

neobo

YEAR-END REPORT  
JANUARY–DECEMBER 2023

Q4



## JANUARY-DECEMBER 2023

- Rental income increased to SEK 888 m (839). For the like-for-like portfolio, rental income increased by 5.0 percent as a result of rent increases and a reduced vacancy rate.
- Net operating income increased to SEK 460 m (423) during the year. For the like-for-like portfolio, net operating income increased by 3.8 percent, after adjustments for items affecting comparability, mainly due to increased rental income.
- Profit from property management totaled SEK 148 m (172). The decrease is due to higher financial expenses and items affecting comparability of SEK 18 m in central administration.
- The unrealized change in the value of properties amounted to SEK -1,353 m (-1,151) during the year.
- The value of the property portfolio totaled SEK 14,018 m at year-end, which is a decrease of 8.3 percent compared with the beginning of the year.
- Net loss for the year amounted to SEK -1,373 m (-1,355), corresponding to SEK -9.44 per share (-9.32).
- The net asset value amounted to SEK 45.83 per share (54.26).
- The Board of Directors proposes to the Annual General Meeting that the profits be carried forward and that no dividend shall be paid to the shareholders.

## OCTOBER-DECEMBER 2023

- Rental income increased to SEK 230 m (204) during the quarter, as a result of rent increases and a decrease in vacancies.
- Net operating income decreased to SEK 93 m (94), which was a net effect of increased rental income and higher costs for operation and property administration.
- Profit from property management for the fourth quarter totaled SEK 20 m (11). The increase was attributable to both reduced financial expenses and lower costs for central administration. Items affecting comparability of SEK 3 m were charged to administration costs in the fourth quarter.

## SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- An Extraordinary General Meeting on October 4 resolved to expand the Board of Directors by one person and Jakob Pettersson was elected as new Board member.
- Eva Swartz Grimaldi resigned from the Board in December for health reasons, with immediate effect.
- In December, the Board of Directors resolved to remove the dividend policy using the motivation that it is assessed that the best total yield can be achieved if profits are reinvested in the business. In addition, the Board of Directors resolved to remove the equity/assets ratio from Neobo's financial targets.
- The Board has tasked Management to prepare Neobo for a list change to Nasdaq Stockholm's main list in 2024.

## SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- In January, Neobo became a member of the European Public Real Estate Association (EPRA).
- In February, Peter Wågström stepped down from the Board of Directors at his own request due to a commitment in another company.
- After the balance sheet date, final settlement of the separation from SBB was completed. Neobo's financial receivable from SBB that was announced earlier has thus been settled.
- In February, six residential properties in Eskilstuna were divested at an underlying property value of SEK 113 m, which is in line with the most recent external valuation conducted.

Summary <sup>1)</sup>	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income, SEK m	230	204	888	839
Net operating income, SEK m	93	94	460	423
Change in value of investment properties, SEK m	-427	-1419	-1,353	-2,238
Profit from property management, SEK m	20	11	148	172
SEK/share	0.14	0.08	1.02	1.18
Net profit/loss for the period, SEK m	-578	-839	-1,373	-1,355
SEK/share	-3.98	-5.77	-9.44	-9.32
Market value of properties, SEK m	14,018	15,295	14,018	15,295
Loan-to-value ratio, %	50.2	46.7	50.2	46.7
Interest coverage ratio, multiple	1.4	1.2	1.7	2.0
Net asset value per share, SEK	45.83	54.26	45.83	54.26
Economic occupancy rate, %	92.5	92.0	92.5	92.0
Surplus ratio, %	40	46	52	50

<sup>1)</sup> For the complete table of key metrics, see page 20 and for definitions see page 19. When comparing between years it is worth noting that the property portfolio differs between 2022 and 2023, refer to page 4.

## Well placed for value creation going forward

Neobo's first year was intense and challenging. Developing and listing a residential housing company during a period of sharp interest rate hikes, high inflation and declining market values is no easy task. However, everything has exceeded expectations due to the dedicated efforts of all involved – the Board of Directors, Management and our committed employees.

Despite turbulence in the world around us, our operations have continued to perform positively, and net operating income increased by 8.7 percent year-on-year. We operate in a market in which we see a long-term positive trend. Sweden needs more residential properties that people can afford to live in. We are active in locations where vacancies are low and considering that residential construction has largely ground to a halt, this will generate even greater demand for the residential properties already on the market. By managing and refining our properties and adapting them on the basis of people's needs, we want to contribute to a more sustainable residential property market in Sweden.

### FOCUS ON CUSTOMERS AND VACANCIES BEGINNING TO YIELD POSITIVE EFFECT

We entered 2023 with a vacancy rate in the residential portfolio of 6.6 percent and ended it at 5.4 percent. We have targeted specific efforts toward areas with a high vacancy rate, including tending to outdoor environments and carrying out apartment renovations. The customer survey that we conducted in December displayed a strong year-on-year improvement in all areas. In addition, the response frequency was high, which we are very grateful for. On the basis of this result, we can now take the next step to enhance the attractiveness and sense of satisfaction in our areas and further reduce the vacancy rate.

