

INTERIM REPORT  
JANUARY – SEPTEMBER 2023

neobo

Q3



## JANUARY–SEPTEMBER 2023

- Rental income increased to SEK 658 m (635). For the like-for-like portfolio, rental income increased by 4.9 percent as a result of rent increases and a reduced vacancy rate.
- Net operating income increased to SEK 366 m (329) during the period. For the like-for-like portfolio, net operating income increased by 3.7 percent, after adjustments for items affecting comparability, mainly due to increased rental income.
- Profit from property management totaled SEK 127 m (161). The reduction is primarily a result of higher financial expenses but also increased central administrative costs. Items affecting comparability of SEK 15 m were charged to administration costs for the period.
- The unrealized change in value of the properties amounted to SEK -926 m (-819) for the period.
- The value of the property portfolio totaled SEK 14,379 m at the end of the period, which is a decrease of 6.0 percent compared with year-end.
- Net loss for the period amounted to SEK -795 m (-516), corresponding to SEK -5.46 per share (-3.55).
- The net asset value amounted to SEK 48.60 per share (65.86).

## JULY–SEPTEMBER 2023

- Rental income increased to SEK 224 m (213) during the quarter, as a result of the rent increases and a decrease in vacancies.
- Net operating income increased to SEK 140 m (128) due to higher rental income and reduced costs.
- Profit from property management for the third quarter totaled SEK 52 m (67). The decrease is due to higher financial expenses and increased costs for central administration. Items affecting comparability of SEK 6 m were charged to administration costs in the third quarter.

## SIGNIFICANT EVENTS DURING AND AFTER THE THIRD QUARTER

- In September, the Board of Directors adopted Neobo's sustainability strategy and sustainability policy and work to prepare concrete sustainability targets is under way.
- 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.
- Jonny Göthberg, Neobo's Head of Property Management, has chosen to resign and will leave the company at year-end.

	Jul 1, 2023 Sep 30, 2023	Jul 1, 2022 Sep 30, 2022	Jan 1, 2023 Sep 30, 2023	Jan 1, 2022 Sep 30, 2022	Oct 1, 2022 Sep 30, 2023	Jan 1, 2022 Dec 31, 2022
<b>Summary <sup>1)</sup></b>						
Rental income, SEK m	224	213	658	635	862	839
Net operating income, SEK m	140	128	366	329	460	423
Change in value of investment properties	-392	-543	-926	-819	-2,345	-2,238
Profit from property management, SEK m	52	67	127	161	138	172
SEK/share	0.36	0.46	0.88	1.11	0.95	1.18
Net profit/loss for the period, SEK m	-452	-477	-795	-516	-1,636	-1,355
SEK/share	-3.11	-3.28	-5.46	-3.55	-11.25	-9.32
Market value of properties, SEK m	14,379	16,331	14,379	16,331	14,379	15,295
Loan-to-value ratio, %	48.6	44.2	48.6	44.2	48.6	46.7
Interest coverage ratio, multiple	1.8	2.4	1.7	2.3	1.6	2.0
Net asset value per share, SEK	48.60	65.86	48.60	65.86	48.60	54.26
Economic occupancy rate, %	92.0		92.0		92.0	92.0
Surplus ratio, %	63	60	56	52	53	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. For key metrics including earnings capacity as a factor, comparison data is unavailable, as the group was not a standalone group at the time.

## Focus on vacancies are starting to pay off

Despite challenges in the world around us, our operations have continued to perform positively and net operating income for the first nine months of the year rose by more than 11 percent year-on-year to SEK 366 m. For the like-for-like portfolio, net operating income increased by 3.7 percent and rental income by 4.9 percent. The surplus ratio improved to 56 percent (52) for the interim period and to 63 percent (60) for the quarter. This is a clear improvement, but more can be done to further increase the surplus ratio.

Work to reduce vacancy rates in the portfolio is a long-term commitment focusing on a number of different measures, such as improved marketing, renovating empty apartments and conducting activities to increase tenant satisfaction and reduce tenant turnover. It is gratifying to see that our efforts have started to produce effects. Since year-end, residential vacancies have declined from 6.6 to 6.0 percent.



### STABLE FINANCIAL POSITION

Profit from property management fell to SEK 127 m (161) mainly due to higher financing costs. Interest rates continued rising during the year but our high hedge ratio has enabled us to limit the impact of this. Our average interest rate was 3.2 percent at the end of the period and the average fixed rate period was 1.9 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.

