

INTERIM REPORT

Q3

neobo

Interim report January–September 2024

JANUARY–SEPTEMBER 2024

- Rental income increased to SEK 680 m (658). For the like-for-like portfolio, rental income increased by 6.3 percent.
- Net operating income fell to SEK 363 m (366) due to the divestment of seven properties during the year. For the like-for-like portfolio, net operating income increased by 8.5 percent.
- Profit from property management fell to SEK 122 m (127) due to sold properties and higher financial expenses.
- The property portfolio's value at the end of the period amounted to SEK 13,696 m and change in value of the properties amounted to SEK -238 m (-926) for the period.
- Net loss for the period amounted to SEK -211 m (-795).
- The net asset value amounted to SEK 44.89 per share (45.83).

JULY–SEPTEMBER 2024

- Rental income increased to SEK 227 m (224) as a result of rent increases and a decrease in the vacancy rate.
- Net operating income fell to SEK 133 m (140) due to sold properties.
- Profit from property management for the third quarter increased to SEK 55 m (52) due to higher income and reduced central administration costs.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Neobo's share has changed marketplace and was listed on Nasdaq Stockholm's main list on September 20.
- A six-year lease agreement was signed with the Swedish Prison and Probation Service for premises in the property Träkolet 16 in Sollentuna, Stockholm. The letting covers approximately 3,400 square meters and the annual rental value amounts to SEK 10 m.
- Two loan agreements of SEK 2,655 m were refinanced at a lower margin than the average margin for Neobo's loan agreements.
- The divestment of the retail property Tegelbruket 4 in Falun was closed. The sale took place at the end of the second quarter at an underlying property value of SEK 75 m, which was 18 percent over the most recent external valuation conducted.

Summary ¹⁾	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Rental income, SEK m	227	224	680	658	910	888
Net operating income, SEK m	133	140	363	366	457	460
Change in value of investment properties, SEK m	-18	-392	-238	-926	-665	-1,353
Profit from property management, SEK m	55	52	122	127	143	148
Profit from property management, SEK/share	0.38	0.36	0.84	0.87	0.99	1.02
Net profit/loss for the period, SEK m	-101	-452	-211	-795	-788	-1,373
Net profit/loss for the period, SEK/share	-0.69	-3.11	-1.45	-5.47	-5.41	-9.44
Market value of properties, SEK m	13,696	14,379	13,696	14,379	13,696	14,018
Loan-to-value ratio, %	50.8	48.6	50.8	48.6	50.8	50.2
Interest coverage ratio, multiple	1.9	1.8	1.7	1.7	1.6	1.7
Net asset value per share, SEK	44.89	48.60	44.89	48.60	44.89	45.83
Economic occupancy rate, %	92.8	92.0	92.8	92.0	92.8	92.5
Surplus ratio, %	59	63	53	56	50	52
Return on equity, %	-1.6	-6.2	-3.3	-10.8	-12.0	-19.4

¹⁾ For the complete table of key metrics, see page 23 and for definitions, including derivation of alternative performance measures, see page 22.

Net operating income,
like-for-like portfolio

+8.5%

Loan-to-value ratio

50.8%

Ready for the next stage of our growth journey

Following an intensive period of focused effort to prepare Neobo to meet the listing requirements of Nasdaq Stockholm, we joined the main market on September 20 and rang the stock market bell for the second time in just over 18 months.

The list change provides confirmation of the work performed and a seal of quality as we now take the next step in our journey. A liquid share in a regulated market broadens our funding options and gives us opportunities for value-generating growth as we move forward.

CONTINUED VALUE-CREATING REFINEMENT

We are continuing to refine our property portfolio and carry out value-creating leases and investments that generate value for our customers and shareholders. Net operating income in the like-for-like portfolio increased 8.5 percent compared with the preceding year due to increased rental income and lower vacancies, which is positive given the high cost trend we have experienced in society in recent years.

Since year-end, we have invested SEK 101 m in value-creating measures that have helped to increase our revenues and reduce our costs. This includes renovation of 70 apartments and a number of sustainability investments that have generated attractive returns.

In September, we signed a six-year lease agreement with the Swedish Prison and Probation Service for probation premises in the property Träkolet 16 in Sollentuna, Stockholm. The letting covers approximately 3,400 square meters and the annual rental value is SEK 10 m. We are proud and pleased that Neobo has been entrusted by the Swedish Prison and Probation Service to work together to create modern and purpose-built premises in one of our commercial properties. When the premises are occupied in summer 2025, the commercial vacancy rate will fall by 2.8 percentage points relative to the third quarter of 2024 and our total rental value will increase by SEK 5.3 m.

Interim report January–September 2024

REFINANCING IN AN IMPROVED FINANCING CLIMATE

Neobo's high hedge ratio has effectively offset the robust upswing in interest rates that has taken place in recent years. During the third quarter, the Swedish central bank continued to cut the policy rate in line with a more expansive monetary policy and more rate cuts are expected in the future. For us, this offers a stronger financial position and improved opportunities to carry out value-generating investments that increase the return from our property portfolio.

During the third quarter, two loan agreements of SEK 2,655 m were refinanced and extended at lower margins than the average margin for our existing loan agreements. This is a testament to the shift in quality achieved by Neobo and a clear indication of improving market sentiment.

“The listing on Nasdaq Stockholm’s main market is an important milestone as we now take the next step on our journey with a focus on portfolio optimization and growth”



TIME FOR THE NEXT STAGE OF OUR GROWTH JOURNEY

After an intense period since the formation of Neobo, we now have a solid foundation with an efficient organization and good prospects to increase returns from the property portfolio in the future.

I am very proud of Neobo and the refinement of the company that we have achieved since the start. The listing on Nasdaq Stockholm’s main market is an important milestone as we now take the next step on our journey with a focus on portfolio optimization and growth.