### STABLE FINANCIAL POSITION WITH EXCLUSIVELY BANK FINANCING

Profit from property management fell to SEK 148 m (172) mainly due to higher financing costs. Interest rates increased sharply during the year but a high hedge ratio has enabled us to limit the impact of this. We have a stable financial position based exclusively on bank financing. When the long-term interest rates began to fall at the end of the year, we signed new swap agreements of SEK 600 m to hedge future cash flows and further reduce financial risk.

The decision by the Swedish Riksbank in February to leave the policy rate unchanged while declaring itself open to an initial interest rate reduction in the spring, indicates that we have most likely reached the interest rate peak and that interest rate cuts are now in sight.

Since the beginning of the year, the property portfolio's value declined by 8.3 percent as a result of increased



yield requirements. The average weighted yield requirement now amounts to 4.7 percent (4.1).

### SUSTAINABILITY EFFORTS ACCELERATING

During the year, we developed a sustainability strategy – based on the requirements of the CSRD – that uses the two perspectives of sustainable living environments and corporate social responsibility as its starting point. We are now preparing to accelerate our sustainability efforts in the coming years to create value for our customers, owners and the society in which we operate.

### FOUNDATION IN PLACE FOR VALUE CREATION

An activity I prioritized this year was to travel around the country to meet all of our employees and to acquire an overview of our property portfolio with my own eyes. I can conclude that we have an excellent foundation to build on and that there are significant values in the portfolio that can be highlighted.

During the year, we increased the return from our properties by raising rental income, reducing the vacancy rate and implementing value-generating investments. We have established a platform to create value going forward and we have a tailwind of strong underlying market trends.

Stockholm, February 14, 2024

Ylva Sarby Westman, CEO

## About Neobo

### BACKGROUND

Neobo was created during the fourth quarter of 2022 and the company was spun off to SBB's shareholders at the end of 2022. 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 the December 2022, properties valued at SEK 5.8 billion were sold to SBB and properties valued at SEK 5.2 billion were acquired from SBB. On December 31, 2022, 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

Our business concept is to sustainably 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.
- Sustainability activities are an integrated part of all of our operations and are continuously adapted to meet the requirements of the CSRD.
- We have a local property management organization that works closely with our customers with a focus on leasing and value-generating refinement.
- We have a 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.

### 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 713,000 sq. m.

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

### PROPERTY VALUATION

The property portfolio's value has declined by 8.3 percent since year-end 2022, and by 2.5 percent during the fourth quarter to SEK 14,018 m. The decrease in value was primarily a result of increased yield requirements while higher estimated future rental income had a positive impact on the portfolio value.

The value has been established based on valuations conducted by external, authorized property assessors. The valuations were conducted using analyses of future cash flows for the respective properties, whereby current rental contracts, the market's yield requirement, rental levels, operating and maintenance costs and the properties' investment requirements have been taken into account. An average weighted yield requirement of 4.7 percent (4.1) was used in the valuation. The property value includes SEK 131 M (80) 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.

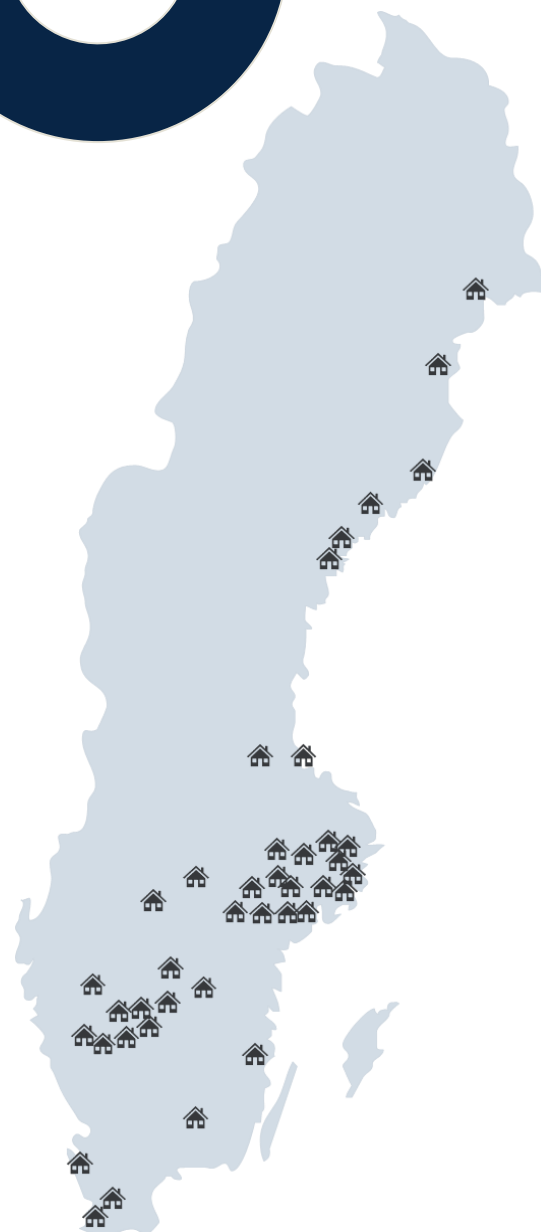
### SENSITIVITY ANALYSIS VALUATION

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.