Since year-end, the property portfolio's value declined by 6.0 percent as a result of increased yield requirements for properties, and the average weighted yield requirement used in the valuations is now 4.5 percent (4.1).

### SUSTAINABILITY STRATEGY ADOPTED

During the quarter, we finalized our sustainability strategy and sustainability policy, which were adopted by the Board in September. Sustainability activities are an integrated part of the company and are based on three perspectives – Sustainable living environments, Corporate social responsibility and Sustainable business. Activities to prepare concrete sustainability targets are proceeding and our ambition is that these will be decided and communicated at the start of next year.

### WELL PLACED FOR INCREASED YIELD MOVING FORWARD

During the year, we have laid the foundation to increase the return from our property portfolio by raising rental income, reducing the vacancy rate and implementing value-generating investments.

The rent increases have not fully offset our increased costs but we are optimistic about upcoming rent negotiations. The three-party agreement between the Hyresgästföreningen (Swedish Union of Tenants), public utility housing and Fastighetsägarna (The Swedish Property Federation) means that interest rates and inflation are variables that must be taken into consideration during rent adjustments. Since we have now had a longer period with high inflation and rising interest rates, we expect the outcome of the upcoming rent negotiation to be higher than in 2023.

During the year, we built an organization with dedicated employees who actively strive to form attractive and sustainable living environments where people can thrive and feel secure. This is the best platform for the creation of long-term value for customers and shareholders.

Stockholm, November 16, 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.

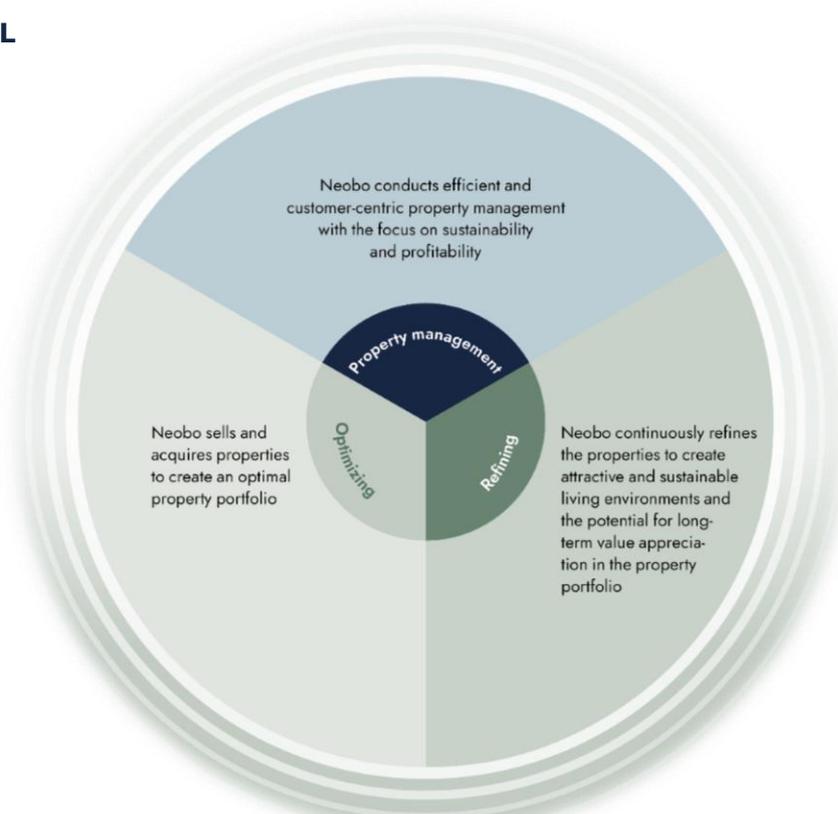
### STRATEGY

- Long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield.
- Sustainability activities are to be an integrated part of the company and based on three perspectives – Sustainable living environments, Corporate social responsibility and Sustainable business.
- 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



