

INTERIM REPORT  
JANUARY–JUNE 2023

neobo

Q2



## JANUARY–JUNE 2023

- Rental income increased to SEK 434 m (422). For the like-for-like portfolio, rental income increased by 4.7 percent. The impact on the residential portfolio of this year's rent increases, which averaged 4.5 percent, will have full effect in the third quarter.
- Net operating income increased to SEK 226 m (201) during the period. For the like-for-like portfolio, net operating income increased by 6.9 percent mainly due to increased rental income.
- Profit from property management totaled SEK 75 m (94) at the end of the six-month period. The reduction is a result of higher financial expenses.
- The unrealized change in value of the properties amounted to SEK -534 m (-276) for the period.
- The value of the property portfolio totaled SEK 14,745 m at the end of the period, compared with SEK 15,295 m at year-end.
- Net loss for the period amounted to SEK -344 m (-39), corresponding to SEK -2.36 per share (-0.27)
- The net asset value amounted to SEK 46.39 per share (47.31).

## APRIL–JUNE 2023

- Rental income increased to SEK 220 m (213) during the quarter, as a result of the rent increases which began to take effect during the second quarter.
- Net operating income increased to SEK 128 m (112) due to higher rental income and reduced costs.
- Profit from property management for the second quarter totaled SEK 46 m (58). The decrease is due to higher financial expenses and increased costs for central administration. Non-recurring costs of SEK 6 m were charged to administration costs in the second quarter.

## EVENTS AFTER THE SECOND QUARTER

- Neobo's management team is being reorganized to increase focus on the company's core business. As of today, Anna-Carin Skoglund, Head of Region North and Per Sundequist, Head of Region South – will join the management team, while Head of IR Johan Bergman will step down from the management team.
- Malin Axland, who is currently General Counsel of Neobo and member of the company's management team, has been appointed as General Counsel and Head of Sustainability with the overriding responsibility for Neobo's sustainability agenda. Malin will take up her new additional duties today, July 12.

	Apr 1, 2023 Jun 30, 2023	Apr 1, 2022 Jun 30, 2022	Jan 1, 2023 Jun 30, 2023	Jan 1, 2022 Jun 30, 2022	Jul 1, 2022 Jun 30, 2023	Jan 1, 2022 Dec 31, 2022
<b>Summary <sup>1)</sup></b>						
Rental income, SEK m	220	213	434	422	851	839
Net operating income, SEK m	128	112	226	201	448	423
Change in value of investment properties	-205	-89	-534	-276	-2,496	-2,238
Profit from property management, SEK m	46	58	75	94	153	172
SEK/share	0.32	0.40	0.52	0.65	1.05	1.18
Net profit/loss for the period, SEK m	-122	-2	-344	-39	-1,660	-1,355
SEK/share	-0.84	-0.01	-2.37	-0.27	-11.42	-9.32
Market value of properties, SEK m	14,745	18,465	14,745	18,465	14,745	15,295
Loan-to-value ratio, %	47.5	40.7	47.5	40.7	47.5	46.6
Interest coverage ratio, multiple	1.8	2.7	1.7	2.3	1.7	2.0
Net asset value per share, SEK	46.39	51.60	46.39	51.60	46.39	47.31
Economic occupancy rate, %	91.7		91.7		91.7	92.0
Surplus ratio, %	58	53	52	48	53	50

<sup>1)</sup> For the complete table of key metrics, see page 19 and for definitions see page 18. When comparing between years it is worth noting that the property portfolio differs between 2022 and 2023, refer to page 5.

## Continued positive trend for net operating income

Our operations have continued to develop in a positive direction and net operating income for the first half of the year rose by 12 percent to SEK 226 m. For the like-for-like portfolio, net operating income increased by 6.9 percent due to higher rental income and good cost control.

The surplus ratio increased to 52 percent (48) for the interim period and to 58 percent (53) for the quarter. This is a clear improvement, but more can be done to further increase the surplus ratio.

Profit from property management fell to SEK 75 m (94) due to higher financing costs. Interest rates continued rising during the first half of the year but thanks to our derivative portfolio we have been able to limit the impact of this. Our average interest rate was 3.1 percent at the end of the six-month period and the average fixed rate period was 2.1 years. Our financial position is stable, with a low loan-to-value ratio, long loan-to-maturity periods and comprising solely bank financing, which is a strength.

### FAVORABLE CONCLUSION TO THE YEAR'S RENT NEGOTIATIONS

We have now completed the year's rent negotiations and following a favorable conclusion, the average rent increase for the residential portfolio was 4.5 percent. The increase is below current inflation but historically property owners have been fully compensated for inflation over time, which we expect will also be the case moving forward.

### FOCUS ON INCREASED YIELD AND SUSTAINABILITY

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

We are continuing to focus our efforts on drafting a sustainability strategy and an energy management system and we have now completed a stakeholder analysis and initiated a materiality analysis based on the requirements of the Corporate Sustainability Reporting Directive (CSRD).



