

YEAR-END REPORT

Q4

neobo

Year-end report January–December 2024

JANUARY–DECEMBER 2024

- Rental income increased to SEK 908 m (888). For the like-for-like portfolio, rental income increased by 6 percent.
- Net operating income increased to SEK 473 m (460). For the like-for-like portfolio, net operating income increased by 12 percent due to higher rental income and lower vacancies.
- Profit from property management increased to SEK 152 m (148) despite the divestment of seven properties during the year, at the same time as financing costs have increased.
- The property portfolio's value at the end of the year amounted to SEK 13,701 m and change in value of the properties amounted to SEK -296 m (-1,353) for the period.
- Net loss for the year amounted to SEK -193 m (-1,373).
- The net asset value amounted to SEK 44.68 per share (45.83).

**SIGNIFICANT EVENTS
DURING THE FOURTH QUARTER**

- Neobo's share was included on the EPRA index, a leading global index for listed property investments, as of December 23, 2024.

OCTOBER–DECEMBER 2024

- Rental income decreased to SEK 227 m (230) during the quarter, which is primarily a net effect of higher income in the like-for-like portfolio and the absence of income from the seven divested properties.
- Net operating income increased to SEK 110 m (93) mainly due to reduced operating and maintenance costs.
- Profit from property management for the fourth quarter increased to SEK 30 m (20) on account of both increased net operating income in the like-for-like portfolio and reduced central administration costs.

Summary ¹⁾	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income, SEK m	227	230	908	888
Net operating income, SEK m	110	93	473	460
Change in value of investment properties, SEK m	-58	-427	-296	-1,353
Profit from property management, SEK m	30	20	152	148
Profit from property management, SEK/share	0.21	0.14	1.05	1.02
Net profit/loss for the period, SEK m	18	-578	-193	-1,373
Net profit/loss for the period, SEK/share	0.12	-3.98	-1.33	-9.44
Market value of properties, SEK m	13,701	14,018	13,701	14,018
Loan-to-value ratio, %	50.9	50.2	50.9	50.2
Interest coverage ratio, multiple	1.5	1.4	1.6	1.7
Net asset value, EPRA NRV, SEK/share	44.68	45.83	44.68	45.83
Economic occupancy rate, %	92.8	92.5	92.8	92.5
Surplus ratio, %	48	40	52	52
Return on equity, %	0.3	-8.6	-3.1	-19.4

¹⁾ For the complete table of key metrics, see page 21 and for definitions of key metrics see page 20.

Net operating income,
like-for-like portfolio

+12%

Loan-to-value ratio

50.9%

Increased net operating income and profit from property management

Despite the weaker-than-expected economic recovery in Sweden, our operations have continued to perform positively, and net operating income increased by 12 percent in the like-for-like portfolio due to higher rental income and lower vacancy rates. Profit from property management increased by 3 percent compared with the year-earlier period despite the divestment of seven properties during the year and an increase in our financial costs.

During the year, we worked intensively to prepare Neobo to meet the listing requirements of Nasdaq Stockholm and a solid foundation was laid that will enable us to increase profitability moving forward. The listing on Nasdaq Stockholm, which became a reality in September, was followed by the good news at the end of the year that Neobo has been included in the EPRA index, a leading global property index. These are milestones that will open up for more institutional and international owners to invest in Neobo, thereby broadening our investor base.

VALUE-CREATING PROPERTY MANAGEMENT AND REFINEMENT

We have continued to focus on our core business – property management, leasing and refinement, with the aim of increasing returns from the property portfolio.

Since year-end, we have invested SEK 164 m in value-creating investments that have increased our net operating income and made our residential areas more attractive and secure. This includes our renovation of about 100 apartments and a number of sustainability investments that have generated attractive returns and moved us one step closer to achieving our long-term sustainability targets.

Sustainability has been key to us since Neobo was founded and it was therefore particularly gratifying to note that we achieved all of our interim targets for sustainability during the year.

Rent negotiations are ongoing for 2025 and as of today's date negotiations have been completed for 48 percent of our rental income in the residential portfolio with an average rent increase of 4.9 percent. The agreed rent increases took full effect as of January 1 of this year. The remaining rent negotiations are expected to be completed during the spring.

INCREASED FOCUS ON PORTFOLIO OPTIMIZATION

Unrealized changes in the value of the property portfolio amounted to minus 2.2 percent during the year. The average valuation yield has remained unchanged at 5.0 percent over the past three quarters, and we can now clearly see that yields have stabilized after steadily increasing in recent years.

During the year, we divested six properties in Eskilstuna and a retail property in Falun with an underlying property value that confirms our carrying amount.

The total transaction volume in Sweden increased by about 40 percent compared with the year-earlier period and we are optimistic that liquidity will continue to rise, which is positive as we are now intending to step up the pace of our transaction activities to further optimize our property portfolio.

REFINANCING IN AN IMPROVED FINANCING ENVIRONMENT

During the year, the Swedish Central Bank decided to cut the policy rate on five occasions, from 4.0 percent in January to 2.5 in December. At the beginning of the current year an additional reduction was made. The lower interest rates combined with greater access to capital have significantly improved the financing environment.

During the past year, we refinanced loan agreements of SEK 2.7 billion at lower margins than our average interest margin. We also agreed with our banks to halve the annual amortization rate, which will allow us to prioritize value-generating investments and accelerate the refinement of our property portfolio. We have a healthy dialogue with our banks, marked by mutual trust, which provides us with valuable stability and greater operational flexibility.