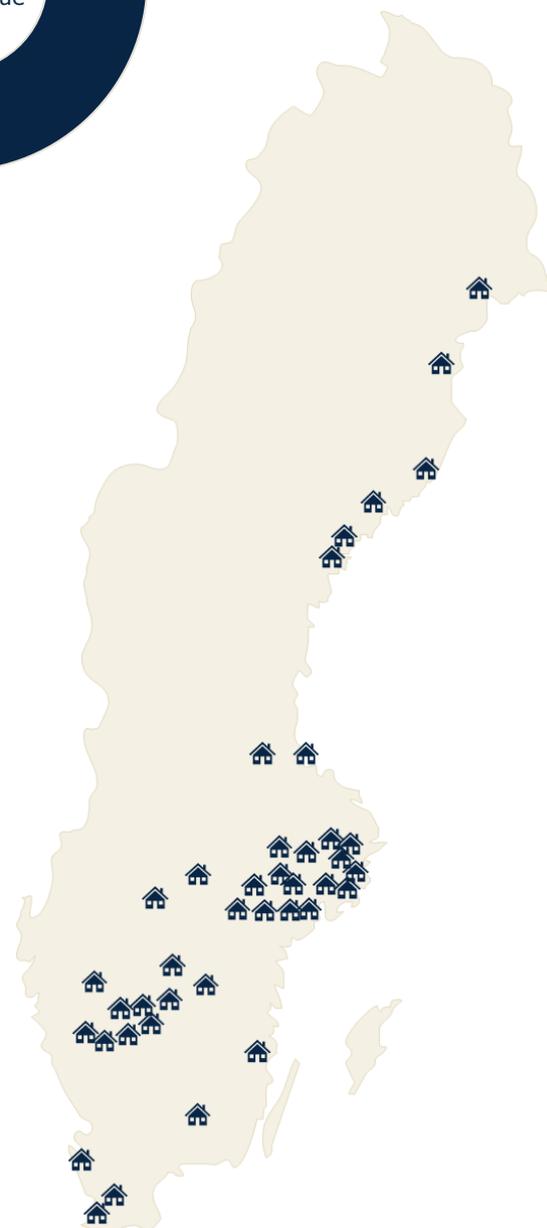
## Property portfolio

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 714,000 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.



Residential properties, 95%



### PROPERTY VALUATION

The property portfolio's value has declined by 6.0 percent since year-end, and by 2.5 percent during the third quarter to SEK 14,379 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 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 4.5 percent (4.1) was used in the valuation. The property value includes SEK 128 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.

	Change in assumption	Value impact, mkr	Value impact, %
Rental value	+ / - 5 %	+ / - 1 089	+ / - 8 %
Operating & maintenance costs	+ / - 5 %	- 382 / + 386	+ / - 3 %
Valuation yield	+ / - 0,25%-enheter	-791 / +895	-6 % / +6 %
Long-term vacancy rate	+ / - 0,25%-enheter	-45 / + 46	+ / - 0 %

## RENTAL VALUE AND CUSTOMERS

The annual rental value amounted to SEK 959 m on October 1. Residential properties accounted for 76 percent of the rental value and premises for 21 percent. The rental value increased during the year as a result of completed rent negotiations. 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

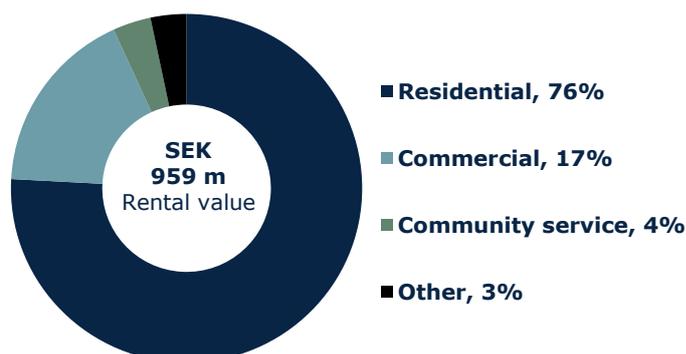
The economic occupancy rate rose during the third quarter from 91.7 to 92.0 percent.

In the residential portfolio, the occupancy rate rose from 93.4 percent at year-end to 94.0 percent at the end of the period. 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 86.8 percent at the end of the period. The vacancies for commercial premises were mainly due to a small number of large vacant premises.