Stockholm, October 25, 2024

Ylva Sarby Westman, CEO



Ring the bell during the listing ceremony on Nasdaq

Strategic focus and targets

VISION

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

STRATEGY

- Long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield.
- Sustainability activities that are an integrated part of all of our operations and are continuously adapted to meet the requirements of the CSRD.
- A local property management organization that works closely with customers, with a focus on leasing and value-generating refinement.
- A geographically well-diversified property portfolio in municipalities with population growth and a housing deficit.

BUSINESS MODEL



FINANCIAL TARGETS

Return on equity over time to exceed	10%
The loan-to-value ratio shall not exceed	65%
Interest coverage ratio, last 12 months, shall exceed	1.5x

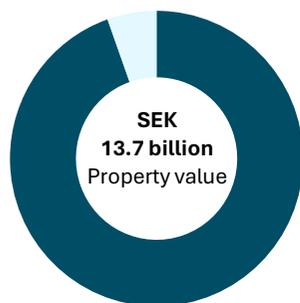
SELECTED SUSTAINABILITY TARGETS

Reduced climate emissions by 2030, Scope 1 and 2	-50%
Reduced energy consumption by 2030	-20%
Tenant turnover by year, 2030	<20%
Employee commitment (eNPS), 2030	>20%

Property portfolio

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

During the first quarter of the year, six properties in Eskilstuna were divested at a value of SEK 113 m, which was in line with the latest external valuation conducted. During the second quarter, the retail property Tegelbruket 4 in Falun was divested. The sale took place at an underlying property value of SEK 75 m, which was 18 percent over the most recent external valuation conducted.



Residential properties, 95%

PROPERTY VALUATION

The unrealized change in value during the interim period amounted to SEK -244 m (-926), corresponding to a decrease in value of -1.8 percent (-6.1). Realized value changes amounted to SEK 6 m during the interim period due to completed divestments. At the end of the period, the property portfolio was valued at SEK 13,696 m (14,018). The decrease in value during the period was primarily a result of increased yield requirements while higher estimated future rental income had a positive impact on the portfolio value.

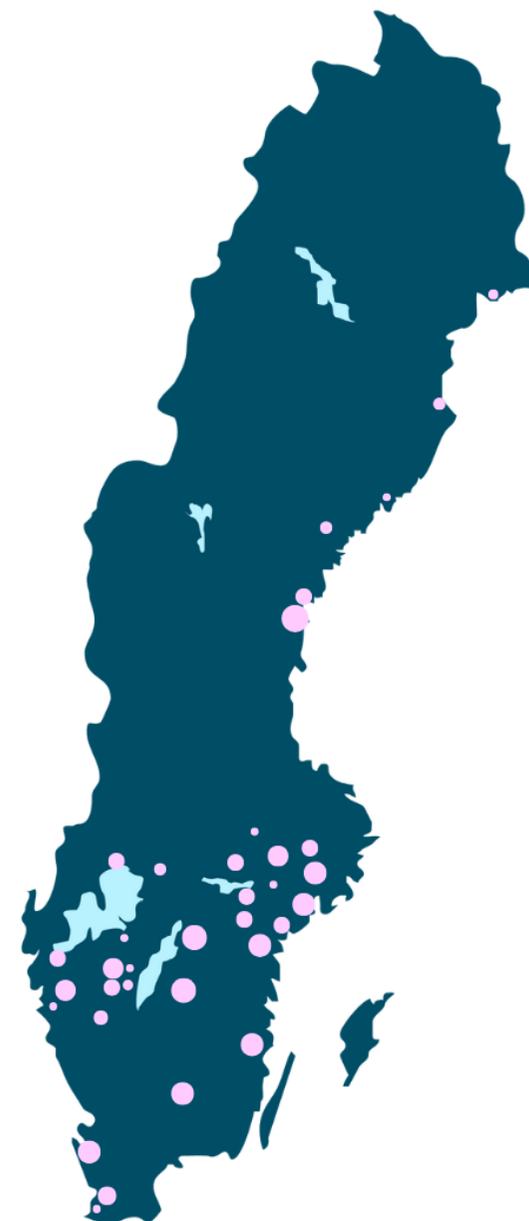
The value has been established based on valuations conducted by external, authorized property assessors. The valuations were conducted using analyses of future cash flows for the respective properties, whereby current rental contracts, the market's yield requirement, rental levels, operating and maintenance costs and the properties' investment requirements have been taken into account. An average weighted yield requirement of 5.0 percent (4.7) was used in the valuation.

The property value includes SEK 98 m (131) for building rights that were valued by applying the location-price method, which means that the value was assessed on the basis of comparisons of prices for similar building rights. Accordingly, fair value was measured according to IFRS 13, Level 3.

SENSITIVITY ANALYSIS VALUATION

The property valuations were performed according to generally accepted principles based on market-aligned assumptions and assessments. The table below presents the effect of the market value of the investment properties in conjunction with changes to individual parameters.

	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+ / - 5%	+ 1007 / - 1,008	+ / - 7%
Operating and maintenance costs	+ / - 5%	- 340 / + 338	+ / - 2%
Valuation yield	+/- 0.25% unit	- 669 / + 742	+ / - 5%
Long-term vacancy rate	+/- 0.25% unit	-45 / + 44	+ / - 0%



RENTAL VALUE AND CUSTOMERS

The annual rental value amounted to SEK 994 m on October 1, 2024 and consisted of 77 percent residential properties, 20 percent commercial and community service premises, and 3 percent other properties.

During the second quarter of the year, negotiations were completed for all rental income in the residential portfolio with an average increase of 5.1 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. We also have four apartment hotels with residential apartments in Sollentuna, Knivsta, Sundsvall and Helsingborg. Our largest commercial tenants include Sala Municipality and Timrå Municipality.