### LONG-TERM COMMITMENT TO INCREASE OCCUPANCY RATE

We have been successful in our leasing initiatives, but due to more tenants vacating properties, the occupancy rate remained unchanged during the quarter. Reducing vacancies in the residential portfolio is a long-term commitment focusing on a number of measures, such as renovating empty apartments and conducting activities to increase tenant satisfaction and reduce tenant turnover.

### NEW SHAREHOLDERS

Since the listing of Neobo, the liquidity of the company's shares has been high and a number of major changes took place during the second quarter among the company's largest owners, refer to page 17 of this report. For example, ICA-handlarnas förbund has become the largest shareholder with 9 percent of Neobo's shares.

I'm looking forward with confidence to the continued work of creating value for our customers and shareholders.

Stockholm, July 12, 2023

Ylva Sarby Westman, CEO

## About Neobo

### BACKGROUND

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

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

### VISION

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

### BUSINESS CONCEPT

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

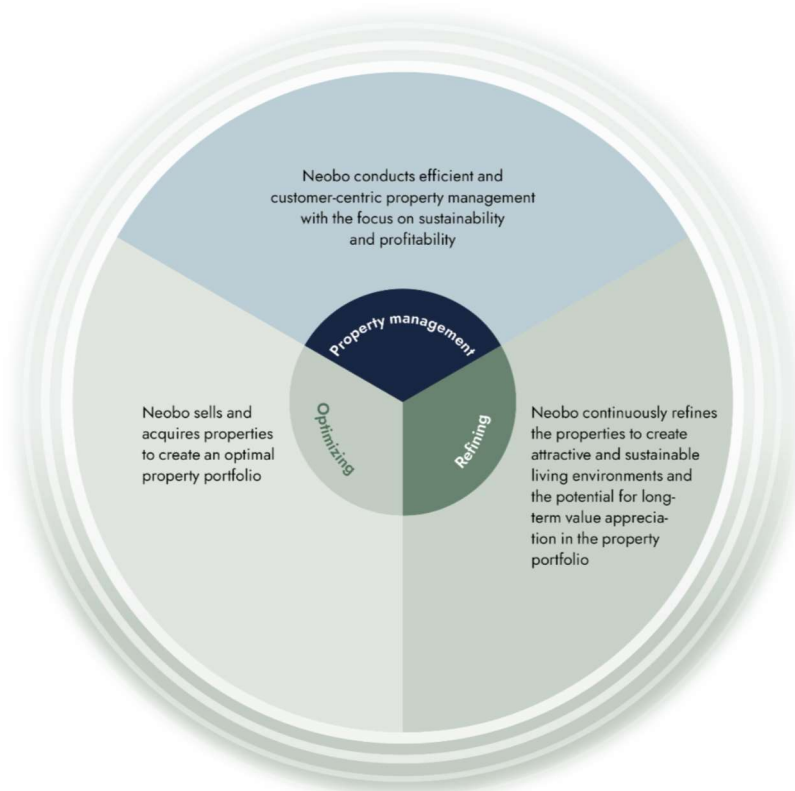
### STRATEGY

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

### FINANCIAL TARGETS

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

### BUSINESS MODEL



## Property portfolio

Neobo manages and refines residential properties in 40 municipalities in Sweden. The portfolio consists of 267 properties and 8,400 residential apartments with a total leasable area of 713,981 sq. m.

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



Residential properties, 95%

### PROPERTY VALUATION

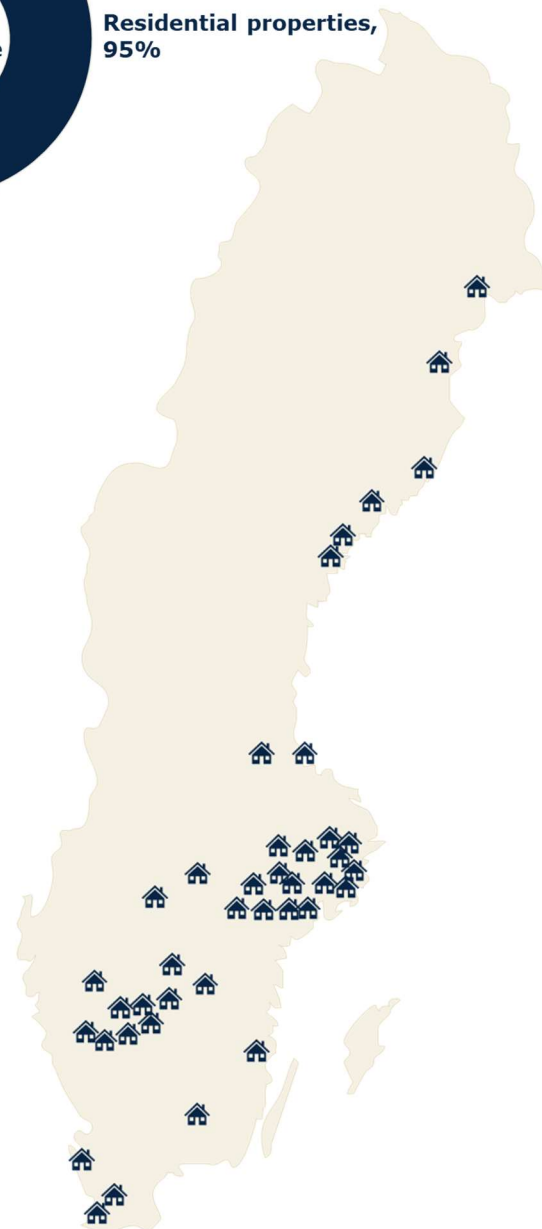
The property portfolio's value declined by 1.1 percent during the second quarter to SEK 14,745 m as a result of increased yield requirements. In parallel, higher future rental income had a positive impact on the portfolio value.