“Our net operating income increased by 12 percent in the like-for-like portfolio due to higher rental income and lower vacancy rates”



AMBITIOUS STRATEGY FOR VALUE CREATION

We are now entering our third year with a stable foundation and good opportunities to create shareholder value moving forward. With the listing on Nasdaq's main market, inclusion in the EPRA index, improved liquidity in the transaction market and an ambitious value-creation strategy, we are now ready to take the next step on our journey with a focus on portfolio optimization and growth.

Our objective is clear – to create attractive and sustainable living environments where people can thrive and feel secure, I look forward to working together with my dedicated co-workers to take full advantage of the refinement potential in our portfolio and to continue to develop good homes for everyone and thereby create further value for our customers and shareholders.

Stockholm, February 12, 2025

Ylva Sarby Westman, CEO

HOMES FOR EVERYONE

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%
Interest coverage ratio, last 12 months, shall exceed	1.5x

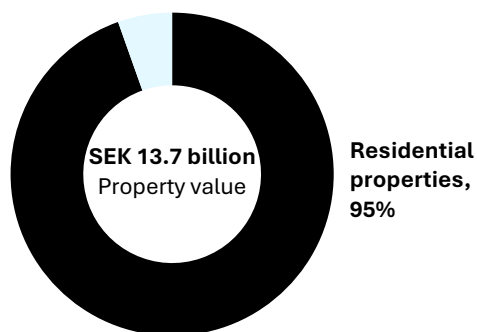
SELECTED SUSTAINABILITY TARGETS

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 owns, manages and refines residential properties in 39 municipalities in Sweden. The portfolio consists of 260 properties with a total leasable area of 700,000 sq. m. Residential properties account for 95 percent of the properties, with approximately 8,300 rental apartments. The remainder mainly consist of community service properties.

During the first quarter of the year, six properties in Eskilstuna were divested at a value of SEK 113 m, which was in line with the latest external valuation conducted. During the second quarter, the retail property Tegelbruket 4 in Falun was divested. The sale took place at an underlying property value of SEK 75 m, which was 18 percent over the most recent external valuation conducted. After the transfer date, Neobo owns no properties in Falun.



PROPERTY VALUATION

The unrealized change in value during the year amounted to SEK -301 m (-1,353), corresponding to a decrease in value of -2.2 percent (-8.8). Realized value changes amounted to SEK 6 m during the year due to completed divestments. At the end of the year, the property portfolio was valued at SEK 13,701 m (14,018). The decrease in value during the period was primarily a result of increased yield requirements and higher tariff-based costs while the estimate for future rental income was raised, which 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 5.0 percent (4.7) was used in the valuation.

The property value includes SEK 98 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.

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 individual parameters.

	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+ / - 5%	+ 1005 / - 1,001	+ / - 7%
Operating and maintenance costs	+ / - 5%	- 338 / + 345	+ 2% / - 3%
Valuation yield	+/- 0.25% unit	- 660 / + 738	+ / - 5%
Long-term vacancy rate	+/- 0.25% unit	-42 / + 46	+ / - 0%
Discount rate	+ / - 1% unit	- 980 / + 1 081	- 7% / + 8 %



RENTAL VALUE AND CUSTOMERS

Neobo’s annual rental value amounted to SEK 1,017 m on January 1, 2025 and consisted of 77 percent residential properties, 20 percent commercial and community service premises, and 3 percent other properties.

During 2024, negotiations were completed for all rental income in the residential portfolio during the second quarter, with an average increase of 5.1 percent. As of today’s date, rent increases in the residential portfolio for 2025 have been completed for 48 percent, with an average increase of 4.9 percent and with full effect as of January 1, 2025.

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 Sala Municipality and Timrå Municipality.

SEGMENT

January–December	Total Neobo		South Region		North Region	
	2024	2023	2024	2023	2024	2023
Market value of properties, SEK m	13,701	14,018	7,915	8,039	5,787	5,979
Market value, SEK/sq. m.	19,574	19,658	17,523	17,825	23,306	22,812
Rental value, SEK m	1,017	969	616	568	401	401
Rental value, SEK/sq. m.	1,454	1,358	1,364	1,258	1,616	1,531
Rental income, SEK m	908	888	544	514	364	373
Net operating income, SEK m	473	460	275	265	197	196
Surplus ratio, %	52	52	51	51	54	52
Occupancy rate, %	93	93	94	93	91	92
Number of properties	260	267	167	167	93	100
Number of apartments	8,309	8,391	5,556	5,556	2,753	2,835
Floor area, thousand sq. m.	700	713	452	451	248	262

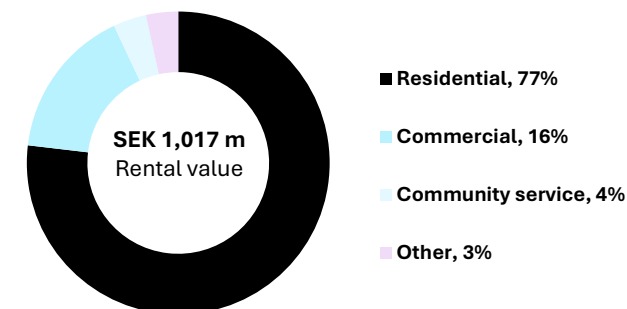
ECONOMIC OCCUPANCY RATE

The economic occupancy rate rose during the year from 92.5 percent to 92.8 percent. In the residential portfolio, the occupancy rate rose from 94.6 percent at the beginning of the year to 94.9 percent at the end of the year. The remaining residential vacancies were in part due to apartments vacated pending renovation. The economic occupancy rate for commercial premises declined during the year from 86.9 percent to 86.7 percent, as a number of commercial tenants vacated premises during the year.