ECONOMIC OCCUPANCY RATE

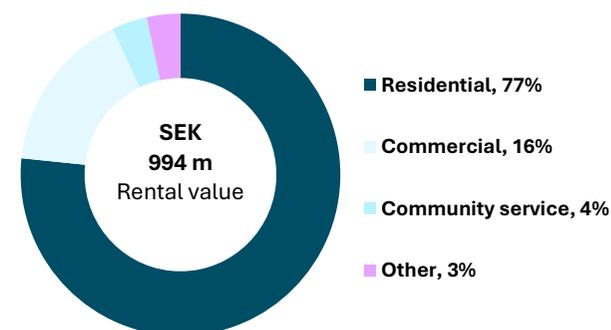
The economic occupancy rate rose from 92.0 to 92.8 percent over the past 12 months. In the residential portfolio, the occupancy rate rose from 94.6 percent at the beginning of the year to 94.9 percent at the end of the period. The remaining residential vacancies were in part due to apartments vacated pending renovation. The economic occupancy rate for commercial premises was 86.9 percent at the beginning of the year and 86.7 percent at the end of the period.

The total economic occupancy rate decreased by 0.2 percentage points between the second and third quarters as a result of a number of commercial tenants moving out during the quarter.

During the quarter, a six-year lease agreement was signed with the Swedish Prison and Probation Service for premises in the property Träkolet 16 in Sollentuna, Stockholm. The letting covers approximately 3,400 square meters and the annual rental value amounts to SEK 10 m. In conjunction with occupancy in summer 2025, the commercial vacancy rate will fall by 2.8 percentage points relative to the third quarter of 2024 and the total rental value will increase by SEK 5.3 m.

LOCAL PROPERTY MANAGEMENT ORGANIZATION

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



SEGMENT

January–September	Total Neobo		South Region		North Region	
	2024	2023	2024	2023	2024	2023
Market value of properties, SEK m	13,696	14,379	7,956	8,232	5,740	6,148
Market value, SEK/sq. m.	19,565	20,137	17,605	18,234	23,136	23,410
Rental value, SEK m	994	959	598	566	396	393
Rental value, SEK/sq. m.	1,420	1,344	1,323	1,254	1,597	1,494
Rental income, SEK m	680	658	407	387	273	271
Net operating income, SEK m	363	366	213	212	150	154
Surplus ratio, %	55	56	52	55	55	57
Occupancy rate, %	93	92	94	92	92	92
Number of properties	260	267	167	167	93	100
Number of apartments	8,309	8,400	5,556	5,564	2,753	2,836
Floor area, thousand sq. m.	700	714	452	451	248	263

Träkolet 16

A six-year lease agreement was signed with the Swedish Prison and Probation Service for commercial premises in Sollentuna, Stockholm. The letting covers approximately 3,400 square meters with an annual rental value of SEK 10 m.



Current earnings capacity

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

Current earnings capacity is not a forecast of the coming 12 months; it is an instantaneous impression intended to illustrate annualized income and expenses based on the property portfolio, financial expenses, capital structure and organization at 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 nor 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 each date. Agreed rent increases applicable on each date are included and all vacancies, including temporary vacancies, have been indexed on an annualized basis.

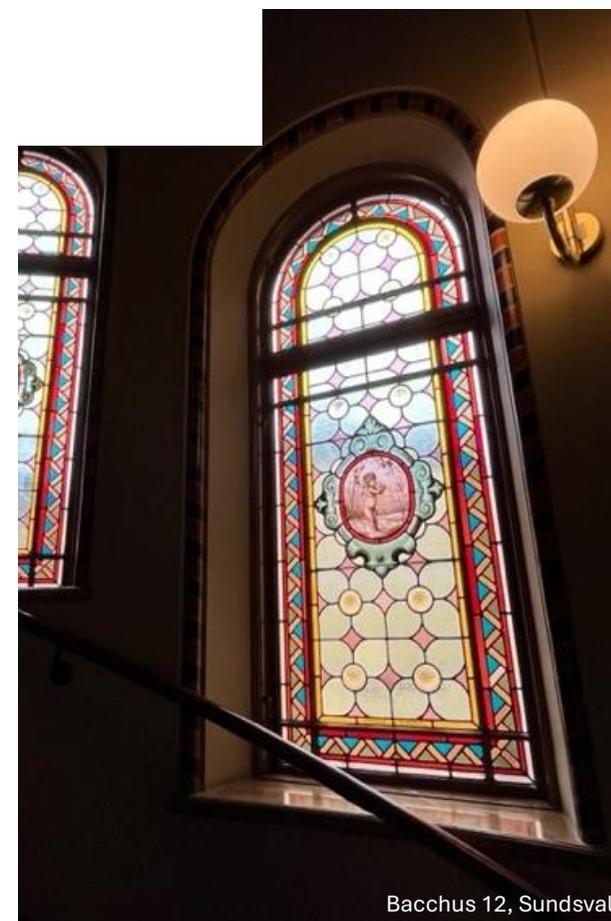
Property costs consist of budgeted costs for a normal year and include operating and maintenance costs as well as property administration. Property tax has been calculated on the basis of the current tax assessment value of the properties on each date.

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

Net financial items are defined as interest costs, which have been calculated by applying, on top of Neobo's indebtedness, the contractual financing terms and conditions subject to the variable market conditions applying as on each date, including the effects of derivatives. Any interest income on cash and cash equivalents and non-recurring costs have not been taken into account.

NEOBO'S EARNINGS CAPACITY

Amounts in SEK m	Oct 1, 2024	Jul 1, 2024	Apr 1, 2024	Jan 1, 2024	Oct 1, 2023
Rental value	994	1,003	992	969	959
Vacancy	-71	-71	-70	-73	-76
Rental income	923	933	922	896	883
Property management costs	-393	-396	-390	-390	-380
Property tax	-24	-24	-24	-24	-24
Net operating income	506	512	508	482	479
Central administration	-60	-60	-60	-55	-55
Net financial items	-232	-237	-243	-250	-231
Profit from property management	213	215	205	177	192



Bacchus 12, Sundsvall

Sustainability

We wish to contribute to a better society, with attractive and sustainable living environments where people can thrive and feel secure. Our sustainability strategy is based on the following two perspectives:

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

For these two perspectives, we have identified 12 material sustainability aspects with associated long-term and short-term targets. You can read more about our sustainability work on our website.