The value has been established based on valuations conducted by external, authorized property assessors. The valuations were conducted using analyses of future cash flows for the respective properties, whereby current rental contract terms, the market's yield requirement, rental levels, operating and maintenance expenses and the properties' investment requirements have been taken into account. An average yield requirement of 4.4 percent was used in the valuation. The property value includes SEK 83 m for building rights that were valued by applying the location-price method, which means that the value was assessed on the basis of comparisons of prices for similar building rights. Accordingly, fair value was measured according to IFRS 13, Level 3.

### SENSITIVITY ANALYSIS VALUATION

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

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



	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+/- 5%	+1,111 / -1,105	+/- 7.5%
Operating and maintenance	+/- 5%	-392 / +395	+/- 2.7%
Required investment yield	+/- 0.25% unit	-836 / +951	-5.7 / +6.5%
Long-term vacancy rate	+/- 0.25% unit	-48 / +47	+/- 0.3%

## RENTAL VALUE AND CUSTOMERS

The annual rental value amounted to SEK 956 m on July 1. Residential properties accounted for 76 percent of the rental value and premises for 21 percent. The rental value increased during the quarter as a result of completed rent negotiations. During the period, negotiations were completed for all residential properties with an average rent increase of 4.5 percent.

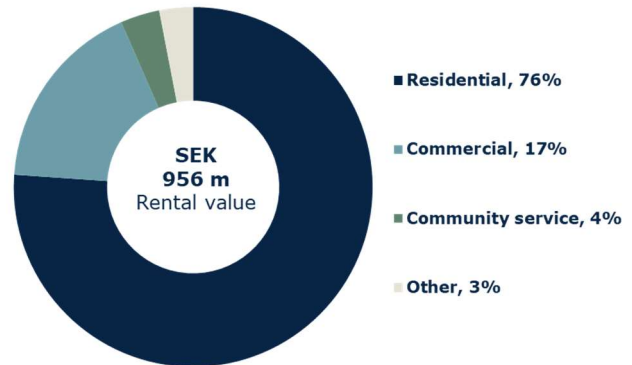
Our tenants mainly comprise private individuals, and a number of corporate customers who lease stores, restaurants and offices on the ground floors of the residential properties, or are customers in one of our public sector properties. Our largest commercial tenants include Axfood, Sala Municipality,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

## ECONOMIC OCCUPANCY RATE

The economic occupancy rate was 91.7 percent at the end of the quarter. The occupancy rate for the residential portfolio was 93.6 percent and for commercial premises 86.7 percent. The vacancies for commercial premises were mainly due to a small number of large vacant premises. Residential vacancies were in part due to apartments vacated pending renovation and the high turnover of tenants in certain areas.

## LOCAL PROPERTY MANAGEMENT ORGANIZATION

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



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	6,253	23,810	392	1,491
South	167	5,563	451	8,492	18,813	564	1,250
<b>Total</b>	<b>267</b>	<b>8,400</b>	<b>714</b>	<b>14,745</b>	<b>20,651</b>	<b>956</b>	<b>1,339</b>

## Current earnings capacity

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

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

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

### BASIS FOR CALCULATING EARNINGS CAPACITY

The current earnings capacity has been based on annualized contractual rental income, including supplements and other property-related income based on current rental contracts as per July 1, 2023.

All vacancies as per July 1, 2023, including temporary vacancies, have been indexed on an annualized basis.

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

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

### NEOBO'S EARNINGS CAPACITY

Amounts in SEK m	Jul 1, 2023	Apr 1, 2023	Jan 1, 2023
Rental value	956	948	924
Vacancy	-80	-79	-74
<b>Rental income</b>	<b>877</b>	<b>869</b>	<b>850</b>
Property management costs	-365	-365	-365
Property tax	-24	-24	-23
<b>Net operating income</b>	<b>488</b>	<b>480</b>	<b>462</b>
Central administration	-50	-50	-50
Net financial items	-227	-222	-190
<b>Profit from property management</b>	<b>211</b>	<b>208</b>	<b>222</b>

## Sustainability

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

In 2023, Neobo will prepare a sustainability strategy with concrete sustainability targets and an energy management system. As part of these efforts, we have now completed a stakeholder analysis and begun a materiality analysis based on the requirements of CSRD.

### ENVIRONMENTAL CERTIFICATION OF STENSIKEN 1 IN TIDAHOLM

In the last interim report, we referred to work carried out in Tidaholm with the buildings' heating systems and a solar cell installation. The properties have now received the Sweden Green Building Council's Miljöbyggnad iDrift certification: Silver.