During the summer, a six-year rental contract was signed with the Swedish Prison and Probation Service for premises in the property Träkolet 16 in Sollentuna, Stockholm. The letting covers approximately 3,400 square meters and the annual rent amounts to SEK 10 m. In conjunction with occupancy at the end of the six-month period 2025, the commercial vacancy rate will fall by 2.9 percentage points relative to the fourth quarter of 2024 and the total rental value will increase by SEK 5 m.

LOCAL PROPERTY MANAGEMENT ORGANIZATION

Neobo’s 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.



Current earnings capacity

The current earnings capacity on a 12-month basis, based on Neobo's property portfolio at each date.

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 each respective 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 nor other parameters. The Group's earnings capacity does not include the earnings effect of unrealized and realized changes in value.

NEOBO'S EARNINGS CAPACITY

Amounts in SEK m	Jan 1, 2025	Oct 1, 2024	Jul 1, 2024	Apr 1, 2024	Jan 1, 2024
Rental value	1,017	994	1,003	992	969
Vacancy	-73	-71	-71	-70	-73
Rental income	944	923	933	922	896
Property management costs	-402	-393	-396	-390	-390
Property tax	-23	-24	-24	-24	-24
Net operating income	520	506	512	508	482
Central administration	-62	-60	-60	-60	-55
Net financial items	-227	-232	-237	-243	-250
Profit from property management	230	213	215	205	177

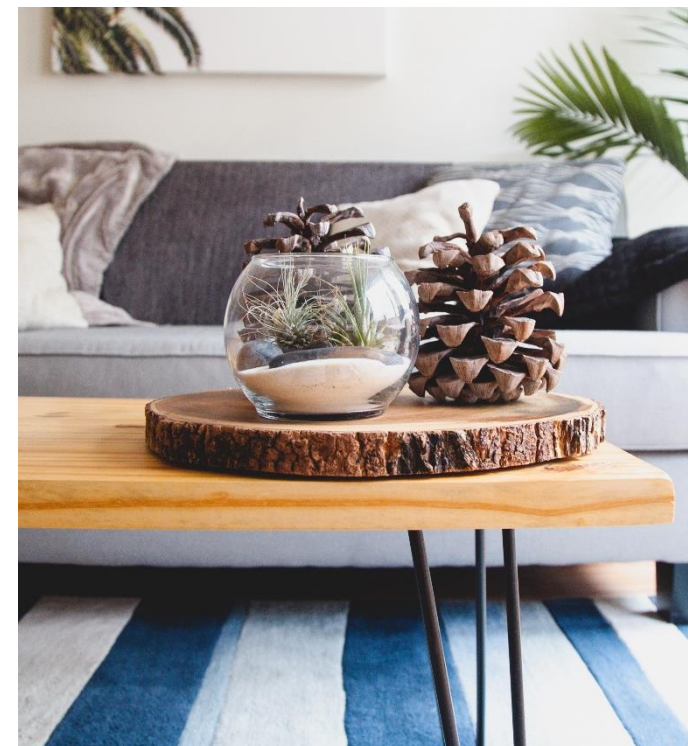
BASIS FOR CALCULATING EARNINGS CAPACITY

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 each date. Agreed rent increases applicable on each date are included and all vacancies, 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 on each date.

Central administration expenses are based on budgeted costs for a normal year.

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 on each date, including the effects of derivatives. Any interest income on cash and cash equivalents and non-recurring costs have not been taken into account.



Sustainability

We wish to contribute to a better society, with attractive and sustainable living environments where people can thrive and feel secure. Our sustainability strategy 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

For these two perspectives, we have identified material sustainability aspects with associated long-term and short-term targets. You can read more about our sustainability work on our website.

SUSTAINABILITY WORK IN 2024

During the year, we took further steps on our sustainability journey and successfully met all internal sustainability targets for 2024.

We have continued the important work with energy optimization in our properties, and property management is working purposefully to increase security and comfort in our residential areas. We conducted a survey of climate-related hazards and drafted an energy and climate roadmap. In addition, we reviewed and supplemented the double materiality assessment conducted last year and continued preparatory work for forthcoming sustainability reporting. During the year, we also implemented both a Code of Conduct for employees and a Supplier Code of Conduct, which improved opportunities to guide sustainability initiatives in the desired direction. Work on our climate report for 2024 is in progress, and will be presented in our sustainability report for 2024.

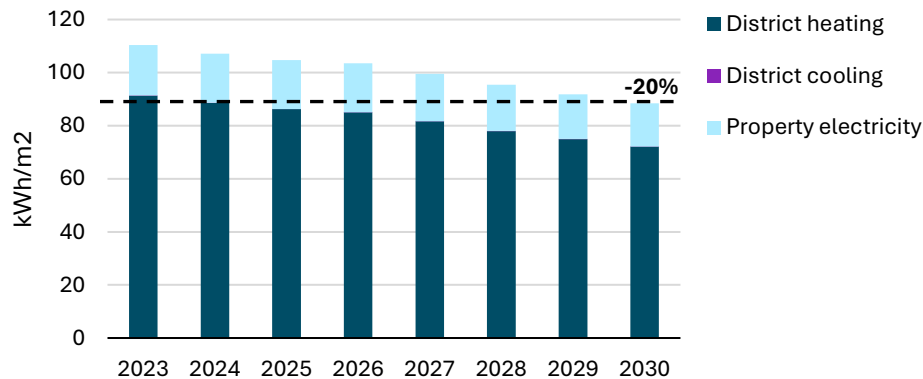
ENERGY AND CLIMATE ROADMAP

During the fourth quarter, we completed the important work to develop an energy and climate roadmap.