ONGOING SUSTAINABILITY WORK

Important work is ongoing this autumn to develop a climate roadmap for the company. The roadmap will guide us in efforts needed to reach our 2030 climate target of reducing Scope 1 and 2 emissions by 20 percent. We are also reviewing and supplementing the double materiality assessment conducted last year and preparing for forthcoming sustainability reporting.

SURVEY OF CLIMATE-RELATED HAZARDS

During the third quarter, we carried out a survey of climate-related hazards of all our 260 properties, showing their exposure to different types of climate hazards. The analysis was conducted based on the geographical location of the properties and used climate scenarios, risk maps and data from national authorities such as SMHI and SGU.

The properties were analyzed based on ten risk indicators, see image below. In the next step, we will conduct an in-depth vulnerability assessment for the properties identified as high risk. For high-risk and high-vulnerability buildings, we will then identify preventive measures and establish adaptation plans to mitigate the risks.

TEMPERATURE			WIND	WATER			MASS		
Heat wave	Heat strett	Forest fire	Wind	Sea level	Lake/ watercourse	Cloudburst	Mass slide	Landslide	Erosion
Risk of future severe heatwaves in the region	Occurrence /risk of high temperatures in the building	Risk of forest fire in the property's immediate surroundings	Occurrence of high wind load in the region	The building's exposure to future seawater levels	The building's exposure to high flows in watercourse	Flood risk in the event of heavy rain	If the building is located in a risk area for a mass slide	If the building located in risk area for landslide	Exposure to erosion (coast or watercourse)



The risk indicators are based on the EU Taxonomy criteria in Appendix A and guidance from the Swedish Construction Federation, Fastighetsägarna and Sveriges Allmännyttta

Multisport

In the 2023 customer survey, tenants in Tidaholm expressed an interest in an outdoor environment that encouraged sports and exercise. During the quarter, a multi-sports arena was therefore completed and inaugurated together with local residents.

This year's customer survey has been sent out to our all tenants – and forms the basis of our value-creating measures to increase the overall sense of satisfaction and security in our residential areas.



Financing

Neobo endeavors to have a low financial risk and operations are financed with equity and bank loans. In order to limit the interest rate risk associated with liabilities at a floating interest rate and to increase the predictability of profit from property management, interest rate derivatives are used.

During the third quarter, the Swedish central bank continued to cut the policy rate in line with a more expansive monetary policy. In September, a further rate cut was announced of 0.25 percentage point to 3.25 percent, which was the third cut in 2024. The forecasts indicate that more rate cuts will be made at the remaining monetary policy meetings during the year and that further cuts are to be expected next year. For Neobo, this will mean an improved financial position and increased opportunities to make value-generating investments in the property portfolio.

INTEREST-BEARING LIABILITIES

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

During the third quarter, two loan agreements of SEK 2,655 m were extended. Both of the refinanced loans have lower margins than the average margin for Neobo's loan agreements. At the same time, new interest rate derivatives were entered into, reducing Neobo's interest rate risk and increasing the predictability of financial expenses.

Interest-bearing liabilities in the Group amounted to SEK 7,085 m (7,278) at the end of the period. The loan-to-value ratio was 50.8 percent (50.2) and the equity/assets ratio increased to 44.4 percent (44.2). At the end of the period, the average debt duration was 3.1 years (3.3) and the average fixed rate period was 2.7 years (2.2). The hedge ratio amounted to 76 percent (74) and the interest coverage ratio for the most recent 12-month period was a multiple of 1.6 (1.7). At the end of the period, the average interest rate including derivative instruments was 3.3 percent (3.2).

DERIVATIVE INSTRUMENTS

At the end of the period, the aggregated nominal value of active interest rate derivatives was SEK 5,374 m (5,406) with maturities of between one and seven years. In addition to this, there are interest rate derivatives with future starts at a nominal amount of SEK 1,448 m. In accordance with the accounting rules in IFRS 9, derivatives are recognized at market value. If the agreed interest rate deviates from the market interest rate, a surplus or deficit value arises for the interest rate derivatives, and this non-cash change in value is recognized in profit or loss as long as the underlying derivative is not realized prematurely. At the end of the period, interest rate derivatives had a fair value of SEK 7 m (171).

Remaining maturity, years	Loan-to-maturity		Fixed interest term		Interest rate derivative	
	Liability, SEK m	Percentage, %	Liability, SEK m	Percentage, %	Nominal amount, SEK m	Average interest, %
0-1	75	1	1,711	24	1453	0.17
1-2	3,854	54	1,846	26	1846	0.66
2-3	1,829	26	1,328	19	375	0.17*
3-4	1,232	17	0	0	0	0.00
4-5	0	0	1,100	16	1100	2.53
5-	94	1	1,100	16	600	2.73
Total	7,085	100	7,085	100	5,374	1.10

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

*Interest rate increases to 0.95 in December 2024

Condensed consolidated income statement

Amounts in SEK m	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Rental income	227	224	680	658	910	888
Operating costs	-66	-43	-223	-180	-315	-272
Maintenance	-11	-18	-29	-48	-47	-66
Property administration	-12	-17	-49	-46	-70	-67
Property tax	-5	-6	-17	-18	-23	-24
Property management costs	-93	-84	-318	-292	-454	-429
Net operating income	133	140	363	366	457	460
Central administration	-17	-26	-55	-66	-77	-88
Profit before financial items	116	114	308	300	380	372
Net financial items	-62	-62	-185	-173	-236	-224
Profit from property management	55	52	122	127	143	148
Change in values on properties	-18	-392	-238	-926	-665	-1,353
Change in value of financial instruments	-137	-24	-164	-58	-329	-223
Profit/loss before tax	-100	-364	-279	-857	-850	-1,428
Current tax	-6	-8	-16	-24	-13	-21
Deferred tax	6	-81	85	85	75	75
Net profit/loss for the period	-101	-452	-211	-795	-788	-1,373
Average number of shares before dilution	145,400,737	145,400,737	145,400,737	145,400,737	145,400,737	145,400,735
Average number of shares after dilution	145,715,771	145,400,737	145,715,771	145,400,737	145,715,771	145,400,735
Earnings per share before dilution, SEK	-0.69	-3.11	-1.45	-5.46	-5.42	-9.44
Earnings per share after dilution, SEK	-0.69	-3.11	-1.45	-5.46	-5.41	-9.44