Residential properties,  
95%



	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+ / - 5%	+ / - 1,013	+ / - 7%
Operating and maintenance costs	+ / - 5%	- 362 / + 358	+ / - 3%
Valuation yield	+/- 0.25% unit	-727 / +809	-5% / +6%
Long-term vacancy rate	+/- 0.25% unit	-45 / + 43	+ / - 0%

## RENTAL VALUE AND CUSTOMERS

The annual rental value amounted to SEK 969 m on January 1, 2024. Residential properties accounts for 75 percent of the rental value, commercial premises and community service for 22 percent and other 3 percent. The rental value increased during the year as a result of completed rent negotiations and investments. Since year-end, the average rent increase for the residential portfolio was 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 community service properties. Our largest commercial tenants include Axfood, Sala Municipality and Timrå Municipality.

## ECONOMIC OCCUPANCY RATE

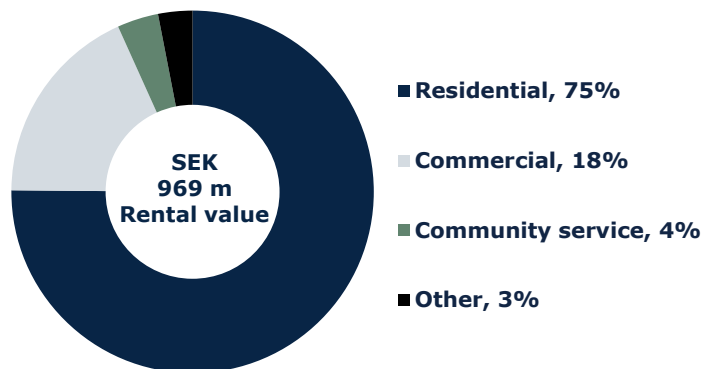
The economic occupancy rate rose during the year from 92.0 to 92.5 percent.

In the residential portfolio, the occupancy rate rose from 93.4 percent at the beginning of the year to 94.6 percent at the end of the year. The remaining residential vacancies were in part due to apartments vacated pending renovation and the high turnover of tenants in certain areas.

The economic occupancy rate for commercial premises was 86.9 percent at the end of the year. The vacancies for commercial premises were mainly due to a small number of large vacant premises.

## LOCAL PROPERTY MANAGEMENT ORGANIZATION

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



January-December	Total Neobo		South Region		North Region	
	2023	2022	2023	2022	2023	2022
Market value of properties, SEK m	14,018	15,295	8,039	8,762	5,979	6,533
Market value, SEK/sq. m.	19,658	21,425	17,825	19,404	22,812	24,906
Rental value, SEK m	969	924	568	543	401	381
Rental value, SEK/sq. m.	1,358	1,295	1,258	1,203	1,531	1,453
Rental income, SEK m	888	839	514	440	373	399
Net operating income, SEK m	460	424	265	230	196	195
Surplus ratio, %	52	51	51	52	52	49
Occupancy rate, %	92.5	92.0	92.8	92.1	92.0	91.9
Number of properties	267	268	167	168	100	100
Number of apartments	8,391	8,396	5,556	5,559	2,835	2,837
Floor area, thousand sq. m.	713	714	451	452	262	262

## Current earnings capacity

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

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

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

### BASIS FOR CALCULATING EARNINGS CAPACITY

The current earnings capacity has been based on annualized contractual rental income, including supplements and other property-related income based on current rental contracts as per January 1, 2024.

All vacancies as per January 1, 2024, 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 January 1, 2024.

Central administration costs have been calculated on the basis of Neobo's organization and operations. Net financial items are defined as interest costs, which have been calculated by applying, on top of Neobo's indebtedness, the contractual financing terms and conditions subject to the variable market conditions applying as per January 1, 2024, 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	Jan 1, 2024	Oct 1, 2023	Jul 1, 2023	Apr 1, 2023	Jan 1, 2023
Rental value	969	959	956	948	924
Vacancy	-73	-76	-80	-79	-74
<b>Rental income</b>	<b>896</b>	<b>883</b>	<b>877</b>	<b>869</b>	<b>850</b>
Property management costs	-390	-380	-365	-365	-365
Property tax	-24	-24	-24	-24	-23
<b>Net operating income</b>	<b>482</b>	<b>479</b>	<b>488</b>	<b>480</b>	<b>462</b>
Central administration	-55	-55	-50	-50	-50
Net financial items	-250	-231	-227	-222	-190
<b>Profit from property management</b>	<b>177</b>	<b>192</b>	<b>211</b>	<b>208</b>	<b>222</b>

## Sustainability

Sweden needs more residential properties that people can afford to live in. By managing and refining our existing properties and adapting them on the basis of people’s needs, we want to contribute to a more sustainable residential property market in Sweden.