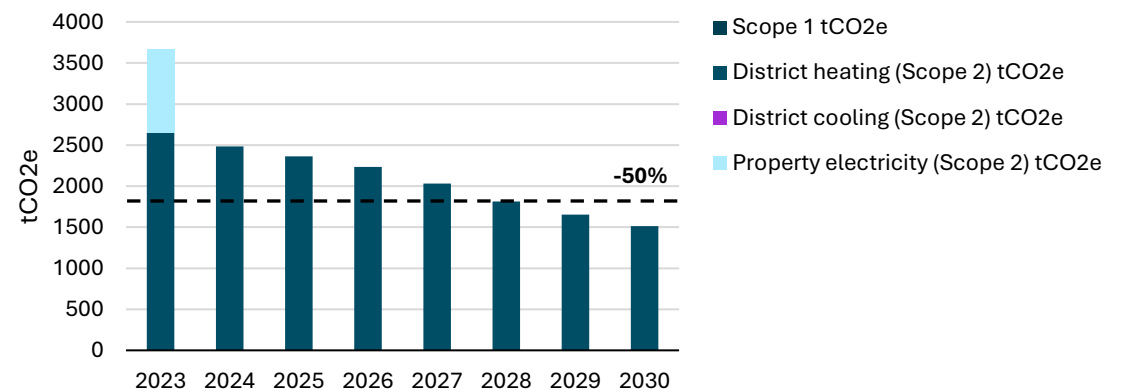
The energy roadmap includes an action plan for energy optimization that indicates the steps we must take and an overall assessment of the investments required to achieve the long-term target to reduce energy consumption by 20 percent by 2030. The climate roadmap provides an overall indication of the steps we must take and the investments required to achieve the long-term target to reduce Scope 1 and 2 emissions by 50 percent by 2030.

In 2025, efforts will continue to further specify and assess the actions and investments that we must prioritize up to 2030. After taking various criteria into account, we have selected a focus group comprising 44 properties where we will initially prioritize planning and the implementation of actions.

Trajectory toward energy target (-20% by 2030)



Trajectory toward climate target (-50% by 2030)



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 at a floating interest rate and to increase the predictability of profit from property management, interest rate derivatives are used.

During the year, the Swedish Central Bank decided to cut the policy rate on several occasions to support the economy and stabilize inflation at its target. In December 2024, a decision was made to cut the policy rate by 0.25 percentage points to 2.5 percent. The Central Bank indicated that further cuts were possible in the first half of 2025. For Neobo, this will mean an improved financial position and increased opportunities to make value-generating investments in the property portfolio.

INTEREST-BEARING LIABILITIES

Neobo's borrowing is distributed across seven Nordic banks using mortgage deeds as underlying collateral.

During the year, loan agreements of SEK 2.7 billion were refinanced at lower margins than the average margin for Neobo's existing loan agreements.

Interest-bearing liabilities in the Group amounted to SEK 7,115 m (7,278) at year-end. The loan-to-value ratio was 50.9 percent (50.2) and the average loan-to-maturity was 2.8 years (3.3). The average fixed rate period was 2.4 years (2.2) on December 31 and the hedge ratio was 76 percent (74).

At year-end, the average interest rate, including derivative instruments, was 3.2 percent (3.4).

DERIVATIVE INSTRUMENTS

During the year, several interest rate derivatives were entered into which reduced Neobo's interest rate risk and increased the predictability of future cash flows.

At the end of the year, the aggregated nominal value of active interest rate derivatives was SEK 5,409 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 1,448 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 as long as the underlying derivative is not realized prematurely. At the end of the year, interest rate derivatives had a fair value of SEK 63 M (171)

Remaining maturity, years	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	847	12	1,706	24	1,450	0.17
1-2	3,066	43	1,839	26	1,839	0.65
2-3	2,174	31	1,370	19	420	1.10
3-4	933	13	600	8	600	2.56
4-5	0	0	700	10	700	2.55
5-	94	1	900	13	400	2.74
Total	7,115	100	7,115	100	5,409	1.17

Interest rate derivatives, future start			
Start	Maturity	Nominal amount, SEK m	Interest rate, %
Mar 2025	Mar 2030	500	2.40
Mar 2025	Jul 2027	948	2.34

Condensed consolidated income statement

Amounts in SEK m	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income	227	230	908	888
Operating costs	-79	-92	-302	-272
Maintenance	-14	-18	-43	-66
Property administration	-20	-21	-68	-67
Property tax	-5	-6	-23	-24
Property management costs	-118	-137	-435	-429
Net operating income	110	93	473	460
Central administration	-20	-22	-75	-88
Profit before financial items	90	71	398	372
Net financial items	-60	-51	-246	-224
Profit from property management	30	20	152	148
Change in values on properties	-58	-427	-296	-1,353
Change in value of financial instruments	56	-165	-108	-223
Profit/loss before tax	28	-572	-251	-1,428
Current tax	-3	4	-19	-21
Deferred tax	-8	-10	77	75
Net profit/loss for the period	18	-578	-193	-1,373
Average number of shares before dilution	145,400,737	145,400,737	145,400,737	145,400,737
Average number of shares after dilution	145,715,771	145,400,737	145,715,771	145,400,737
Earnings per share before dilution, SEK	0.12	-3.98	-1.33	-9.44
Earnings per share after dilution, SEK	0.12	-3.98	-1.32	-9.44