## LOCAL PROPERTY MANAGEMENT ORGANIZATION

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



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	2,836	263	6,148	23,410	393	1,494
South	167	5,564	451	8,232	18,234	566	1,254
<b>Total</b>	<b>267</b>	<b>8,400</b>	<b>714</b>	<b>14,379</b>	<b>20,137</b>	<b>959</b>	<b>1,344</b>

## Current earnings capacity

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

All vacancies as per October 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 October 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 October 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	Oct 1, 2023	Jul 1, 2023	Apr 1, 2023	Jan 1, 2023
Rental value	959	956	948	924
Vacancy	-76	-80	-79	-74
<b>Rental income</b>	<b>883</b>	<b>877</b>	<b>869</b>	<b>850</b>
Property management costs	-380	-365	-365	-365
Property tax	-24	-24	-24	-23
<b>Net operating income</b>	<b>479</b>	<b>488</b>	<b>480</b>	<b>462</b>
Central administration	-55	-50	-50	-50
Net financial items	-231	-227	-222	-190
<b>Profit from property management</b>	<b>192</b>	<b>211</b>	<b>208</b>	<b>222</b>

## Sustainability

During the year, we drafted a sustainability strategy and a sustainability policy, both of which were adopted by Neobo's Board during the third quarter. As part of these efforts, we have completed a stakeholder analysis and a double materiality assessment based on the requirements of CSRD.

We also prepared guidelines for energy and water as well as a water and energy management system to ensure proactive and systematic efforts to reduce water and energy consumption in our properties.

Activities to prepare concrete sustainability targets are under way and our ambition is that these will be decided and communicated at the start of next year.

Sustainability activities are an integrated part of the company and are based on three perspectives:

- Sustainable living environments – secure, green and inclusive residential areas where we drive developments in energy efficiency and the sustainable use of resources.
- Corporate social responsibility – a stable employer characterized by a good work environment, high business ethics, inclusivity and good opportunities for development on equal terms for everyone.
- Sustainable business – stable and resilient valuation and a return over time that attracts long-term investors and financiers.

### SUSTAINABLE LIVING ENVIRONMENTS

During the third quarter, a few energy projects were undertaken. These followed a survey of the portfolio aimed at identifying properties with the potential for value-generating sustainability investments.

One of the period's major energy projects took place at Mjärden 1 in Växjö. Four solar cell systems have been installed in the property with expected annual production totalling 110,000 kWh and an associated battery storage capacity of 282 kWh. As part of the project, new heating plants, exhaust fans, modern lighting, charging stations, new machines in communal laundry rooms and new locking systems were installed.



## 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, 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.

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 7,318 m (7,496) at the end of the period. The loan-to-value ratio was 48.6 percent (46.7) and the equity/assets ratio 46.3 percent (48.4). At the end of the period, the average debt duration was 3.6 years (3.9), the hedge ratio was 77 percent (80) and the average fixed rate period was 1.9

years (1.8). The interest coverage ratio for the interim 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 3.2 percent (2.7).

### 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 5,617 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 335 m (393).

Loan-to-maturity, SEK m		
Year of maturity	Amount	Percentage, %
<1	0	–
1–2	1,059	14
2–3	4,084	56
3–4	905	12
4–5	424	6
5<	845	12
<b>Total</b>	<b>7,318</b>	<b>100</b>

Fixed interest term, SEK m		
Year of maturity	Volume	Percentage, %
<1	3,001	41
1–2	1,470	20
2–3	1,497	20
3–4	750	10
4–5	0	0
5<	600	8
<b>Total</b>	<b>7,318</b>	<b>100</b>

