

Neobo adjusts financial targets and dividend policy and prepares for list change

Neobo Fastigheter AB (publ) has been listed on Nasdaq First North Premier Growth Market since February 10, 2023. During the autumn, the Board and Management have conducted a review of the company's financial targets and dividend policy and studied the prospects for a list change to Nasdaq Stockholm's main list.

Given the current market conditions and the company's investment needs, the Board is of the opinion that the company and its shareholders would benefit and the best total yield is achieved by reinvesting profits in the business, for which reason the dividend policy will be removed. Value-generating investments will take place in the form of apartment renovations and sustainable investments that will help increase returns from the properties. Additionally, the Board has resolved to remove the equity/assets ratio target given that there are restrictions in the loan-to-value ratio.

After these changes, Neobo's financial targets and risk limitations are as follows:

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

Furthermore, the Board has tasked Management to prepare Neobo for a list change to Nasdaq Stockholm's main list in 2024. A listing on Nasdaq Stockholm is a seal of quality while also increasing opportunities to broaden the investor base and enable the repurchase of shares.

"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 sustainability investments. Today's decision offers us an excellent opportunity to accelerate this work and take the next step in our exciting journey," says Ylva Sarby Westman, CEO of Neobo.

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About Us

Neobo is a property company that long-term manages and refines rental properties in Sweden. The company's business model is to manage and refine residential properties in municipalities with population growth and good demand for residential properties. Neobo's share is traded with the ticker symbol NEOBO and ISIN code SE0005034550 on Nasdaq First North Premier Growth Market. The company's Certified Adviser is FNCA Sweden AB.

This information is information that Neobo Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-12-12 12:45 CET.

Image Attachments

Ylva Sarby Westman

Attachments

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