During the year, we prepared a sustainability strategy and a sustainability policy, both of which were adopted by Neobo’s Board during the third quarter. The sustainability strategy is based on the requirements contained in the Corporate Sustainability Reporting Directive (CSRD), which is the EU’s directive for sustainability reporting. Neobo will be subject to the CSRD as of January 1, 2025.

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

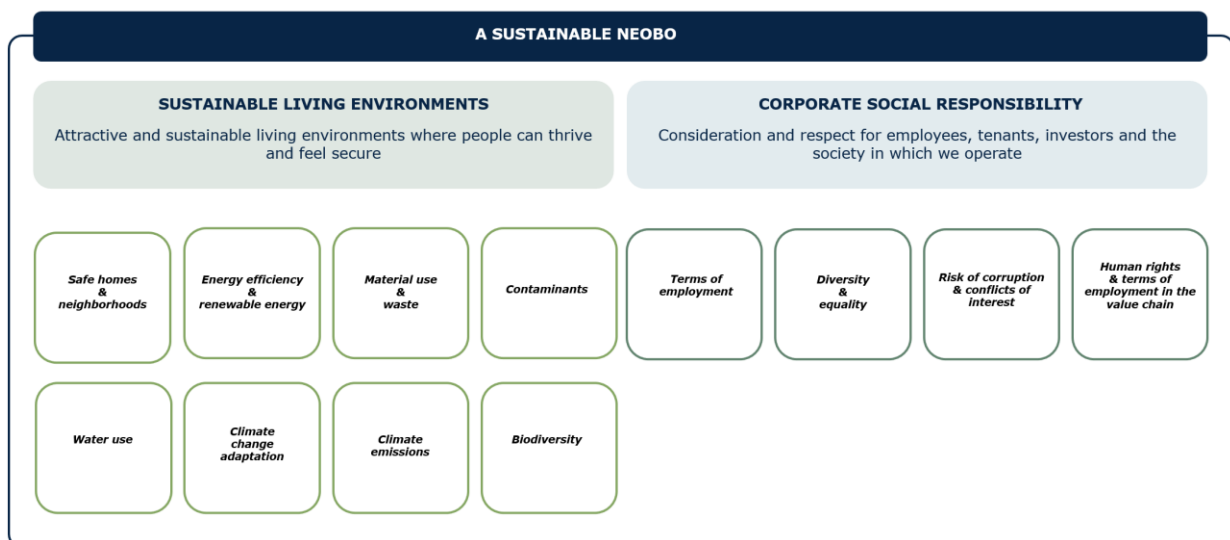
- Sustainable living environments – attractive and sustainable living environments where people can thrive and feel secure.
- Corporate social responsibility – consideration and respect for employees, investors and the society in which we operate.

Prior to the preparation of the strategy, we completed a stakeholder analysis and a double materiality assessment based on the requirements of CSRD. We have identified 12 material sustainability aspects on which our entire sustainability agenda is based, see image below.

Work is under way to develop and adopt sustainability targets and these will be communicated during the spring. We are also working to create effective processes for governance and target follow-up to ensure that we are on the right track and succeed in achieving our targets.

During the fourth quarter, we worked on the preparations ahead of Neobo’s first climate report. This work was intensified after the end of the year and has involved, for example, the calculation of our emissions.

To ensure proactive and systematic efforts to reduce water and energy consumption in our properties, we have established a water and energy management system. During the autumn budget process, priority was assigned to the energy-efficiency measures that we intend to implement during 2024.





## Financing

Neobo strives to have a low financial risk and operations are financed with equity and bank loans.

At the beginning of the year, the restructuring of the Group's financing was completed as existing bank loans of approximately SEK 2 billion were renegotiated with new maturities of 3.5–5 years.

During the first quarter, the derivative portfolio was restructured, which resulted in a higher hedge ratio and extended fixed interest term.

The Swedish Riksbank's policy rate increased sharply during the year, but thanks to a high hedge ratio, this had a limited impact on Neobo's net financial items. After the long-term interest rates fell at the end of the year, Neobo signed new swap agreements of SEK 600 m to secure future cash flows and further reduce financial risk. The average maturity for these interest rate derivatives amounts to five years, with an average interest rate of 2.6 percent.

### 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 7,278 m (7,496) at year-end.

The loan-to-value ratio was 50.2 percent (46.7) and the equity/assets ratio 44.2 percent (48.4). At year-end, the average debt duration was 3.3 years (3.9) and the average fixed rate period was 2.2 years (1.8). The hedge ratio amounted to 74

percent (80) and the interest coverage ratio 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 year-end, the average interest rate, including derivative instruments, was 3.4 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 year, the aggregated nominal value of interest rate derivatives was SEK 5,406 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 year, interest rate derivatives had a fair value of SEK 171 M (393).