## Consolidated income statement

Amounts in SEK m	Jul 1, 2023 Sep 30, 2023	Jul 1, 2022 Sep 30, 2022	Jan 1, 2023 Sep 30, 2023	Jan 1, 2022 Sep 30, 2022	Oct 1, 2022 Sep 30, 2023	Jan 1, 2022 Dec 31, 2022
Rental income	224	213	658	635	862	839
Operating costs	-43	-92	-180	-228	-250	-298
Maintenance	-18	-11	-48	-40	-66	-58
Property administration	-17	24	-46	-20	-63	-37
Property tax	-6	-6	-18	-18	-23	-23
<b>Property management costs</b>	<b>-84</b>	<b>-85</b>	<b>-292</b>	<b>-306</b>	<b>-402</b>	<b>-416</b>
<b>Net operating income</b>	<b>140</b>	<b>128</b>	<b>366</b>	<b>329</b>	<b>460</b>	<b>423</b>
Central administration	-26	-15	-66	-48	-97	-79
Results from associated companies	0	1	0	2	-2	0
<b>Profit before financial items</b>	<b>114</b>	<b>114</b>	<b>300</b>	<b>283</b>	<b>361</b>	<b>344</b>
Net financial items	-62	-47	-173	-122	-223	-172
<b>Profit from property management</b>	<b>52</b>	<b>67</b>	<b>127</b>	<b>161</b>	<b>138</b>	<b>172</b>
Change in values on properties	-392	-543	-926	-819	-2,345	-2,238
Results from production of residential properties	0	-10	0	2	-19	-17
Change in value of financial instruments	-24	17	-58	95	-53	100
<b>Profit/loss before tax</b>	<b>-364</b>	<b>-469</b>	<b>-857</b>	<b>-561</b>	<b>-2,279</b>	<b>-1,983</b>
Current tax	-8	-13	-24	-33	-29	-38
Deferred tax	-81	5	85	78	673	666
<b>Net profit/loss for the period</b>	<b>-452</b>	<b>-477</b>	<b>-795</b>	<b>-516</b>	<b>-1,635</b>	<b>-1,355</b>
<b>Total comprehensive income for the period</b>	<b>-452</b>	<b>-477</b>	<b>-795</b>	<b>-516</b>	<b>-1,635</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	-3.11	-3.28	-5.46	-3.55	-11.25	-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 37 m to SEK 366 m (329) during the interim period. For the like-for-like portfolio, the corresponding increase was 3.7 percent excluding items affecting comparability concerning such items as electricity subsidies of SEK 8 m during the third quarter. 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 658 m (635) during the period. For the like-for-like portfolio, rental income increased 4.9 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. The economic occupancy rate was 92.0 percent at the end of the period.

### RENTAL INCOME BY SEGMENT



### PROPERTY MANAGEMENT COSTS

Property management costs decreased by SEK 14 m to SEK -292 m (-306) compared with the year-earlier period. The reduction 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.

During the third quarter of 2022, an accounting reallocation of costs took place between property

administration and operating costs, for which reason a comparison between the third quarter of 2022 and third quarter of 2023 is misleading for these items.

### PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the interim period decreased to SEK 127 m (161) due to increased financing costs and higher costs for central administration.

### CENTRAL ADMINISTRATION

Central administrative costs increased by SEK 18 m to SEK -66 m (-48). A total of SEK 15 m in items affecting comparability were charged to the period, of which SEK 3 m during the first quarter, SEK 6 m during the second quarter and SEK 6 m during the third 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 administration costs increased by SEK 3 million attributable to Neobo being an independent company as of 2023, instead of a subsidiary of a group of companies.

### NET FINANCIAL ITEMS

Net financial items amounted to SEK -173 m (-122) for the period. The average interest rate during the period was 3.2 percent (2.7). 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 PERIOD

Net loss for the period amounted to SEK -795 m (-516).

### CHANGES IN VALUE

The unrealized change in value of the properties amounted to SEK -926 m (-819). The decrease in value was primarily due to raised yield requirements for properties. The change in value of financial instruments amounted to SEK -58 m (95), driven by changes to remaining maturity and changed market interest rates.

### TAX

Recognized tax during the period amounted to SEK 60 m (45), of which SEK -25 m (-33) 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	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>ASSETS</b>			
Investment properties	14,379	16,331	15,295
Right-of-use assets, leaseholds	0	14	0
Intangible assets	0	0	3
Other non-current assets	4	88	4
Derivatives	335	97	393
<b>Total non-current assets</b>	<b>14,718</b>	<b>16,530</b>	<b>15,695</b>
Current assets	141	1,224	127
Cash and cash equivalents	214	55	231
<b>Total current assets</b>	<b>355</b>	<b>1,279</b>	<b>358</b>
<b>Total assets</b>	<b>15,073</b>	<b>17,809</b>	<b>16,053</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	6,982	8,617	7,777
Deferred tax liabilities	420	1,056	505
Interest-bearing liabilities	7,210	1,557	6,571
Lease liabilities, leaseholds	0	14	0
Other non-current liabilities	2	2,081	2
<b>Total non-current liabilities</b>	<b>7,632</b>	<b>4,708</b>	<b>7,078</b>
Interest-bearing liabilities	108	4,229	923
Other current liabilities	351	255	275
<b>Total current liabilities</b>	<b>459</b>	<b>4,484</b>	<b>1,198</b>
<b>Total equity and liabilities</b>	<b>15,073</b>	<b>17,809</b>	<b>16,053</b>

## 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			-514	-514
<b>Closing balance at September 30, 2022</b>	<b>752</b>	<b>5,141</b>	<b>2,724</b>	<b>8,618</b>
Net profit/loss for the period			-841	-841
<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			-795	-795
Issue of employee warrants			1	1
<b>Closing balance at September 30, 2023</b>	<b>752</b>	<b>5,141</b>	<b>1,089</b>	<b>6,982</b>

## Comments on the consolidated balance sheet

### INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 14,379 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 4.5 percent was used in the valuation. For more information, refer to the Property portfolio section.