Consolidated statement of comprehensive income

Amounts in SEK m	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net profit/loss for the period	18	-578	-193	-1,373
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	18	-578	-193	-1,373

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

Comments on the consolidated income statement

NET OPERATING INCOME

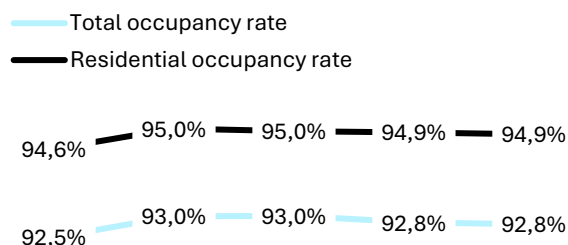
Net operating income increased by SEK 13 m to SEK 473 m (460) compared with the preceding year, despite the divestment of seven properties during the year. For the like-for-like portfolio, net operating income increased by 12.1 percent excluding one item affecting comparability relating to electricity subsidies of SEK 8 m in 2023.

RENTAL INCOME

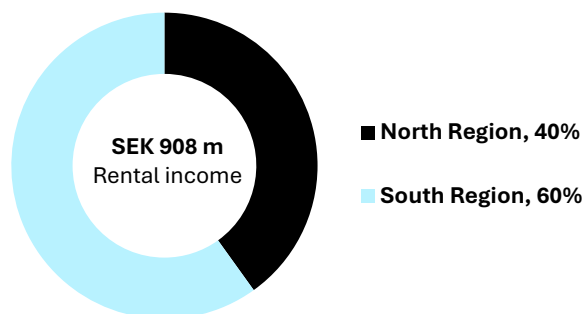
Rental income increased SEK 20 m to SEK 908 m (888) during the year, which is the net effect of higher income in the like-for-like portfolio and the absence of income from the seven divested properties as well as rental guarantees of SEK 9 m in the hotel operations that existed last year. The like-for-like portfolio showed an increase in rental income of 5.7 percent. The increase in income is explained by an average rent increase in the residential portfolio of 5.1 percent, increased rents for commercial premises, a decrease in the vacancy rate and rent increases for apartments renovated during the year.

The economic occupancy rate increased 0.3 percentage points year-on-year, totaling 92.8 percent (92.5) at the end of the year.

ECONOMIC OCCUPANCY RATE



RENTAL INCOME BY SEGMENT



PROPERTY MANAGEMENT COSTS

Total property costs increased during the year by SEK 6 m to SEK -435 m (-429). The increase is a net effect of higher costs for operations as well as reduced costs for maintenance and sold properties. Operating costs increased by SEK 22 m excluding one item affecting comparability relating to electricity subsidies of SEK 8 m in 2023. The higher operating costs were due to increased tariff-based and snow removal costs. Property administration was charged with items affecting comparability of SEK 3 m related to organizational changes. Adjusted for this, costs for property administration decreased by SEK 2 m. Maintenance expenses decreased by SEK 23 m during the year due to lower maintenance requirements compared with the preceding year.

PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the year increased to SEK 152 m (148) despite the divestment of seven properties during the year and an increase in financing costs.

CENTRAL ADMINISTRATION

Central administration costs declined to SEK -75 m (-88). Items affecting comparability totaling SEK 16 m were charged to costs for the year, of which SEK 12 m linked to costs for preparations for a switch to Nasdaq Stockholm's main list and the reorganization. Additionally, SEK 4 m was attributable to a provision during the fourth quarter relating to an ongoing insurance case. Excluding items affecting comparability, during both the current and preceding year, central administration costs decreased by SEK 11 m as a result of the structuring of operations and the organization now being complete.

NET FINANCIAL ITEMS

Net financial items amounted to SEK -246 m (-224) during the year and the average interest rate was 3.2 percent (3.4) at the end of the year. Financial expenses rose compared with the year-earlier period as a result of the higher underlying interest rate.

NET PROFIT/LOSS FOR THE YEAR

Net loss after tax amounted to SEK -193 M (-1,373).

CHANGES IN VALUE

The change in value of the properties amounted to SEK -296 m (-1,353) for the period, of which SEK -301 m was unrealized and SEK 6 m was realized as a result of the sale of properties. The decrease in value was primarily a result of increased yield requirements and increased tariff-based costs while higher estimated future rental income had a positive impact on the portfolio value. Changes in value of financial instruments amounted to SEK -108 m (-223), driven by falling market interest rates.

TAX

Reported tax during the year amounted to SEK 58 m (54), of which SEK -19 m (-21) is current tax and the remainder is deferred tax.