Miljöbyggnad iDrift is a certification system to improve and certify in-use buildings by focusing on the building, its operation and property management. The certification aims to promote work with sustainable buildings and property management and to provide guidance for relevant environmental measures.





## Financing

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

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

In order to secure Neobo's future cash flows and reduce the financial risk, a restructuring of the derivative portfolio was carried out in March, which led to an increase in the hedge ratio and the average fixed rate period was extended.

### INTEREST-BEARING LIABILITIES

Neobo's borrowing is with Nordic banks using mortgage deeds as underlying collateral. Interest-bearing liabilities in the Group amounted to SEK 7,327 m (7,482) at the end of the period. The loan-to-value ratio was 47.5 percent (46.6) and the equity/assets ratio 48 percent (48). At the end of the half-year period, the average debt duration was 3.9 years (3.9), the hedge ratio was 77 percent (80) and the average fixed rate period was 2.1 years (1.8). The interest coverage ratio

for the most recent twelve-month period was a multiple of 1.7 (2.0).

Neobo has continued to work actively to maintain a low rate of interest on interest-bearing liabilities. At the end of the period, the average interest rate was 3.1 percent (2.8).

### DERIVATIVE INSTRUMENTS

In order to limit the interest rate risk associated with liabilities to credit institutions at a floating interest rate and to increase the predictability of profit from property management, interest rate derivatives are used. At the end of the period, the aggregated nominal value of interest rate derivatives was SEK 5,629 M with maturities of between one and eight years.

In accordance with the accounting rules in IFRS 9, derivatives are recognized at market value. If the agreed interest rate deviates from the market interest rate, a surplus or deficit value arises for the interest rate derivatives, and this non-cash change in value is recognized in profit or loss. At the end of the period, interest rate derivatives had a fair value of SEK 358 M (393).

Loan-to-maturity, SEK m			Fixed interest term, SEK m		
Year of maturity	Amount	Percentage, %	Year of maturity	Volume	Percentage, %
<1	0	-	<1	2,498	34
1-2	85	1	1-2	1,475	20
2-3	3,774	52	2-3	700	10
3-4	2,212	30	3-4	2,054	28
4-5	425	6	4-5	0	-
5<	831	11	5<	600	8
<b>Total</b>	<b>7,327</b>	<b>100</b>	<b>Total</b>	<b>7,327</b>	<b>100</b>

## Consolidated income statement

Amounts in SEK m	Apr 1, 2023 Jun 30, 2023	Apr 1, 2022 Jun 30, 2022	Jan 1, 2023 Jun 30, 2023	Jan 1, 2022 Jun 30, 2022	Jul 1, 2022 Jun 30, 2023	Jan 1, 2022 Dec 31, 2022
Rental income	220	213	434	422	851	839
Operating costs	-54	-58	-137	-136	-299	-298
Maintenance	-15	-14	-30	-29	-59	-58
Property administration	-17	-23	-29	-44	-22	-37
Property tax	-6	-6	-12	-12	-23	-23
<b>Property management costs</b>	<b>-92</b>	<b>-101</b>	<b>-208</b>	<b>-221</b>	<b>-403</b>	<b>-416</b>
<b>Net operating income</b>	<b>128</b>	<b>112</b>	<b>226</b>	<b>201</b>	<b>448</b>	<b>423</b>
Central administration	-25	-20	-40	-33	-86	-79
Results from associated companies	0	1	0	1	-1	0
<b>Profit before financial items</b>	<b>103</b>	<b>93</b>	<b>186</b>	<b>169</b>	<b>361</b>	<b>344</b>
Net financial items	-57	-35	-111	-75	-208	-172
<b>Profit from property management</b>	<b>46</b>	<b>58</b>	<b>75</b>	<b>94</b>	<b>153</b>	<b>172</b>
Change in values on properties	-205	-89	-534	-276	-2,496	-2,238
Results from production of residential properties	0	5	0	12	-29	-17
Change in value of financial instruments	15	23	-34	78	-12	100
<b>Profit/loss before tax</b>	<b>-144</b>	<b>-3</b>	<b>-493</b>	<b>-92</b>	<b>-2,384</b>	<b>-1,983</b>
Current tax	-8	-14	-17	-20	-35	-38
Deferred tax	30	15	166	73	759	666
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-122</b>	<b>-2</b>	<b>-344</b>	<b>-39</b>	<b>-1,660</b>	<b>-1,355</b>

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

Average number of shares	145,400,737	145,400,735	145,400,737	145,400,735	145,400,735	145,400,735
Earnings per share before and after dilution, SEK	-0.84	-0.01	-2.37	-0.27	-11.42	-9.32

## Comments on the consolidated income statement

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

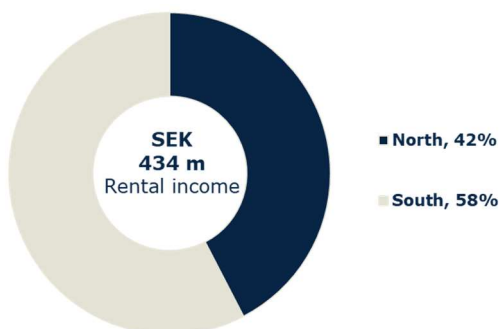
### NET OPERATING INCOME

Net operating income increased by SEK 25 m to SEK 226 m (201) during the interim period. For the like-for-like portfolio, the corresponding increase was 6.9 percent and was mainly attributable to higher rental income.