### MATURITY STRUCTURE

Year of maturity	Loan-to-maturity		Fixed interest term		Interest rate swaps	
	Liability, SEK m	Percentage, %	Liability, SEK m	Percentage, %	Nominal amount, SEK m	Average interest, %
2024	84	1	2,372	33	500	0.24
2025	3,551	49	1,465	20	1,465	0.17
2026	1,481	20	2,241	31	2,241	0.57
2027	1,122	15	0	0	0	0
2028	942	13	600	8	600	2.56
2029 and later	98	1	600	8	600	2.73
<b>Total</b>	<b>7,278</b>	<b>100</b>	<b>7,278</b>	<b>100</b>	<b>5,406</b>	<b>0.89</b>

## Condensed consolidated income statement

Amounts in SEK m	2023	2022	2023	2022
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income	230	204	888	839
Operating costs	-92	-70	-272	-298
Maintenance	-18	-18	-66	-58
Property administration	-21	-17	-67	-37
Property tax	-6	-5	-24	-23
<b>Property management costs</b>	<b>-137</b>	<b>-110</b>	<b>-429</b>	<b>-416</b>
<b>Net operating income</b>	<b>93</b>	<b>94</b>	<b>460</b>	<b>423</b>
Central administration	-22	-31	-88	-79
Results from associated companies	0	-2	0	0
<b>Profit before financial items</b>	<b>71</b>	<b>61</b>	<b>372</b>	<b>344</b>
Net financial items	-51	-50	-224	-172
<b>Profit from property management</b>	<b>20</b>	<b>11</b>	<b>148</b>	<b>172</b>
Change in values on properties	-427	-1419	-1,353	-2,238
Results from production of residential properties	0	-19	0	-17
Change in value of financial instruments	-165	5	-223	100
<b>Profit/loss before tax</b>	<b>-572</b>	<b>-1,422</b>	<b>-1,428</b>	<b>-1,983</b>
Current tax	4	-5	-21	-38
Deferred tax	-10	588	75	666
<b>Net profit/loss for the year</b>	<b>-578</b>	<b>-839</b>	<b>-1,373</b>	<b>-1,355</b>
<b>Total comprehensive income for the period</b>	<b>-578</b>	<b>-839</b>	<b>-1,373</b>	<b>-1,355</b>

The net profit/loss for the year and total comprehensive income for the year 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
Earnings per share before and after dilution, SEK	-3.98	-5.77	-9.44	-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.

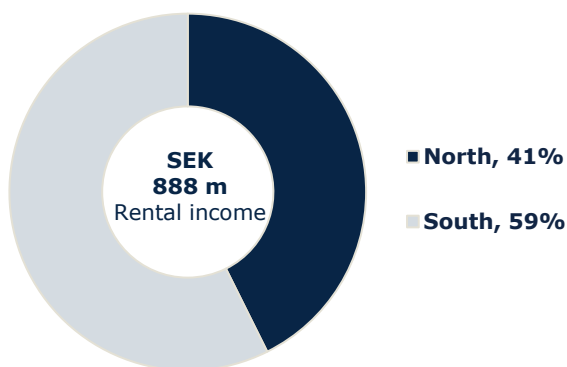
### NET OPERATING INCOME

Net operating income increased SEK 37 m to SEK 460 m (423) during the year. For the like-for-like portfolio, the corresponding increase was 3.8 percent excluding items affecting comparability concerning such items as electricity subsidies of SEK 8 m. For the like-for-like portfolio, the increase in net operating income was mainly attributable to higher rental income.

### RENTAL INCOME

Rental income increased to SEK 888 M (839) during the year. For the like-for-like portfolio, rental income increased 5.0 percent. The rent increase is attributable to rent increases in the residential portfolio averaging 4.5 percent, rent increases in commercial premises and a decrease in vacancies. Den economic occupancy rate at year-end amounted to 92.5 percent (92.0).

### RENTAL INCOME BY SEGMENT



### PROPERTY MANAGEMENT COSTS

The property management costs increased by SEK 13 m during the year to SEK 429 m (416) compared with the preceding year. The increase is a net effect of lower operating costs and increased costs for maintenance and property administration. Operating costs declined slightly as a result of electricity subsidies of SEK 8 m received during the third quarter.

In 2022, an accounting reallocation of costs took place between property administration and operating costs, for which reason a comparison of property administration is misleading between the years.

### PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the year decreased to SEK 148 m (172), which is attributable to increased financial expenses and items affecting comparability of SEK 18 m in central administration.

### CENTRAL ADMINISTRATION

Central administrative costs increased by SEK 9 m to SEK 88 m (79). A total of SEK 18 m in items affecting comparability were charged to the year, of which SEK 3 m during the first quarter, SEK 6 m during the second quarter, SEK 6 m during the third quarter and SEK 3 m during the fourth quarter. The items affecting comparability relate to the separation from SBB, Neobo's listing on Nasdaq First North Premier Growth Market and various start-up costs for the company. Excluding items affecting comparability, central administrative costs decreased by SEK 9 m.