Condensed consolidated statement of comprehensive income

Amounts in SEK m	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Net profit/loss for the period	-101	-452	-211	-795	-788	-1,373
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-101	-452	-211	-795	-788	-1,373

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

Comments on the consolidated income statement

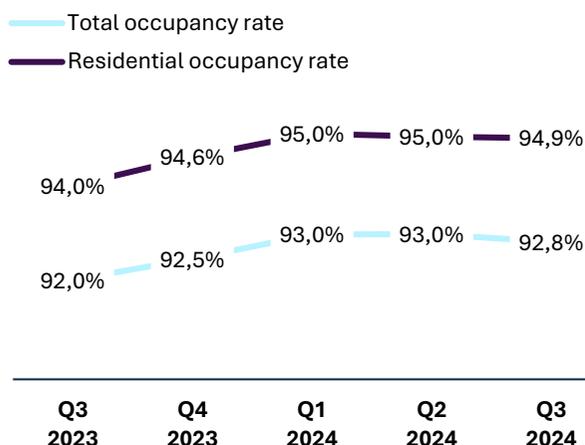
NET OPERATING INCOME

Net operating income fell by SEK 3 m to SEK 363 m (366) during the interim period due to the divestment of seven properties during the year. For the like-for-like portfolio, net operating income increased by 8.5 percent excluding items affecting comparability pertaining to electricity subsidies in 2023.

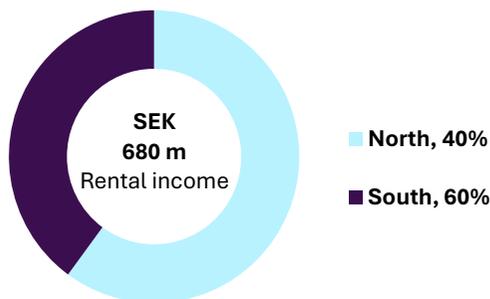
RENTAL INCOME

Rental income increased SEK 22 m to SEK 680 m (658) during the period, which is a net effect of higher income in the like-for-like portfolio and the absence of income from the seven divested properties as well as rental guarantees of SEK 7.5 m in the hotel operations that existed last year. The like-for-like portfolio showed an increase in rental income of 6.3 percent. The increase in income is explained by the annual rent increases averaging 5.1 percent, reduced vacancy rate and rent increases as a result of apartment renovations. The economic occupancy rate increased 0.8 percentage points year-on-year, totaling 92.8 percent (92.0) at the end of the period.

ECONOMIC OCCUPANCY RATE



RENTAL INCOME BY SEGMENT



PROPERTY MANAGEMENT COSTS

Total property costs increased by SEK 26 m to SEK -318 m (-292) compared with the previous year. The increase is a net effect of higher costs for operations and property administration as well as reduced costs for maintenance and sold properties. Operating costs increased by SEK 34 m, excluding items affecting comparability relating to electricity subsidies in 2023, due to increased tariff-based and snow removal costs. Costs for property administration were in line with the year-earlier period, adjusted for the fact that items affecting comparability of SEK 3 m were charged to the interim period related to organizational changes. Maintenance expenses decreased by SEK 19 m during the period due to lower maintenance requirements compared with the preceding year.

PROFIT FROM PROPERTY MANAGEMENT

Profit from property management for the interim period totaled SEK 122 m (127). The decrease in relation to last year is a result of divested properties and higher property and financing costs.

CENTRAL ADMINISTRATION

Central administration costs declined to SEK -55 m (-66). Items affecting comparability of SEK 10 m were charged to costs for the period to prepare Neobo for a switch to Nasdaq Stockholm's main list and the reorganization. Excluding items affecting comparability, during both the current and preceding year, central administration costs decreased by SEK 3 m.

NET FINANCIAL ITEMS

Net financial items amounted to SEK -185 m (-173) during the period and the average interest rate was 3.3 percent (3.2). Financial expenses rose compared with the year-earlier period as a result of the higher underlying interest rate.

NET PROFIT/LOSS FOR THE PERIOD

Net loss for the period amounted to SEK -211 m (-795).

CHANGES IN VALUE

The change in value of the properties amounted to SEK -238 m (-926) for the period, of which SEK -244 m was unrealized and SEK 6 m was realized as a result of the sale of properties. The decrease in value was primarily a result of increased yield requirements for properties while higher estimated future rental income had a positive impact on the portfolio value. Changes in value of financial instruments amounted to SEK -164 m (-58), driven by falling market interest rates.

TAX

Reported tax during the period amounted to SEK 68 m (60), of which SEK -16 m (-24) is current tax and the remainder is deferred tax.