Condensed consolidated balance sheet

Amounts in SEK m	Dec 31, 2024	Dec 31, 2023
ASSETS		
Investment properties	13,701	14,018
Intangible assets	5	0
Other non-current assets	3	4
Derivatives	63	181
Total non-current assets	13,772	14,204
Derivatives	13	13
Current assets	47	81
Cash and cash equivalents	146	199
Total current assets	206	293
Total assets	13,978	14,497
EQUITY AND LIABILITIES		
Equity	6,213	6,405
Deferred tax liabilities	347	430
Interest-bearing liabilities	6,267	7,089
Derivatives	13	23
Other non-current liabilities	2	1
Total non-current liabilities	6,630	7,543
Interest-bearing liabilities	847	189
Other current liabilities	288	361
Total current liabilities	1,135	550
Total equity and liabilities	13,978	14,497

Condensed consolidated change in equity

Amounts in SEK m	Attributable to Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings	
Opening balance at January 1, 2023	752	5,141	1,883	7,777
Net profit/loss for the year			-1,373	-1,373
Issue of employee warrants			1	1
Closing balance at December 31, 2023	752	5,141	511	6,405
Net profit/loss for the year			-193	-193
Closing balance at December 31, 2024	752	5,141	319	6,213

Comments on the consolidated balance sheet

INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 13,701 m (14,018) at the end of the year. The value has been established based on valuations conducted by external, authorized property assessors. An average yield requirement of 5.0 percent (4.7) was used in the valuations. For more information, refer to the Property portfolio section, page 6.

During the year, properties were divested for SEK 180 m (0) and SEK 164 m (177) was invested in existing properties.

CHANGE IN PROPERTY VALUES

SEK m	North Region	South Region	Total Neobo	
	2024 Jan–Dec	2024 Jan–Dec	2024 Jan–Dec	2023 Jan–Dec
Fair value, opening balance	5,979	8,039	14,018	15,295
Acquisitions	0	0	0	-100
Investments	61	103	164	177
Divestments	-180	0	-180	0
Unrealized change in value	-74	-228	-301	-1,353
Reclassifications	0	0	0	0
Fair value, closing balance	5,787	7,915	13,701	14,018

CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 146 m (199).

EQUITY

Consolidated equity attributable to Parent Company shareholders totaled SEK 6,213 m at the end of the year (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 year was SEK 347 m (430) and was largely attributable to investment properties.

INTEREST-BEARING LIABILITIES

At year-end, interest-bearing liabilities amounted to SEK 7,115 m (7,278) and the loan-to-value ratio to 50.9 percent (50.2).

In order to limit the interest rate risk associated with liabilities at a floating interest rate and to increase the predictability of profit from property management, interest rate derivatives are used. The value of the derivative portfolio was SEK 63 m (171) at year-end. For further information, see the Financing section on page 10.

Condensed consolidated cash flow statement

Amounts in SEK m	2024 Oct- Dec	2023 Oct- Dec	2024 Jan-Dec	2023 Jan-Dec
Operating activities				
Net operating income	110	93	473	460
Central administration	-20	-22	-75	-88
Add back, depreciation	1	0	1	0
Other non-cash items	0	0	0	0
Cash flow from operating activities before interest and tax	91	71	399	372
Interest paid	-88	-113	-401	-393
Interest received	29	46	154	169
Income tax paid	19	-8	-56	-46
Cash flow before changes in working capital	50	-4	96	102
Cash flow from changes in working capital				
Increase (-)/Decrease (+) of operating receivables	8	60	43	33
Increase (+)/Decrease (-) of operating liabilities	8	27	-49	75
Cash flow from operating activities	64	83	90	210
Investing activities				
Investments in existing properties	-63	-67	-164	-177
Acquisition of properties	0	0	0	73
Divestment of properties	0	0	183	0
Other financial assets, net	0	0	0	0
Cash flow from investing activities	-63	-67	19	-104
Financing activities				
Borrowings	45	0	65	0
Repayment of loans	-14	-31	-227	-136
Change in other non-current liabilities	0	-1	0	-2
Cash flow from financing activities	31	-32	-162	-138
Cash flow for the period	32	-16	-53	-32
Cash and cash equivalents at the beginning of the period	114	214	199	231
Cash and cash equivalents at the end of the period	146	199	146	199

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. Operating cash flow after changes in working capital amounted to SEK 90 m (210). Final tax for 2023 was paid during the first quarter, which explains the increase in income tax paid.

SEK 164 m (177) was invested in existing properties during the year. During the first quarter, six properties were divested via companies, yielding a total purchase consideration of SEK 113 m less a tax rebate of SEK 3 m. In conjunction with the divestments, loans of SEK 97 m were repaid, and net cash flow thus amounted to SEK 13 m. During the third quarter, one property was divested via companies, yielding a total purchase consideration of SEK 75 m less a tax rebate of SEK 2 m. In conjunction with the divestments, loans of SEK 42 m were repaid, and net cash flow thus amounted to SEK 31 m.

During the fourth quarter, new loans of SEK 45 m were raised.

Cash and cash equivalents on the balance sheet date amounted to SEK 146 m.