### RENTAL INCOME

Rental income increased to SEK 434 m (422) during the period. For the like-for-like portfolio, rental income increased 4.7 percent. The year's rent negotiations for the residential portfolio have now been completed with an average increase of 4.5 percent. This rent increase will have full effect in the third quarter. The higher income for the first half of the year is therefore attributable to rent increases in commercial premises and to the portion of rent increases in the residential portfolio that began to take effect during the second quarter. The economic occupancy rate was 91.7 percent.

### RENTAL INCOME BY SEGMENT



### PROPERTY MANAGEMENT COSTS

Property management costs decreased during the interim period by SEK 13 m to SEK -208 m (-221). The reduction is a net effect of a slight increase in operating costs of SEK 1 m and decreased property administration of SEK 15 m. The increase in operating costs is derived from higher costs for electricity and heating during the first quarter, which were offset by reduced costs for property

administration attributable to lower personnel costs in 2023. Costs for property administration increased SEK 5 m during the second quarter compared with the first quarter. The increase is attributable to accrual accounting effects in connection with the start up of Neobo.

### PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the interim period totaled SEK 75 m (94). The decrease in relation to last year is a result of increased financing costs.

### CENTRAL ADMINISTRATION

Central administrative costs increased by SEK 7 m to SEK -40 m (-33). A total of SEK 9 m in non-recurring costs were charged to the period, of which SEK 3 m during the first quarter and SEK 6 m during the second quarter. The non-recurring costs relate to the separation from SBB, Neobo's listing on Nasdaq First North Premier Growth Market and start-up costs for the company. Excluding non-recurring costs, central administrative costs decreased by SEK 2 m compared with the year-earlier period due to lower personnel costs.

### NET FINANCIAL ITEMS

Net financial items amounted to SEK -111 m (-75) for the period. The average interest rate paid during the period was 3.1 percent. Financial expenses rose as a result of the higher underlying base rate and raised margins in refinancing.

### NET PROFIT/LOSS FOR THE PERIOD

Net loss for the period amounted to SEK -344 m (-39).

### CHANGES IN VALUE

The unrealized change in value of the properties amounted to SEK -534 m (-276). The change in value was primarily due to raised yield requirements for residential properties. Unrealized change in value of financial instruments amounted to SEK -34 m (78), driven by falling long-term interest rates.

### TAX

Recognized tax during the period amounted to SEK 149 m (53), of which SEK -17 m (-20) is current tax and the remainder is deferred tax. Tax has been calculated based on a nominal tax rate of 20.6 percent.

## Condensed consolidated balance sheet

Amounts in SEK m	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
Investment properties	14,745	18,465	15,295
Right-of-use assets, leaseholds	0	14	0
Intangible assets	0	0	3
Other non-current assets	4	74	4
Derivatives	358	80	393
<b>Total non-current assets</b>	<b>15,107</b>	<b>18,633</b>	<b>15,695</b>
Current assets	151	474	127
Cash and cash equivalents	154	146	231
<b>Total current assets</b>	<b>305</b>	<b>620</b>	<b>358</b>
<b>Total assets</b>	<b>15,412</b>	<b>19,253</b>	<b>16,053</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	7,433	9,091	7,777
Deferred tax liabilities	330	1,509	505
Non-current interest-bearing liabilities	7,223	1,699	6,571
Lease liabilities, leaseholds	0	14	0
Other non-current liabilities	1	3	2
<b>Total non-current liabilities</b>	<b>7,554</b>	<b>3,225</b>	<b>7,078</b>
Other current liabilities	425	6,937	1,198
<b>Total current liabilities</b>	<b>425</b>	<b>6,937</b>	<b>1,198</b>
<b>Total equity and liabilities</b>	<b>15,412</b>	<b>19,253</b>	<b>16,053</b>

## Consolidated change in equity

Amounts in SEK m	Attributable to Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings	
<b>Opening balance at January 1, 2022</b>	752	5,141	3,238	9,131
Net profit/loss for the period			-39	-39
<b>Closing balance at June 30, 2022</b>	<b>752</b>	<b>5,141</b>	<b>3,199</b>	<b>9,091</b>
Net profit/loss for the period			-1,314	-1,314
<b>Closing balance at December 31, 2022</b>	<b>752</b>	<b>5,141</b>	<b>1,885</b>	<b>7,777</b>
Net profit/loss for the period			-344	-344
<b>Closing balance at June 30, 2023</b>	<b>752</b>	<b>5,141</b>	<b>1,541</b>	<b>7,433</b>

## Comments on the consolidated balance sheet

### INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 14,745 m (15,295) at the end of the period. The value has been established based on valuations conducted by external, authorized property assessors. An average yield requirement of 4.4 percent was used in the valuation. For more information, refer to the Property portfolio section.