Condensed consolidated balance sheet

Amounts in SEK m	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS			
Investment properties	13,696	14,379	14,018
Intangible assets	0	0	0
Other non-current assets	3	4	4
Derivatives	80	335	194
Total non-current assets	13,779	14,718	14,217
Current assets	56	141	81
Cash and cash equivalents	114	214	199
Total current assets	170	355	280
Total assets	13,949	15,073	14,497
EQUITY AND LIABILITIES			
Equity	6,195	6,982	6,405
Deferred tax liabilities	339	420	430
Interest-bearing liabilities	7,010	7,210	7,089
Derivatives	73	0	23
Other non-current liabilities	2	2	1
Total non-current liabilities	7,424	7,632	7,543
Interest-bearing liabilities	75	108	189
Other current liabilities	254	351	361
Total current liabilities	329	459	550
Total equity and liabilities	13,949	15,073	14,497

Condensed consolidated change in equity

Amounts in SEK m	Attributable to Parent Company shareholders			Total equity
	Share capital	Other contributed capital	Retained earnings	
Opening balance at January 1, 2023	752	5,141	1,883	7,777
Net profit/loss for the period			-795	-795
Issue of employee warrants			1	1
Closing balance at September 30, 2023	752	5,141	1,089	6,982
Net profit/loss for the period			-577	-577
Closing balance at December 31, 2023	752	5,141	511	6,405
Net profit/loss for the period			-211	-211
Closing balance at September 30, 2024	752	5,141	300	6,195

Comments on the consolidated balance sheet

INVESTMENT PROPERTIES

The value of the property portfolio totaled SEK 13,696 m (14,018) 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 5.0 percent (4.7) was used in the valuations. For more information, refer to the Property portfolio section, page 6.

During the period, properties were divested for SEK 180 m (0) and SEK 101 m (177) was invested in existing properties.

CHANGE IN PROPERTY VALUES

SEK m	North Region	South Region	Total Neobo		
	2024 Jan-Sep	2024 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Fair value, opening balance	5,979	8039	14,018	15,295	15,295
Acquisitions	0	0	0	-100	-100
Investments	38	64	101	110	177
Divestments	-180	0	-180	0	0
Unrealized change in value	-97	-147	-244	-926	-1,353
Reclassifications	0	0	0	0	0
Fair value, closing balance	5,740	7,956	13,696	14,379	14,018

CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the balance sheet date amounted to SEK 114 m (199).

EQUITY

Consolidated equity attributable to Parent Company shareholders totaled SEK 6,195 m at the end of the period (6,405).

DEFERRED TAX

Deferred tax is calculated based on a nominal tax rate of 20.6 percent on the difference between carrying amounts and the tax-assessment values of assets and liabilities, and taking tax loss carry forwards into account. The deferred tax liability at the end of the period was SEK 339 m (430) and was largely attributable to investment properties.

INTEREST-BEARING LIABILITIES

At the end of the period, interest-bearing liabilities amounted to SEK 7,085 m (7,278) and the loan-to-value ratio to 50.8 percent (50.2). The company uses interest rate derivatives to extend the fixed rate period. The value of the derivative portfolio was SEK 7 m (171) at the end of the period. For further information, see the Financing section on page 12.

Condensed consolidated cash flow statement

Amounts in SEK m	2024 Jul-Sep	2023 Jul-Sep	2024 Jan-Sep	2023 Jan-Sep	2023/2024 Oct-Sep	2023 Jan-Dec
Operating activities						
Net operating income	133	140	363	366	457	460
Central administration	-17	-26	-55	-66	-77	-88
Add back, depreciation	0	0	0	0	0	0
Other non-cash items	0	0	0	0	0	0
Cash flow from operating activities	116	114	308	300	380	372
before interest and tax						
Interest paid	-132	-92	-313	-280	-426	-393
Interest received	39	47	125	123	171	169
Income tax paid	-17	-3	-75	-38	-83	-46
Cash flow before changes in working capital	6	67	46	106	43	102
Cash flow from changes in working capital						
Increase (-)/Decrease (+) of operating receivables	5	-13	37	-27	97	33
Increase (+)/Decrease (-) of operating liabilities	10	26	-57	48	-31	75
Cash flow from operating activities	21	80	26	127	109	210
Investing activities						
Investments in existing properties	-45	-26	-101	-110	-168	-177
Acquisition of properties	0	23	0	73	0	73
Divestment of properties	73	0	183	0	183	0
Other financial assets, net	0	0	0	0	0	0
Cash flow from investing activities	28	-3	82	-37	15	-104
Financing activities						
Borrowings	20	0	20	0	20	0
Repayment of loans	-68	-21	-213	-105	-244	-136
Change in other non-current liabilities	0	-1	0	-2	0	-2
Cash flow from financing activities	-48	-22	-193	-107	-224	-138
Cash flow for the period	1	55	-85	-17	-100	-32
Cash and cash equivalents at the beginning of the period	113	159	199	231	214	231
Cash and cash equivalents at the end of the period	114	214	114	214	114	199

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method, which means that the net operating income is adjusted for transactions that did not involve incoming or outgoing payments during the period and for any income and expenses attributable to investment or financing activity cash flows. Operating cash flow after changes in working capital amounted to SEK 18 m during the interim period. Final tax for 2023 was paid during the first quarter, which explains the increase in income tax paid.

SEK 101 m was invested in existing properties during the period. During the first quarter, six properties were divested via companies, yielding a total purchase consideration of SEK 113 m less a tax rebate of SEK 3 m. In conjunction with the divestments, loans of SEK 97 m were repaid, and net cash flow thus amounted to SEK 13 m. During the third quarter, one property was divested via companies, yielding a total purchase consideration of SEK 75 m less a tax rebate of SEK 2 m. In conjunction with the divestments, loans of SEK 42 m were repaid, and net cash flow thus amounted to SEK 31 m.

During the third quarter, new loans of SEK 20 m were taken.

Cash and cash equivalents on the balance sheet date amounted to SEK 114 m.

