity/assets ratio, %

Recognized profit as a percentage of the total assets.

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

Net asset value, SEK

Recognized equity attributable to ordinary shares, excl. equity associated with preference shares, with the reversal of recognized deferred tax liabilities, interest rate derivatives.

The key ratio 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.

Yield, %

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 development rights and project properties.

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

Net operating income, SEK

Rental revenue less property expenses.

Economic letting ratio, %

Rental revenue as a percentage of rental value.

The key ratio is used to facilitate the assessment of rental revenue in relation to the total value of the potential lettable area.

Economic vacancy rate, %

Rental value for vacant rental objects as a percentage of rental value.

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

Rental revenue, SEK

Charges for the period with deductions for rental losses.

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 revenue for the period.

The key ratio shows how much of the rental revenue remains after direct property expenses.

Calculation of alternative performance measures

RETURN ON EQUITY

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Profit/loss for the period	-1,355	3,226	-841	2,703
Opening balance, Equity	9,132	5,206	8,618	6,379
Closing balance, Equity	7,777	9,132	7,777	9,132
Average equity	8,455	7,169	8,198	7,608
Return on equity	-16%	45%	-10%	35%

LOAN-TO-VALUE RATIO

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Liabilities to credit institutions	7,494	7,489	7,494	7,489
Liabilities to other Group companies	2	206	2	206
Interest-bearing liabilities	7,496	7,695	7,496	7,695
Cash and cash equivalents	231	344	231	344
Net debt	7,727	8,039	7,727	8,039
Total assets	16,054	18,254	16,054	18,254
Loan-to-value ratio	48%	44%	48%	44%

YIELD

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Net operating income according to earnings capacity	462	511	462	511
Investment properties	15,295	17,173	15,295	17,173
Development rights/project properties		-1,830		-1,830
Property value, excl. development rights/project properties	15,295	15,343	15,295	15,343
Yield	3.0%	3.3%	3.0%	3.3%

ECONOMIC LETTING RATIO

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Rental revenue according to earnings capacity	850	806	850	806
Rental value according to earnings capacity	924	871	924	871
Economic letting ratio	92.0%	92.5%	92.0%	92.5%

EARNINGS PER ORDINARY SHARE

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Profit/loss for the period	-1,355	3,226	-841	2,703
Profit/loss attributable to ordinary share	-1,355	3,226	-841	2,703
Average number of ordinary shares	145,400,735	138,220,993	145,400,735	145,041,548
Earnings per Class A and B ordinary share	-9.32	23.34	-5.78	18.64

INTEREST COVERAGE RATIO

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Income from property management (rolling 12 months)	172	156
<i>Add back, net financial items</i>		
Interest income and similar items	-16	-1
Interest expense and similar items (rolling 12 months)	188	114
Total add back, net financial items	172	113
Income from property management (rolling 12 months) excl. net financial items	344	269
<i>Net interest income</i>		
Interest income and similar items	16	1
Interest expense and similar items (rolling 12 months)	-188	-114
Total net interest income	-172	-113
Interest coverage ratio (multiple)	2.0	2.4

EQUITY/ASSETS RATIO

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Equity	7,777	9,132	7,777	9,132
Total assets	16,054	18,254	16,054	18,254
Equity/assets ratio	48%	50%	48%	50%

NET ASSET VALUE

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2022 Dec 31, 2022
Equity	7,777	9,132	7,777	9,132
Preference share capital	0	-200	0	-200
Add back of deferred tax	505	1,171	505	1,171
Net asset value	8,282	10,103	8,282	10,103
Number of ordinary shares	145,400,735	138,220,993	145,400,735	145,041,548
Net asset value per share	56.96	73.09	56.96	73.09

SURPLUS RATIO

Amounts in SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021	Oct 1, 2022 Dec 31, 2022	Oct 1, 2021 Dec 31, 2021
Net operating income	423	355	93	100
Rental revenue	839	694	204	193
Surplus ratio	50%	51%	46%	52%

Financial calendar

The 2022 Annual Report will be published in	the week beginning April 3, 2023
2023 Annual General Meeting	April 26, 2023
Interim report for the period January–March 2023, Q1	May 23, 2023
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

www.neobo.se

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

Invitation to presentation of year-end report

CEO Ylva Sarby Westman will present the year-end report in a webcast/teleconference on February 23, 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 via the webcast, with an opportunity to ask questions in writing, use the below link.

[Neobo Fastigheter Q4 Report 2022 \(financialhearings.com\)](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.

[Call Access \(financialhearings.com\)](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 year-end 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 February 23, 2023, at 8:00 a.m. CET through the agency of the stated contact persons.

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