### CHANGE IN PROPERTY PORTFOLIO

SEK m	Jan 1, 2023 Jun 30, 2023	Jan 1, 2022 Jun 30, 2022
<b>Fair value, opening balance</b>	<b>15,295</b>	<b>17,173</b>
Acquisitions	-100	1,290
Investments	84	278
Divestments	0	0
Unrealized change in value	-534	-276
<b>Fair value, closing balance</b>	<b>14,745</b>	<b>18,465</b>

Settlement attributable to the separation from SBB took place during the period, which is recognized as a negative amount on the line for acquisitions. Final settlement of the separation from SBB will take place during the third quarter.

During the period, SEK 84 m (278) was invested in existing properties.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 154 m (231). Final settlement of the separation from SBB will take place during the third quarter.

### EQUITY

Equity on the balance sheet date amounted to SEK 7,433 m (7,777).

### DEFERRED TAX

Deferred tax is calculated based on a nominal tax rate of 20.6 percent on the difference between carrying amounts and the tax-assessment values of assets and liabilities, and taking tax loss carry forwards into account. The deferred tax liability at the end of the period was SEK 330 m (505) and was largely attributable to investment properties.

### INTEREST-BEARING LIABILITIES

At the end of the period, interest-bearing liabilities amounted to SEK 7,327 m (7,482) and the loan-to-value ratio to 47.5 percent (46.6). The company uses interest rate swaps to extend the fixed rate period. The value of the derivative portfolio was SEK 358 m (393) at the end of the period. For further information, see the Financing section.

## Cash flow statement Group

	Apr 1, 2023 Jun 30, 2023	Apr 1, 2022 Jun 30, 2022	Jan 1, 2023 Jun 30, 2023	Jan 1, 2022 Jun 30, 2022	Jul 1, 2022 Jun 30, 2023	Jan 1, 2022 Dec 31, 2022
<b>Amounts in SEK m</b>						
<b>Operating activities</b>						
Net operating income	128	112	226	201	448	423
Central administration	-25	-20	-40	-33	-86	-79
Add back, depreciation	0	0	0	0	0	1
Other non-cash items	0	0	0	0	0	0
<b>Cash flow from operating activities before interest and tax</b>	<b>103</b>	<b>92</b>	<b>186</b>	<b>168</b>	<b>362</b>	<b>345</b>
Interest paid	-131	-39	-188	-83	-297	-192
Interest received	38	-1	76	1	91	16
Income tax paid	-38	-2	-41	-21	-42	-22
<b>Cash flow before changes in working capital</b>	<b>-28</b>	<b>50</b>	<b>33</b>	<b>65</b>	<b>114</b>	<b>147</b>
<b>Cash flow from changes in working capital</b>						
Increase (-)/Decrease (+) of operating receivables	50	-228	37	132	129	224
Increase (+)/Decrease (-) of operating liabilities	45	-234	22	151	43	172
<b>Cash flow from operating activities</b>	<b>67</b>	<b>-412</b>	<b>92</b>	<b>350</b>	<b>286</b>	<b>542</b>
<b>Investing activities</b>						
Investments in existing properties	-46	-216	-84	-278	-528	-722
Acquisition of subsidiaries less acquired cash and cash equivalents	0	-24	0	-791	-2,293	-3,084
Disposals of subsidiaries less cash and cash equivalents	0	18	0	18	5,433	5,451
Cash flow from financial assets	0	-3	0	0	-319	-318
Other financial assets, net	0	175	0	-29	29	0
<b>Cash flow from investing activities</b>	<b>-46</b>	<b>-50</b>	<b>-84</b>	<b>-1,079</b>	<b>2,322</b>	<b>1,327</b>
<b>Financing activities</b>						
Borrowings	0	1,060	0	1,230	2,913	4,143
Repayment of loans	-26	-2,776	-84	-2,793	-3,210	-5,919
Change in other non-current liabilities	-1	2,095	-1	2,095	-2,302	-206
<b>Cash flow from financing activities</b>	<b>-27</b>	<b>379</b>	<b>-85</b>	<b>532</b>	<b>-2,599</b>	<b>-1,982</b>
<b>Cash flow for the period</b>	<b>-5</b>	<b>-84</b>	<b>-77</b>	<b>-198</b>	<b>8</b>	<b>-113</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>159</b>	<b>230</b>	<b>231</b>	<b>344</b>	<b>146</b>	<b>344</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>154</b>	<b>146</b>	<b>154</b>	<b>146</b>	<b>154</b>	<b>231</b>

### COMMENTS ON THE CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method, which means that the net result is adjusted for transactions that did not involve incoming or outgoing payments during the period and for any income and expenses attributable to investment or financing activity cash flows. Operating cash flow after changes in working capital amounted to SEK 92 m. SEK 84 m was invested in existing properties and projects. Cash and cash equivalents on the balance sheet date amounted to SEK 154 m (231). Part payment of SEK 50 m relating to the separation from SBB was received during the period. Final settlement will take place during the third quarter of this year. Interest paid during the second quarter amounted to SEK 131 m. The equivalent amount in the first quarter was SEK 57 m. This difference was due to the fact that interest for March was paid at the beginning of April.