Parent Company income statement

Amounts in SEK m	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Net sales	20	15	60	45	39	24
Personnel costs	-1	-1	-7	-7	-9	-10
Other operating expenses	-25	-16	-62	-51	-80	-68
Operating profit/loss	-7	-4	-9	-13	-50	-54
Profit from financial items						
Profit from participations in Group companies	0	-1,010	-22	-1,010	-635	-1,623
Interest income and similar items	30	35	70	38	77	46
Interest costs and similar items	-21	-25	-47	-27	-50	-29
Profit/loss after financial items	1	-1,004	-9	-1,013	-657	-1,661
Appropriations	0	0	0	0	53	53
Profit/loss before tax	1	-1,004	-9	-1,013	-604	-1,608
Tax	0	1	0	1	0	1
NET PROFIT/LOSS FOR THE PERIOD	1	-1,002	-9	-1,011	-604	-1,607

Parent Company statement of comprehensive income

Amounts in SEK m	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Profit/Loss for the period	1	-1,002	-9	-1,011	-604	-1,607
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	1	-1,002	-9	-1,011	-604	-1,607

Parent Company balance sheet

Amounts in SEK m	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS			
Financial assets	5,844	387	48
Current assets	634	6,708	6,440
Total assets	6,478	7,095	6,489
EQUITY AND LIABILITIES			
Equity	6,470	7,074	6,479
Current liabilities	9	21	10
Total equity and liabilities	6,478	7,095	6,489

COMMENTS ON THE PARENT COMPANY

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

Income in the Parent Company amounted to SEK 60 m (45) during the period and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered. Loss before tax amounted to SEK -9 m (-1,013).

During June, the company carried out a restructuring of internal loans, which resulted in short-term loans being converted into shareholder contributions, and thus resulted in an increase in the acquisition value of the Parent Company's shares in the subsidiaries. Cash and cash equivalents at the end of the period amounted to SEK 108 m (168).

Other information

ACCOUNTING POLICIES

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34 Interim Financial Reporting are contained in the notes and elsewhere in the report. The Parent Company applies RFR 2 Accounting for legal entities and the Swedish Annual Accounts Act. The accounting policies applied correspond to what is indicated in the 2023 Annual Report.

VALUATION METHOD FOR INVESTMENT PROPERTIES

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

VALUATION METHOD FOR DERIVATIVES

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

VALUATION OF RECEIVABLES AND LIABILITIES

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

SEASONAL EFFECTS

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

ROUNDING DIFFERENCES

As a result of rounding, figures presented in this 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 2023 Annual Report on pages 34–37.

RELATED-PARTY TRANSACTIONS

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

Neobo has a warrant program for the company's CEO and certain senior executives. At the balance sheet date, the warrant holders owned a total of 630,067 warrants of series 2023/2026:1, which runs for three years, following the redemption of 96,933 warrants by the company during the first quarter. The warrants were acquired by the holders at a price of SEK 0.79 per warrant. The price was calculated using the Black & Scholes model.

Each warrant grants the holder the right to subscribe for one (1) share in the company in the period from May 1, 2026 up to and including May 25, 2026. The warrants will become valuable when the share price exceeds the strike price of SEK 10.83. The maximum number of shares added can be 630,067 in total, corresponding to approximately 0.4 percent of the total number of shares and votes in the company, provided that all warrants are fully subscribed and fully exercised. When calculating earnings per share after dilution, the average number of shares is adjusted to take into account the effects of dilutive potential shares. Taking into account the warrants, the weighted average number of shares outstanding is 145,715,771. In that case, the increase in share capital will total a maximum of SEK 3,259,096.

EVENTS AFTER THE BALANCE SHEET DATE

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

This 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 Parent Company and the companies included in the Group.

Stockholm, October 25, 2024

Ylva Sarby Westman
Chief Executive Officer

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.

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, 2024 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 October, 25 2024

Ernst & Young AB

Gabriel Novella

Authorized Public Accountant

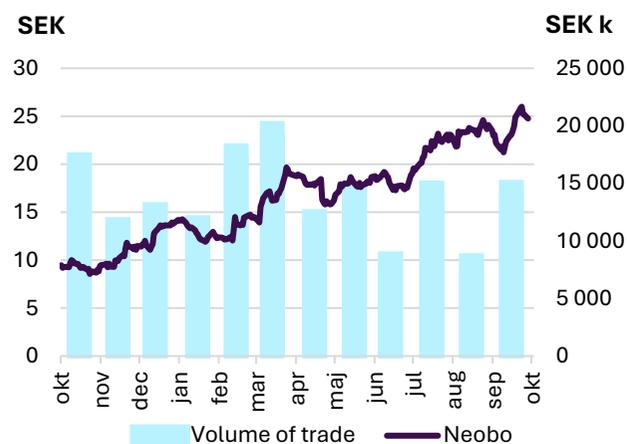
The share

Neobo's market value, meaning the value of all listed shares outstanding, totaled SEK 3,600 m on September 30, 2024. The number of shares outstanding totaled 145,400,737.

TRADING AND TURNOVER

Neobo's share has changed trading venue and has been listed on Nasdaq Stockholm since September 20, 2024. Share turnover over the last twelve-month period totaled 157 million shares. Turnover, meaning the number of shares sold divided by the number of shares outstanding at the balance sheet date, was 108 percent.

SHARE PRICE AND TRADING VOLUME



TOTAL YIELD

The total yield of the share over the last twelve-month period was 153 percent.

NET ASSET VALUE

The net asset value is the accumulated capital that the company manages on behalf of its owners. On the basis of this capital, Neobo intends to create a stable return and growth at low levels of risk. Since Neobo's properties are recognized at fair value, the net asset value can be calculated on the basis of the equity in the balance sheet. However, items that do not entail any payments in the immediate future – in Neobo's case, derivatives and deferred tax liability – should be taken into account.

Net asset value at the end of the period amounted to SEK 44.89/share (45.83). The share price at the balance sheet date thus amounted to 55 percent of the net asset value.