Parent Company income statement

	2024	2023	2024	2023
Amounts in SEK m	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Net sales	29	-21	89	24
Personnel costs	-2	-3	-9	-10
Other operating expenses	-23	-17	-85	-68
Operating profit/loss	3	-41	-6	-54
Profit from financial items				
Profit from participations in Group companies	-205	-613	-227	-1,623
Interest income and similar items	18	8	88	46
Interest costs and similar items	-12	-2	-59	-29
Profit/loss after financial items	-194	-648	-203	-1,661
Appropriations	2	53	2	53
Profit/loss before tax	-192	-595	-201	-1,608
Tax	0	0	-	1
NET PROFIT/LOSS FOR THE PERIOD	-192	-596	-201	-1,607

	2024	2023	2024	2023
Amounts in SEK m	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Net profit/loss for the period	-192	-596	-201	-1,607
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-192	-596	-201	-1,607

Parent Company balance sheet

Amounts in SEK m	Dec 31, 2024	Dec 31, 2023
ASSETS		
Tangible and intangible assets	5	0
Financial assets	5,639	48
Current assets	649	6,440
Total assets	6,265	6,489
EQUITY AND LIABILITIES		
Equity	6,278	6,479
Current liabilities	15	10
Total equity and liabilities	6,293	6,489

COMMENTS ON THE 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 89 m (24) during the year and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered. Loss before tax amounted to SEK -201 m (-1,608).

During June, the company carried out a restructuring of internal loans, which resulted in short-term loans being converted into shareholder contributions, and thus resulted in an increase in the acquisition value of the Parent Company's shares in the subsidiaries. Cash and cash equivalents at year-end amounted to SEK 101 m (168).

Other information

ACCOUNTING POLICIES

The year-end 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.

VALUATION METHOD FOR INVESTMENT PROPERTIES

Investment properties are measured at fair value in the balance sheet. The valuation was conducted in accordance with level 3 of the IFRS valuation hierarchy.

VALUATION METHOD FOR DERIVATIVES

Derivatives are measured at fair value in the balance sheet. Using the IFRS valuation hierarchy, the fair value of derivatives was measured in accordance with level 2.

VALUATION OF RECEIVABLES AND LIABILITIES

The Group's and the Parent Company's financial receivables and liabilities are recognized at amortized cost less loss reserves or fair value through profit or loss. For financial assets and liabilities measured at amortized cost, the carrying amount is considered to be a good approximation of the fair value as the receivables and liabilities either run over a shorter period of time or, in the case of a longer period, run with a short fixed interest rate.

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 year-end 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 certain senior executives. At the balance sheet date, the warrant holders owned a total of 630,067 warrants of series 2023/2026:1, which runs for three years, following the redemption of 96,933 warrants by the company during the first quarter.

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. When calculating earnings per share after dilution, the average number of shares is adjusted to take into account the effects of dilutive potential shares. Taking into account the warrants, the weighted average number of shares outstanding is 145,715,771. In that case, the increase in share capital will total a maximum of SEK 3,259,096.

EVENTS AFTER THE BALANCE SHEET DATE

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

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.

SIGNING OF THE REPORT

The Board of Directors and the CEO affirm that this year-end 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, February 12, 2025

Jan-Erik Höjvall
Chairman of the Board

Mona Finnström
Board member

Anneli Lindblom
Board member

Ulf Nilsson
Board member

Jakob Pettersson
Board member

Ylva Sarby Westman
Chief Executive Officer

This year-end report has not been examined by the company's auditor.

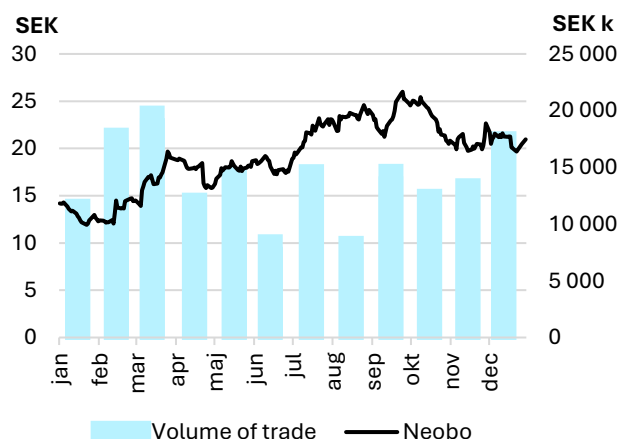
The share

Neobo's market value, meaning the value of all listed shares outstanding, totaled SEK 3,046 m on December 31, 2024. The number of shares outstanding totaled 145,400,737 and the number of known shareholders to 101,796.

TRADING AND TURNOVER

Neobo's share is listed on Nasdaq Stockholm. Share turnover over the last twelve-month period totaled 152 million shares. Turnover, meaning the number of shares sold divided by the number of shares outstanding at the balance sheet date, was 104 percent.

SHARE PRICE AND TRADING VOLUME



SHARE PRICE DEVELOPMENT AND TOTAL YIELD

Neobo's share price closed at SEK 20,95 (13,8) by year-end. The total yield of the share over the last twelve-month period was 52 percent, compared with -2.0 percent for OMX Stockholm Real Estate GI.

NET ASSET VALUE, EPRA NRV

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 year amounted to SEK 44.68/share (45.83). The share price at the balance sheet date thus amounted to 47 percent of the net asset value.