## Parent Company income statement

Amounts in SEK m	Jan 1, 2023	Jan 1, 2022
	Jun 30, 2023	Jun 30, 2022
Net sales	30	37
Personnel costs	-6	-34
Other operating expenses	-35	-30
<b>Operating profit/loss</b>	<b>-11</b>	<b>-27</b>
<b>Profit from financial items</b>		
Profit from participations in Group companies	0	0
Interest income and similar items	4	59
Interest costs and similar items	-2	-8
<b>Profit/loss after financial items</b>	<b>-9</b>	<b>24</b>
Appropriations	0	0
<b>Profit/loss before tax</b>	<b>-9</b>	<b>24</b>
Tax	0	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-9</b>	<b>24</b>

## Parent Company balance sheet

Amounts in SEK m	Jun 30, 2023	Jun 30, 2022
<b>ASSETS</b>		
Property, plant and equipment	0	0
Financial assets	0	1,963
Current assets	8,134	2,533
<b>Total assets</b>	<b>8,104</b>	<b>4,496</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	8,107	4,471
Current liabilities	27	25
<b>Total equity and liabilities</b>	<b>8,104</b>	<b>4,496</b>

### PARENT COMPANY

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

Income in the Parent Company amounted to the SEK 30 m (37) during the period and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered.

Loss before tax amounted to SEK -9 m (24). Cash and cash equivalents at the end of the period amounted to SEK 154 m (224).

## Other information

### ACCOUNTING POLICIES

Neobo's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. 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 2022 Annual Report.

### PARENT COMPANY ACCOUNTING POLICIES

The Parent Company applies the same accounting policies as the Group with the exceptions and supplements regulated in RFR 2 Accounting for legal entities.

### 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.

### 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. This level means the valuation was based on other inputs than quoted prices and that are observable for the asset or liability either directly or indirectly.

### SEASONAL EFFECTS

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

### ROUNDING DIFFERENCES

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

### COMPARATIVE FIGURES

Comparative figures in parentheses refer to the year-earlier period except in sections that

describe financial position when the comparisons refer to the end of the preceding year.

### RISKS AND UNCERTAINTIES

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

### RELATED-PARTY TRANSACTIONS

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

### EVENTS AFTER THE BALANCE SHEET DATE

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

### SIGNING OF THE REPORT

This interim report has not been examined by the auditors.

The CEO affirms that this half-year 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 company and the companies included in the Group.

Stockholm, July 12, 2023

Ylva Sarby Westman  
Chief Executive Officer



## The share

Neobo's share was listed on the Nasdaq First North Premier Growth Market on February 10, 2023. At the end of the period, the share was owned by approximately 158,000 known shareholders. The ten largest individual owners are shown in the table below.

### SHARE CAPITAL

Neobo has only ordinary shares. The number of shares outstanding at the end of the quarter was 145,400,737 and the share capital amounted to SEK 752,027,538. Each share has a quotient

value of SEK 5.17 and entitles the holder to one vote. Shares carry equal rights to dividends.

### SHAREHOLDER AND OWNERSHIP STRUCTURE

The ten largest shareholders controlled 45.2 percent of the share capital and voting rights at June 28, 2023. Swedish companies, funds and private individuals owned 96.4 percent of the share capital while foreign share ownership amounted to 5.4 percent.

#### LARGEST SHAREHOLDERS AT JUNE 28, 2023

Shareholders	No. of shares	Percentage of share capital and voting rights
ICA-handlarnas Förbund	13,000,000	8.9%
Avanza Pension	9,877,625	6.8%
Martin Olof Brage Larsén	8,689,322	6.0%
Ilija Batljan	6,754,297	4.7%
Arvid Svensson Invest	6,664,412	4.6%
Länsförsäkringar Funds	6,025,467	4.1%
Sven-Olof Johansson	5,500,000	3.8%
Futur Pension	3,392,350	2.3%
Öst/Väst Capital Management	3,080,200	2.1%
Nordnet Pension Insurance	2,742,268	1.9%
<b>Total 10 largest</b>	<b>65,725,941</b>	<b>45.2%</b>
Other	79,674,796	54.8%
<b>Total</b>	<b>145,400,737</b>	<b>100%</b>

### SHARE INFORMATION

Ticker	NEOBO
ISIN Code:	SE0005034550
LEI Code:	213800QBPS3L89U9TZ44

## Definitions

### FINANCIAL DEFINITIONS

#### Number of shares outstanding

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

#### Return on equity, %

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

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

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

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

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

#### Profit from property management

Profit before changes in value and tax.

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

#### Average number of shares

The number of shares outstanding weighted over the period.

#### Average interest rate, %

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

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

#### Cash flow from operating activities, SEK

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

#### Earnings per share, SEK

Net profit/loss for the period in relation to the average number of shares.

#### Interest coverage ratio, multiple

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

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

#### Equity/assets ratio, %

Equity in relation to total assets.

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

#### Net asset value, SEK

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

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

### PROPERTY-RELATED DEFINITIONS

#### Number of properties

Number of properties at the end of the period.

#### Number of sq. m.

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

#### Investment yield, %

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

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

#### Net operating income, SEK

Rental income less property management cost.