### CHANGE IN PROPERTY PORTFOLIO

SEK m	Jan 1, 2023 Sep 30, 2023	Jan 1, 2022 Sep 30, 2022
<b>Fair value, opening balance</b>	<b>15,295</b>	<b>17,173</b>
Acquisitions	-100	837
Investments	110	655
Divestments	0	-1,800
Unrealized change in value	-926	-616
Reclassifications	0	83
<b>Fair value, closing balance</b>	<b>14,379</b>	<b>16,331</b>

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

During the period, SEK 110 m (655) was invested in existing properties.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 214 m (231).

During the interim period, SBB paid proceeds of SEK 73 m attributable to the final settlement of the separation. After the end of the period, a

further SEK 19 m was settled and the remaining portion of this receivable from SBB amounts to SEK 8 m.

In conjunction with the spinoff of Neobo, an additional receivable arose on SBB of SEK 27 m attributable to a project that SBB acquired in conjunction with the separation of the two companies. After the end of the third quarter, SEK 9 m of this amount was settled and accordingly a receivable of SEK 18 m remains.

### EQUITY

Equity on the balance sheet date amounted to SEK 6,982 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 420 m (505) and was largely attributable to investment properties.

### INTEREST-BEARING LIABILITIES

At the end of the period, interest-bearing liabilities amounted to SEK 7,318 m (7,496) and the loan-to-value ratio to 48.6 percent (46.7). The company uses interest rate swaps to extend the fixed rate period. The value of the derivative portfolio was SEK 335 m (393) at the end of the period. For further information, see the Financing section.

## Cash flow statement Group

	Jul 1, 2023 Sep 30, 2023	Jul 1, 2022 Sep 30, 2022	Jan 1, 2023 Sep 30, 2023	Jan 1, 2022 Sep 30, 2022	Oct 1, 2022 Sep 30, 2023	Jan 1, 2022 Dec 31, 2022
<b>Amounts in SEK m</b>						
<b>Operating activities</b>						
Net operating income	140	128	366	329	460	423
Central administration	-26	-15	-66	-48	-97	-79
Add back, depreciation	0	0	0	0	0	1
Other non-cash items	0	0	0	2	0	0
<b>Cash flow from operating activities before interest and tax</b>	<b>114</b>	<b>113</b>	<b>300</b>	<b>283</b>	<b>363</b>	<b>345</b>
Interest paid	-92	-45	-280	-128	-344	-192
Interest received	47	1	123	2	137	16
Income tax paid	-3	-12	-38	-33	-27	-22
<b>Cash flow before changes in working capital</b>	<b>67</b>	<b>57</b>	<b>106</b>	<b>124</b>	<b>130</b>	<b>147</b>
<b>Cash flow from changes in working capital</b>						
Increase (-)/Decrease (+) of operating receivables	-13	90	-27	222	-25	224
Increase (+)/Decrease (-) of operating liabilities	26	-140	48	11	209	172
<b>Cash flow from operating activities</b>	<b>80</b>	<b>7</b>	<b>127</b>	<b>357</b>	<b>314</b>	<b>542</b>
<b>Investing activities</b>						
Investments in existing properties	-26	-370	-110	-648	-184	-722
Acquisition of properties	23	0	73	0	73	0
Acquisition of subsidiaries less acquired cash and cash equivalents	0	-1	0	-792	-2,292	-3,084
Disposals of subsidiaries less cash and cash equivalents	0	380	0	398	5,053	5,451
Cash flow from financial assets	0	32	0	33	-352	-318
Other financial assets, net	0	-13	0	-42	42	0
<b>Cash flow from investing activities</b>	<b>-3</b>	<b>28</b>	<b>-37</b>	<b>-1,052</b>	<b>2,340</b>	<b>1,327</b>
<b>Financing activities</b>						
Borrowings	0	139	0	1,369	2,774	4,143
Repayment of loans	-21	-29	-105	-2,822	-3,202	-5,919
Change in other non-current liabilities	-1	-236	-2	1,859	-2,067	-206
<b>Cash flow from financing activities</b>	<b>-22</b>	<b>-126</b>	<b>-107</b>	<b>406</b>	<b>-2,495</b>	<b>-1,982</b>
<b>Cash flow for the period</b>	<b>55</b>	<b>-91</b>	<b>-17</b>	<b>-289</b>	<b>159</b>	<b>-113</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>159</b>	<b>146</b>	<b>231</b>	<b>344</b>	<b>55</b>	<b>344</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>214</b>	<b>55</b>	<b>214</b>	<b>55</b>	<b>214</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 period and for any income and expenses attributable to investment or financing activity cash flows. Cash flow from operating activities amounted to SEK 127 m. SEK 110 m was invested in existing properties and projects. Cash and cash equivalents on the balance sheet date amounted to SEK 214 m (231). Part payment of SEK 73 m relating to the separation from SBB was received during the interim period.