Calculation of net asset value	SEK m	SEK/share
Equity according to the balance sheet	6,213	42.73
Add back according to the balance sheet:		
Derivatives	-63	-0.44
Deferred tax	347	2.38
Net asset value	6,497	44.68

LARGEST SHAREHOLDERS

Shareholders	No. of shares	Percentage of share capital and voting rights
Avanza Pension	19,186,199	13.2%
ICA-handlarnas Förbund	15,000,000	10.3%
Martin Larsén	10,938,320	7.5%
Länsförsäkringar Fonder	7,622,363	5.2%
Arvid Svensson Invest	6,664,412	4.6%
Sven-Olof Johansson	5,500,000	3.8%
Handelsbanken Fonder	3,313,898	2.3%
Futur Pension	3,289,876	2.3%
Handelsbanken Liv Försäkring AB	2,855,196	2.0%
ODIN Fonder	2,413,988	1.7%
Total 10 largest	76,784,525	52.8%
Other	68,616,212	47.2%
Total	145,400,737	100.0%

OWNERSHIP STRUCTURE

Size	No. of shares	Capital and voting rights, %	No. of known shareholders	Proportion of known shareholders, %
1–500	6,037,070	4.2	93,273	91.6
501–1 000	2,824,919	1.9	3,764	3.7
1,001–5,000	7,936,391	5.5	3,650	3.6
5,001–10,000	3,791,046	2.6	511	0.5
10,001–20,000	4,246,906	2.6	296	0.3
20,001-	112,686,420	77.5	302	0.3
<i>Anonymous ownership</i>	7,877,985	5.5	0	0.0
Total	145,400,737	100	108,593	100

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

Definitions

ALTERNATIVE PERFORMANCE MEASURES

Neobo applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. Under these guidelines, an alternative performance measure is defined as a financial metric on the historical or future performance of earnings, financial position, financial results or cash flows that is not defined or stated in the applicable financial reporting rules: IFRS and the Swedish Annual Accounts Act.

It has been determined that Neobo's alternative performance measures provide valuable supplementary information when assessing the company's performance. Because not all companies calculate financial performance measures in the same way, these are not always comparable with the performance measures used by other companies.

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.

Average interest rate, %

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

Items affecting comparability

Items that are not recurring and that distort comparison with other periods.

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 after reversal of net interest, excluding ground rent, which is recognized as interest expense under IFRS 16, in relation to net interest.

Equity/assets ratio, %

Equity in relation to total assets.

Net asset value, EPRA NRV, SEK

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

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.

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.

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	2024	2023
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
NET ASSET VALUE, EPRA NRV ¹⁾				
Number of shares outstanding, thousands	145,401	145,401	145,401	145,401
Equity	6,213	6,405	6,213	6,405
Add back of deferred tax	347	430	347	430
Add back of derivatives	-63	-171	-63	-171
Net asset value, EPRA NRV, SEK m	6,497	6,664	6,497	6,664
Net asset value, EPRA NRV, SEK/share	44.68	45.83	44.68	45.83
SURPLUS RATIO ¹⁾				
Net operating income	110	93	473	460
Rental income	227	230	908	888
Surplus ratio, %	48	40	52	52
LOAN-TO-VALUE RATIO ¹⁾				
Total assets	13,978	14,497	13,978	14,497
Interest-bearing liabilities	7,115	7,278	7,115	7,278
Loan-to-value ratio, %	50.9	50.2	50.9	50.2
INTEREST COVERAGE RATIO ¹⁾				
Profit from property management	30	20	152	148
Add back, net interest income, excluding ground rent	60	51	244	224
Total	90	71	397	371
Net interest income, excluding ground rent	60	51	244	224
Interest coverage ratio, multiple	1.5	1.4	1.6	1.7

	2024	2023	2024	2023
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
RETURN ON EQUITY ¹⁾				
Net profit/loss for the period	18	-578	-193	-1,373
Equity, average	6,204	6,980	6,309	7,091
Return on equity, %	0.3	-8.3	-3.1	-19.4
INVESTMENT YIELD ¹⁾				
Net operating income according to earnings capacity	520	482	520	482
Investment properties	13,701	14,018	13,701	14,018
Building rights	98	131	98	131
Property value, excl. building rights	13,603	13,887	13,603	13,887
Investment yield, %	3.8	3.5	3.8	3.5
ECONOMIC OCCUPANCY RATE ¹⁾				
Rental income according to earnings capacity	944	896	944	896
Rental value according to earnings capacity	1,017	969	1,017	969
Economic occupancy rate, %	92.8	92.5	92.8	92.5
EARNINGS PER SHARE				
Net profit/loss for the period	18	-578	-193	-1,373
Average number of shares	145,400,737	145,400,737	145,400,737	145,400,737
Earnings, SEK/share	0.12	-3.98	-1.33	-9.44
EQUITY/ASSETS RATIO ¹⁾				
Equity	6,213	6,405	6,213	6,405
Total assets	13,978	14,497	13,978	14,497
Equity/assets ratio, %	44.5	44.2	44.5	44.2

Financial calendar

Annual Report 2024	Mar 26, 2025
Interim report for the period January–March 2025	Apr 24, 2025
Annual General Meeting	Apr 24, 2025
Interim report for the period January–June 2025	Jul 9, 2025
Interim report for the period January–September 2025	Oct 22, 2025
Year-end report 2025	Feb 12, 2026

neobo.se

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

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 12, 2025, at 7:00 a.m. CET through the agency of the contact persons stated below.

Contact

For further information, please contact

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

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

Invitation to presentation of year-end report

CEO Ylva Sarby Westman will present the year-end report in a webcast/teleconference on February 12, 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.

Webcast: [Neobo Fastigheter Q4 Rapport \(inderes.com\)](https://inderes.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 Q4 Rapport \(inderes.com\)](https://inderes.com)

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

Neobo Fastigheter AB (publ)

Corporate Registration Number: 556580-2526

Mäster Samuelsgatan 42, SE-111 57 Stockholm, Sweden

neobo.se