Calculation of net asset value	SEK m	SEK/share
Equity according to the balance sheet	6,195	42.61
Add back according to the balance sheet		
Derivatives	-7	-0.05
Deferred tax	339	2.33
Net asset value	6,527	44.89

LARGEST SHAREHOLDERS

Shareholders	No. of shares	Percentage of share capital and voting rights
Avanza Pension	18,230,703	12.5%
ICA-handlarnas Förbund	15,000,000	10.3%
Martin Larsén	10,150,493	7.0%
Länsförsäkringar Fonder	7,586,449	5.2%
Arvid Svensson Invest	6,664,412	4.6%
Sven-Olof Johansson	5,500,000	3.8%
Futur Pension	3,237,646	2.2%
Handelsbanken Liv Försäkring AB	2,795,971	1.9%
Nordnet Pensionsförsäkring	2,635,168	1.8%
ODIN Fonder	2,413,988	1.7%
Total 10 largest	74,214,830	51.0%
Other	71,185,907	49.0%
Total	145,400,737	100.0%

OWNERSHIP STRUCTURE

Size	No. of shares	Capital and voting rights, %	No. of known shareholders	Proportion of known shareholders, %
1–500	6,438,942	4.4	99,839	91.9
501-1 000	2,949,475	2.0	3,943	3.6
1,001-5,000	8,063,237	5.6	3,728	3.4
5,001-10,000	3,821,147	2.6	516	0.5
10,001-20,000	4,271,194	2.9	297	0.3
20,001-	106,780,403	73.4	270	0.3
<i>Anonymous ownership</i>	13,076,339	9.0	0	0.0
Total	145,400,737	100	108,593	100

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

Definitions

ALTERNATIVE PERFORMANCE MEASURES

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

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

FINANCIAL DEFINITIONS

Number of shares outstanding

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

Return on equity, %

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

Loan-to-value ratio, %

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

Profit from property management

Profit before changes in value and tax.

Average number of shares

The number of shares outstanding weighted over the period.

Average interest rate, %

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

Items affecting comparability

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

Cash flow from operating activities, SEK

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

Earnings per share, SEK

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

Interest coverage ratio, multiple

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

Equity/assets ratio, %

Equity in relation to total assets.

Net asset value, 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.

Interim report January–September 2024

Economic occupancy rate, %

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

Economic vacancy rate, %

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

Rental income, SEK

Charges for the period with deductions for rental losses.

Like-for-like portfolio

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

Market value of properties, SEK

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

Surplus ratio, %

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

Derivation of key metrics

	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
NET ASSET VALUE ¹⁾						
Number of shares outstanding, thousands	145,401	145,401	145,401	145,401	145,401	145,401
Equity	6,195	6,982	6,195	6,982	6,195	6,405
Add back of deferred tax	339	420	339	420	339	430
Add back of derivatives	-7	-335	-7	-335	-7	-171
Net asset value, SEK m	6,527	7,067	6,527	7,067	6,527	6,664
Net asset value, SEK/share	44.89	48.60	44.89	48.60	44.89	45.83
SURPLUS RATIO ¹⁾						
Net operating income	133	140	363	366	457	460
Rental income	227	224	680	658	910	888
Surplus ratio, %	59	63	53	56	50	52
LOAN-TO-VALUE RATIO ¹⁾						
Total assets	13,949	15,073	13,949	15,073	13,949	14,497
Interest-bearing liabilities	7,085	7,318	7,085	7,318	7,085	7,278
Loan-to-value ratio, %	50.8	48.6	50.8	48.6	50.8	50.2
INTEREST COVERAGE RATIO						
Profit from property	55	52	122	127	143	148
Add back, net interest income, excluding ground rent	62	61	184	172	235	223
Total	116	113	307	299	379	371
Net interest income, excluding ground rent	62	61	184	172	235	223
Interest coverage ratio, multiple	1.9	1.8	1.7	1.7	1.6	1.7

	2024	2023	2024	2023	2023/2024	2023
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
RETURN ON EQUITY ¹⁾						
Net profit/loss for the period	-101	-452	-211	-795	-788	-1,373
Equity, average	6,246	7,269	6,300	7,380	6,589	7,091
Return on equity, %	-1.6	-6.2	-3.3	-10.8	-12.0	-19.4
INVESTMENT YIELD ¹⁾						
Net operating income according to earnings capacity	506	479	506	479	506	482
Investment properties	13,696	14,379	13,696	14,379	13,696	14,018
Building rights	98	128	98	128	98	131
Property value, excl. building rights	13,598	14,251	13,598	14,251	13,598	13,887
Investment yield, %	3.7	3.4	3.7	3.4	3.7	3.5
ECONOMIC OCCUPANCY RATE ¹⁾						
Rental income according to earnings capacity	923	883	923	883	923	896
Rental value according to earnings capacity	994	959	994	959	994	969
Economic occupancy rate, %	92.8	92.0	92.8	92.0	92.8	92.5
EARNINGS PER SHARE						
Net profit/loss for the period	-101	-452	-211	-795	-788	-1,373
Average number of shares	145,400,737	145,400,737	145,400,737	145,400,737	145,400,737	145,400,737
Earnings, SEK/share	-0.69	-3.11	-1.45	-5.46	-5.42	-9.44
EQUITY/ASSETS RATIO ¹⁾						
Equity	6,195	6,982	6,195	6,982	6,195	6,405
Total assets	13,949	15,073	13,949	15,073	13,949	14,497
Equity/assets ratio, %	44.4	46.3	44.4	46.3	44.4	44.2

¹⁾ Alternative performance measures, refer to definitions on page 22 for further information.

Financial calendar

Year-end report 2024	Feb 12, 2025
Annual report 2024	Week 13 2025
Interim report for the period January–March 2025	Apr 24, 2025
Annual General Meeting	Apr 24, 2025
Interim report for the period January–June 2025	Jul 9, 2025
Interim report for the period January–September 2025	Oct 22, 2025
Year-end report 2025	Feb 12, 2026

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

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 October 25, 2024, at 7:00 a.m. CEST through the agency of the contact persons stated below.

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Invitation to presentation of interim report

CEO Ylva Sarby Westman will present the interim report in a webcast/teleconference on October 25, at 9:00 a.m. CEST. 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 Q3 Report \(financialhearings.com\)](https://financialhearings.com/Neobo-Fastigheter-Q3-Report)

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 Q3 Report \(financialhearings.com\)](https://financialhearings.com/Neobo-Fastigheter-Q3-Report)

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

HOMES FOR EVERYONE



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