## Parent Company income statement

Amounts in SEK m	Jan 1, 2023	Jan 1, 2022
	Sep 30, 2023	Sep 30, 2022
Net sales	45	57
Personnel costs	-7	-47
Other operating expenses	-51	-56
<b>Operating profit/loss</b>	<b>-13</b>	<b>-46</b>
<b>Profit from financial items</b>		
Result from shares in subsidiaries	-1,010	0
Interest income and similar items	38	85
Interest costs and similar items	-27	-24
<b>Profit/loss after financial items</b>	<b>-1,013</b>	<b>15</b>
Appropriations	0	0
<b>Profit/loss before tax</b>	<b>-1,013</b>	<b>15</b>
Tax	1	0
<b>NET PROFIT/LOSS FOR THE PERIOD</b>	<b>-1,011</b>	<b>15</b>

## Parent Company balance sheet

Amounts in SEK m	Sep 30, 2023	Dec 31, 2022
<b>ASSETS</b>		
Financial assets	387	0
Current assets	6,708	8,116
<b>Total assets</b>	<b>7,095</b>	<b>8,116</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	7,074	8,085
Current liabilities	21	31
<b>Total equity and liabilities</b>	<b>7,095</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 SEK 45 m (57) during the period and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered.

Impairment of shares in subsidiaries has occurred with SEK -1,010 m (0) due to lower property values in the subsidiaries.

Loss before tax amounted to SEK -1,011 m (15). Cash and cash equivalents at the end of the period amounted to SEK 180 m (1).

## Other information

### ACCOUNTING POLICIES

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

### 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.

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

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

This interim report was reviewed by the company's auditors.

### SIGNING OF THE REPORT

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

Stockholm, November 16, 2023

Ylva Sarby Westman  
Chief Executive Officer

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

## Review report

Neobo Fastigheter AB, corporate identity number 556580-2526

### INTRODUCTION

We have reviewed the condensed interim report for Neobo Fastigheter AB as at September 30, 2023 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 16, 2023

Ernst & Young AB

Gabriel Novella  
Authorized Public Accountant

## 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 141,000 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 46.9 percent of the share capital and voting rights at September 30, 2023. Swedish companies, funds and private individuals owned 92.6 percent of the share capital while foreign share ownership amounted to 7.4 percent.

#### LARGEST SHAREHOLDERS AS OF SEPTEMBER 30, 2023

Shareholders	No. of shares	Percentage of share capital and voting rights
The Association of ICA Retailers	15,000,000	10.32%
Martin Olof Brage Larsén	11,123,540	7.65%
Avanza Pension	9,775,081	6.72%
Arvid Svensson Invest	6,664,412	4.58%
Sven-Olof Johansson	5,500,000	3.78%
Ilija Batljan	5,254,297	3.61%
Länsförsäkringar Funds	5,025,467	3.46%
Nordnet Pension Insurance	3,660,558	2.52%
Futur Pension	3,110,132	2.14%
Öst/Väst Capital Management	3,080,200	2.12%
<b>Total 10 largest</b>	<b>68,193,687</b>	<b>46.90%</b>
Other	77,207,050	53.10%
<b>Total</b>	<b>145,400,737</b>	<b>100.00%</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 earning 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.