#### Economic occupancy rate, %

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

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

#### Economic vacancy rate, %

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

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

#### Rental income, SEK

Charges for the period with deductions for rental losses.

#### Like-for-like portfolio

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

#### Market value of properties, SEK

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

#### Surplus ratio, %

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

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

## Derivation of key metrics

	Apr 1, 2023 Jun 30, 2023	Apr 1, 2022 Jun 30, 2022	Jan 1, 2023 Jun 30, 2023	Jan 1, 2022 Jun 30, 2022	Jul 1, 2022 Jun 30, 2023	Jan 1, 2022 Dec 31, 2022
<b>NET ASSET VALUE</b>						
Number of shares outstanding, thousands	145,401	145,401	145,401	145,401	145,401	145,401
Equity	7,433	9,091	7,433	9,091	7,433	7,777
Add back of deferred tax	-330	-1,509	-330	-1,509	-330	-505
Add back of derivatives	-358	-80	-358	-80	-358	-393
<b>Net asset value</b>	<b>6,745</b>	<b>7,502</b>	<b>6,745</b>	<b>7,502</b>	<b>6,745</b>	<b>6,879</b>
<b>SEK/share</b>	<b>46.39</b>	<b>51.60</b>	<b>46.39</b>	<b>51.60</b>	<b>46.39</b>	<b>47.31</b>
<b>SURPLUS RATIO</b>						
Net operating income	128	112	226	201	448	423
Rental income	220	213	434	422	851	839
<b>Surplus ratio, %</b>	<b>58</b>	<b>53</b>	<b>52</b>	<b>48</b>	<b>53</b>	<b>50</b>
<b>LOAN-TO-VALUE RATIO</b>						
Total assets	15,412	19,253	15,412	19,253	15,412	16,053
Interest-bearing liabilities	7,327	7,835	7,327	7,835	7,327	7,482
<b>Loan-to-value ratio, %</b>	<b>47.5</b>	<b>40.7</b>	<b>47.5</b>	<b>40.7</b>	<b>47.5</b>	<b>46.6</b>
<b>INTEREST COVERAGE RATIO</b>						
Profit from property management	46	58	75	94	153	172
Add back, net interest	57	35	111	75	208	172
<b>Total</b>	<b>103</b>	<b>93</b>	<b>186</b>	<b>169</b>	<b>361</b>	<b>344</b>
Net interest income	57	35	111	75	208	172
<b>Interest coverage ratio, multiple</b>	<b>1.8</b>	<b>2.7</b>	<b>1.7</b>	<b>2.3</b>	<b>1.7</b>	<b>2.0</b>
<b>RETURN ON EQUITY</b>						
Net profit/loss for the period	-122	-2	-344	-39	-1,660	-1,355
Equity, average	7,494	9,092	7,605	9,111	8,262	8,454
<b>Return on equity, %</b>	<b>-1.6</b>	<b>0.0</b>	<b>-4.5</b>	<b>-0.4</b>	<b>-20.1</b>	<b>-16.0</b>
<b>INVESTMENT YIELD</b>						
Net operating income according to earnings capacity	488		488		488	462
Investment properties	14,745		14,745		14,745	15,295
Building rights/development properties	83		83		83	80
Property value, excl. building rights/development properties	14,662		14,662		14,662	15,215
<b>Investment yield, %</b>	<b>3.3</b>		<b>3.3</b>		<b>3.3</b>	<b>3.0</b>
<b>ECONOMIC OCCUPANCY RATE</b>						
Rental income according to earnings capacity	877		877		877	850
Rental value according to earnings capacity	956		956		956	924
<b>Economic occupancy rate, %</b>	<b>91.7</b>		<b>91.7</b>		<b>91.7</b>	<b>92.0</b>
<b>EARNINGS PER SHARE</b>						
Net profit/loss for the period	-122	-2	-344	-39	-1,660	-1,355
Average number of shares	145,400,737	145,400,735	145,400,737	145,400,735	145,400,735	145,400,735
<b>SEK/share</b>	<b>-0.84</b>	<b>-0.01</b>	<b>-2.37</b>	<b>-0.27</b>	<b>-11.42</b>	<b>-9.32</b>
<b>EQUITY/ASSETS RATIO</b>						
Equity	7,433	9,091	7,433	9,091	7,433	7,777
Total assets	15,412	19,253	15,412	19,253	15,412	16,053
<b>Equity/assets ratio, %</b>	<b>48</b>	<b>47</b>	<b>48</b>	<b>47</b>	<b>48</b>	<b>48</b>

## Financial calendar

Interim report for the period January–September 2023	Nov 16, 2023
Year-end report 2023	Feb 14, 2024

### neobo.se

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

## Invitation to presentation of interim report

CEO Ylva Sarby Westman will present the interim report in a webcast/teleconference on July 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 by telephone with an opportunity to ask questions verbally, use the below link. After registration, you will be issued with a telephone number and a conference ID for logging in to the conference.

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

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

[Neobo Fastigheter Q2 Report 2023 \(financialhearings.com\)](https://financialhearings.com)

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

*The information in this interim report is information that Neobo Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was issued for publication on July 12, 2023, at 7:00 a.m. CEST through the agency of the contact persons stated below.*

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