### NET FINANCIAL ITEMS

Net financial items amounted to SEK -224 M (-172) during the year. The average interest rate was 3.4 percent (2.8) at the end of the year. Financial expenses rose compared with the year-earlier period as a result of the higher underlying interest rate and raised margins in refinancing.

### NET PROFIT/LOSS FOR THE YEAR

The result after tax amounted to SEK -1,373 M (-1,355).

### CHANGES IN VALUE

The unrealized change in the value of properties amounted to SEK -1,353 m (-1,151) for the full year. The decrease in value was primarily due to raised yield requirements for properties. Changes in value of financial instruments amounted to SEK -223 m (100), driven by falling market interest rates.

### TAX

Reported tax for the year amounted to SEK 54m (628), of which SEK -21m (-38) is current tax and the remainder is deferred tax. The change in current tax is mainly due to lower earnings in the subsidiaries as a result of increased financial expenses. The change in deferred tax is explained by a lower decline in the value of the property holdings.

## Condensed consolidated balance sheet

Amounts in SEK m	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>		
Investment properties	14,018	15,295
Intangible assets	0	3
Other non-current assets	4	4
Derivatives	194	393
<b>Total non-current assets</b>	<b>14,217</b>	<b>15,695</b>
Current assets	81	127
Cash and cash equivalents	199	231
<b>Total current assets</b>	<b>280</b>	<b>358</b>
<b>Total assets</b>	<b>14,497</b>	<b>16,053</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	6,405	7,777
Deferred tax liabilities	430	505
Interest-bearing liabilities	7,089	6,571
Derivatives	23	0
Other non-current liabilities	1	2
<b>Total non-current liabilities</b>	<b>7,543</b>	<b>7,078</b>
Interest-bearing liabilities	189	923
Other current liabilities	361	275
<b>Total current liabilities</b>	<b>550</b>	<b>1,198</b>
<b>Total equity and liabilities</b>	<b>14,497</b>	<b>16,053</b>

## Condensed consolidated change in equity

Amounts in SEK m	Attributable to Parent Company shareholders			
	Share capital	Other contributed capital	Retained earnings	Total equity
<b>Opening balance at January 1, 2022</b>	<b>752</b>	<b>5,141</b>	<b>3,238</b>	<b>9,132</b>
Net profit/loss for the period			-1,355	-1,355
<b>Closing balance at December 31, 2022</b>	<b>752</b>	<b>5,141</b>	<b>1,883</b>	<b>7,777</b>
Net profit/loss for the period			-1,373	-1,373
Issue of employee warrants			1	1
<b>Closing balance at December 31, 2023</b>	<b>752</b>	<b>5,141</b>	<b>511</b>	<b>6,405</b>

## Comments on the consolidated balance sheet

### INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 14,018 m (15,295) 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 4.7 percent (4.1) was used in the valuation. For more information, refer to the Property portfolio section.

### CHANGE IN PROPERTY VALUES

SEK m	2023	2022
	Jan-Dec	Jan-Dec
<b>Fair value, opening balance</b>	<b>15,295</b>	<b>17,173</b>
Acquisitions	-100	6,064
Investments	177	727
Divestments	0	-7,602
Unrealized change in value	-1,353	-1,151
Reclassifications	0	85
<b>Fair value, closing balance</b>	<b>14,018</b>	<b>15,295</b>

Settlement attributable to the separation from SBB took place during the year, which is recognized as a negative amount of SEK 100 m on the line for acquisitions.

During the year, SEK 177 m (727) was invested in existing properties.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 199 m (231).

### EQUITY

Equity on the balance sheet date amounted to SEK 6,405 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 year was SEK 430 m (505) and was largely attributable to investment properties.

### INTEREST-BEARING LIABILITIES

At year-end, interest-bearing liabilities amounted to SEK 7,278 m (7,496) and the loan-to-value ratio to 50.2 percent (46.7). The company uses interest rate derivatives to extend the fixed rate period. The value of the derivative portfolio was SEK 171 m (393) at year-end. For further information, see the Financing section page 9.