#### 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

	Jul 1, 2023 Sep 30, 2023	Jul 1, 2022 Sep 30, 2022	Jan 1, 2023 Sep 30, 2023	Jan 1, 2022 Sep 30, 2022	Oct 1, 2022 Sep 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	6,982	8,617	6,982	8,617	6,982	7,777
Add back of deferred tax	420	1,056	420	1,056	420	505
Add back of derivatives	-335	-97	-335	-97	-335	-393
<b>Net asset value</b>	<b>7,067</b>	<b>9,576</b>	<b>7,067</b>	<b>9,576</b>	<b>7,067</b>	<b>7,889</b>
<b>SEK/share</b>	<b>48.60</b>	<b>65.86</b>	<b>48.60</b>	<b>65.86</b>	<b>48.60</b>	<b>54.26</b>
<b>SURPLUS RATIO</b>						
Net operating income	140	128	366	329	460	423
Rental income	224	213	658	635	862	839
<b>Surplus ratio, %</b>	<b>63</b>	<b>60</b>	<b>56</b>	<b>52</b>	<b>53</b>	<b>50</b>
<b>LOAN-TO-VALUE RATIO</b>						
Total assets	15,073	17,809	15,073	17,809	15,073	16,053
Interest-bearing liabilities	7,318	7,867	7,318	7,867	7,318	7,496
<b>Loan-to-value ratio, %</b>	<b>48.6</b>	<b>44.2</b>	<b>48.6</b>	<b>44.2</b>	<b>48.6</b>	<b>46.7</b>
<b>INTEREST COVERAGE RATIO</b>						
Profit from property management	52	67	127	161	138	172
Add back, net interest	62	47	173	122	223	172
<b>Total</b>	<b>114</b>	<b>114</b>	<b>300</b>	<b>283</b>	<b>361</b>	<b>344</b>
Net interest income	62	47	173	122	223	172
<b>Interest coverage ratio, multiple</b>	<b>1.8</b>	<b>2.4</b>	<b>1.7</b>	<b>2.3</b>	<b>1.6</b>	<b>2.0</b>
<b>RETURN ON EQUITY</b>						
Net profit/loss for the period	-452	-477	-795	-516	-1,635	-1,355
Equity, average	7,269	9,092	7,380	9,111	8,037	8,454
<b>Return on equity, %</b>	<b>-6.2</b>	<b>-5.2</b>	<b>-10.8</b>	<b>-5.7</b>	<b>-20.3</b>	<b>-16.0</b>
<b>INVESTMENT YIELD<sup>1</sup></b>						
Net operating income according to earnings capacity	479		479		479	462
Investment properties	14,379		14,379		14,379	15,295
Building rights/development properties	128		128		128	80
Property value, excl. building rights/development properties	14,251		14,251		14,251	15,215
<b>Investment yield, %</b>	<b>3.4</b>		<b>3.4</b>		<b>3.4</b>	<b>3.0</b>
<b>ECONOMIC OCCUPANCY RATE<sup>1</sup></b>						
Rental income according to earnings capacity	883		883		883	850
Rental value according to earnings capacity	959		959		959	924
<b>Economic occupancy rate, %</b>	<b>92.0</b>		<b>92.0</b>		<b>92.0</b>	<b>92.0</b>
<b>EARNINGS PER SHARE</b>						
Net profit/loss for the period	-452	-477	-795	-516	-1,635	-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>-3.11</b>	<b>-3.28</b>	<b>-5.46</b>	<b>-3.55</b>	<b>-11.24</b>	<b>-9.32</b>
<b>EQUITY/ASSETS RATIO</b>						
Equity	6,982	8,617	6,982	8,617	6,982	7,777
Total assets	15,073	17,809	15,073	17,809	15,073	16,053
<b>Equity/assets ratio, %</b>	<b>46.3</b>	<b>48.4</b>	<b>46.3</b>	<b>48.4</b>	<b>46.3</b>	<b>48.4</b>

<sup>1</sup>For key metrics including earnings capacity as a factor, comparison data is unavailable, as the group was not a standalone group at the time.

## Financial calendar

Year-end report 2023	Feb 14, 2024
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 24, 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 interim report

CEO Ylva Sarby Westman will present the interim report in a webcast/teleconference on November 16, 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 \(financialhearings.com\)](https://financialhearings.com)

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

[Neobo Fastigheter Q3 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 November 16, 2023, at 7:00 a.m. CET through the agency of the contact persons stated below.*

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