## Condensed cash flow statement Group

Amounts in SEK m	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
<b>Operating activities</b>				
Net operating income	93	94	460	423
Central administration	-22	-31	-88	-79
Add back, depreciation	0	0	0	0
Other non-cash items	0	0	0	2
<b>Cash flow from operating activities before interest and tax</b>	<b>71</b>	<b>63</b>	<b>372</b>	<b>346</b>
Interest paid	-113	-64	-393	-192
Interest received	46	14	169	16
Income tax paid	-8	11	-46	-22
<b>Cash flow before changes in working capital</b>	<b>-4</b>	<b>24</b>	<b>102</b>	<b>148</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) of operating receivables	60	2	33	224
Increase (+)/Decrease (-) of operating liabilities	27	161	75	172
<b>Cash flow from operating activities</b>	<b>83</b>	<b>187</b>	<b>210</b>	<b>544</b>
<b>Investing activities</b>				
Investments in existing properties	-67	-74	-177	-722
Acquisition of properties	0	0	73	0
Divestment of properties	0	0	0	0
Other property, plant and equipment, net	0	0	0	0
Acquisition of subsidiaries less acquired cash and cash equivalents	0	-2,292	0	-3,084
Disposals of subsidiaries less cash and cash equivalents	0	5,053	0	5,451
Cash flow from financial assets	0	-351	0	-318
Other financial assets, net	0	42	0	0
<b>Cash flow from investing activities</b>	<b>-67</b>	<b>2,378</b>	<b>-104</b>	<b>1,326</b>
<b>Financing activities</b>				
Borrowings	0	2,774	0	4,143
Repayment of loans	-31	-3,097	-136	-5,919
Change in other non-current liabilities	-1	-2,065	-2	-206
<b>Cash flow from financing activities</b>	<b>-32</b>	<b>-2,388</b>	<b>-138</b>	<b>-1,982</b>
<b>Cash flow for the period</b>	<b>-16</b>	<b>177</b>	<b>-32</b>	<b>-112</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>214</b>	<b>55</b>	<b>231</b>	<b>344</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>199</b>	<b>231</b>	<b>199</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 operating income is adjusted for transactions that did not involve incoming or outgoing payments during the year and for any income and expenses attributable to investment or financing activity cash flows. Cash flow from operating activities amounted to SEK 210 m (544). SEK 177 m (722) was invested in existing properties and projects. Cash and cash equivalents on the balance sheet date amounted to SEK 199 m (231).

## Parent Company income statement

Amounts in SEK m	2023	2022
	Jan-Dec	Jan-Dec
Net sales	24	82
Personnel costs	-10	-48
Other operating expenses	-68	-94
<b>Operating profit/loss</b>	<b>-54</b>	<b>-60</b>
<b>Profit from financial items</b>		
Result from shares in subsidiaries	-1,623	3,587
Interest income and similar items	46	113
Interest costs and similar items	-29	-40
<b>Profit/loss after financial items</b>	<b>-1,661</b>	<b>3,600</b>
Appropriations	53	0
<b>Profit/loss before tax</b>	<b>-1,608</b>	<b>3,600</b>
Tax	1	-5
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>-1,607</b>	<b>3,595</b>

## Parent Company balance sheet

Amounts in SEK m	Dec 31, 2023	Dec 31, 2022
<b>ASSETS</b>		
Financial assets	48	0
Current assets	6,440	8,116
<b>Total assets</b>	<b>6,489</b>	<b>8,116</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	6,479	8,085
Current liabilities	10	31
<b>Total equity and liabilities</b>	<b>6,489</b>	<b>8,116</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 24 m (82) during the year and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered. During the year, intra-group services were also invoiced from other Group companies, which is why the Parent Company's revenue was lower than in the previous year.

Shares in Group companies were impaired in the amount of SEK -1,623 m (0) due to lower property values in the Group companies. In 2022, the parent company divested several subsidiaries, which had a major impact on earnings.

Loss before tax amounted to SEK -1,608 m (3,600). Cash and cash equivalents at year-end amounted to SEK 168 m (224).

## 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 2022 Annual Report. However, the presentation of the financial statements has been adjusted relative to the Annual Report, to better reflect operations.

### 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.

### 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.

The Annual General Meeting on April 26, 2023 resolved on the issue of warrants targeting four members of the management team. The program encompasses 727,000 warrants that provide entitlement to subscribe for the equivalent number of shares in the company. The subscription price per share corresponds to 120 percent of the average, volume-weighted price paid for the company's share at the end of trading on the 10 trading days immediately after May 10, 2023. The subscription for shares using the warrants can take place from May 1, 2026 until May 25, 2026.

### EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, final settlement of the separation from SBB was completed. Neobo's financial receivable from SBB that was announced earlier has thus been settled.

In February, six residential properties in Eskilstuna were divested at an underlying property value of SEK 113 m, which is in line with the most recent external valuation conducted.



The Board of Directors and the CEO affirm that this year-end report provides a true and fair view of the Parent Company's and the Group's operations, position and earnings, and describes the significant risks and uncertainties impacting the Parent Company and the companies included in the Group.

Stockholm, February 14, 2024

Jan-Erik Höjvall  
Chairman of the Board

Mona Finnström  
Board member

Ulf Nilsson  
Board member

Jakob Pettersson  
Board member

Ylva Sarby Westman  
Chief Executive Officer

*This year-end report has not been subject to review by the company's auditor.*

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

## The share

Neobo's 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 134,000 known shareholders. The ten largest owners are shown in the table below.

### SHARE CAPITAL

Neobo has only ordinary shares. The number of shares outstanding at the end of the year 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 47.7 percent of the share capital and voting rights at December 31, 2023. Swedish companies, funds and private individuals owned 90.3 percent of the share capital while foreign share ownership amounted to 9.7 percent.

#### LARGEST SHAREHOLDERS AS OF DECEMBER 31, 2023

Shareholders	No. of shares	Percentage of share capital and voting rights
The Association of ICA Retailers	15,000,000	10.3%
Martin Olof Brage Larsén	12,821,625	8.8%
Avanza Pension	10,879,673	7.5%
Arvid Svensson Invest	6,664,412	4.6%
Sven-Olof Johansson	5,500,000	3.8%
Länsförsäkringar Funds	5,082,449	3.5%
Nordnet Pension Insurance	4,123,959	2.8%
Futur Pension	3,178,555	2.2%
Öst/Väst Capital Management	3,080,200	2.1%
Ilija Batljan	3,021,862	2.1%
<b>Total 10 largest</b>	<b>69,352,735</b>	<b>47.7%</b>
Other	76,048,002	52.3%
<b>Total</b>	<b>145,400,737</b>	<b>100.0%</b>

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

### 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.

#### 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.

#### 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.

#### Equity/assets ratio, %

Equity in relation to total assets.

#### Net asset value, SEK

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

### 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 rental value according to earning 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

	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
<b>NET ASSET VALUE</b>				
Number of shares outstanding, thousands	145,401	145,401	145,401	145,401
Equity	6,405	7,777	6,405	7,777
Add back of deferred tax	430	505	430	505
Add back of derivatives	-171	-393	-171	-393
<b>Net asset value, SEK m</b>	<b>6,664</b>	<b>7,889</b>	<b>6,664</b>	<b>7,889</b>
<b>Net asset value, SEK/share</b>	<b>45.83</b>	<b>54.26</b>	<b>45.83</b>	<b>54.26</b>
<b>SURPLUS RATIO</b>				
Net operating income	93	94	460	423
Rental income	230	204	888	839
<b>Surplus ratio, %</b>	<b>40</b>	<b>46</b>	<b>52</b>	<b>50</b>
<b>LOAN-TO-VALUE RATIO</b>				
Total assets	14,497	16,053	14,497	16,053
Interest-bearing liabilities	7,278	7,494	7,278	7,494
<b>Loan-to-value ratio, %</b>	<b>50.2</b>	<b>46.7</b>	<b>50.2</b>	<b>46.7</b>
<b>INTEREST COVERAGE RATIO</b>				
Profit from property management	20	11	148	172
Add back, net interest	51	50	224	172
<b>Total</b>	<b>71</b>	<b>61</b>	<b>372</b>	<b>344</b>
Net interest income	51	50	224	172
<b>Interest coverage ratio, multiple</b>	<b>1.4</b>	<b>1.2</b>	<b>1.7</b>	<b>2.0</b>
<b>RETURN ON EQUITY</b>				
Net profit/loss for the period	-578	-839	-1,373	-1,355
Equity, average	6,980	9,092	7,091	9,111
<b>Return on equity, %</b>	<b>-8.3</b>	<b>-9.2</b>	<b>-19.4</b>	<b>-14.9</b>
<b>INVESTMENT YIELD</b>				
Net operating income according to earnings capacity	482	462	482	462
Investment properties	14,018	15,295	14,018	15,295
Building rights/development properties	131	80	131	80
Property value, excl. building rights/development properties	13,887	15,215	13,887	15,215
<b>Investment yield, %</b>	<b>3.5</b>	<b>3.0</b>	<b>3.5</b>	<b>3.0</b>
<b>ECONOMIC OCCUPANCY RATE</b>				
Rental income according to earnings capacity	896	850	896	850
Rental value according to earnings capacity	969	924	969	924
<b>Economic occupancy rate, %</b>	<b>92.5</b>	<b>92.0</b>	<b>92.5</b>	<b>92.0</b>
<b>EARNINGS PER SHARE</b>				
Net profit/loss for the period	-578	-839	-1,373	-1,355
Average number of shares	145,400,737	145,400,735	145,400,737	145,400,735
<b>Earnings, SEK/share</b>	<b>-3.98</b>	<b>-5.77</b>	<b>-9.44</b>	<b>-9.32</b>
<b>EQUITY/ASSETS RATIO</b>				
Equity	6,405	7,777	6,405	7,777
Total assets	14,497	16,053	14,497	16,053
<b>Equity/assets ratio, %</b>	<b>44.2</b>	<b>48.4</b>	<b>44.2</b>	<b>48.4</b>

## Financial calendar

Annual report	Week beginning March 25, 2024
Interim report for the period January–March	Apr 23, 2024
Annual General Meeting	Apr 23, 2024
Interim report for the period January–June	Jul 5, 2024
Interim report for the period January–September	Oct 25, 2024
Year-end report 2024	Feb 12, 2025

### neobo.se

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

## Invitation to presentation of year-end report

CEO Ylva Sarby Westman will present the year-end report in a webcast/teleconference on February 14, at 10:00 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 Report \(financialhearings.com\)](https://financialhearings.com)

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

Teleconference: [Neobo Fastigheter Q4 Report \(financialhearings.com\)](https://financialhearings.com)

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

*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 14, 2024, at 7:00 a.m. CET through the agency of the contact persons stated below.*

## Contact

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