

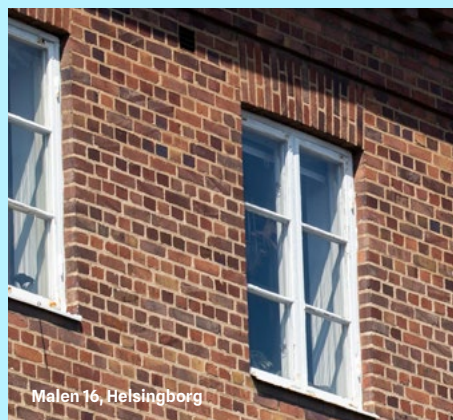
ANNUAL REPORT

neobo

20  
24

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The statutory Annual Report, which includes the Directors' Report and financial statements, can be found on pages 45–81. Neobo's statutory Sustainability Report according to the Swedish Annual Accounts Act can be found on pages 22–34. The Corporate Governance Report can be found on pages 37–40.

# Neobo

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

Neobo owns, develops and manages 700,000 square meters across 260 properties all over Sweden.

We manage and refine residential properties in Swedish municipalities experiencing population growth and good demand for residential properties.

Property value, SEK billion

13.7

Number of properties

260

Number of apartments

8,300

Percentage of  
residential properties

95%

Leasable area

700,000 sq. m.





# GOOD HOUSING FOR ALL



## Our concept

Not all of our properties are new; on the contrary, some of them have been around for a long time. But our way of working is far from old-fashioned. Consideration for our residential areas, tenants, shareholders, employees and our surrounding world is our highest priority. This is not always an easy equation to solve. Our belief in ourselves is born out of years of experience and challenged by our curiosity and a conviction that everything can be improved. We want to be more efficient but show more care and commitment than others. The fact is that we are needed now more than ever. Sweden needs more residential properties that people can afford to live in. Living in a newly built apartment is relatively expensive and not taking care of what already exists is not sustainable. In addition, housing construction remains at historically low levels, which is increasing the need to refine the existing property stock. This is where we come in. We have something for everyone – young and old, families and singles. Because Neobo has all types of apartments, with sizes and rents that work for everyone. By managing and refining our existing properties and adapting them to the needs of people and the environment today, we want to contribute to a more sustainable housing market in Sweden.

# 2024 IN FIGURES

- Rental income increased to SEK 908 m (888). For the like-for-like portfolio, rental income increased by 6 percent.
- Net operating income increased to SEK 473 m (460). For the like-for-like portfolio, net operating income increased by 12 percent due to higher rental income and lower vacancies.
- Profit from property management increased to SEK 152 m (148) despite the divestment of seven properties during the year, while financing costs increased.
- The property portfolio's value at the end of the year amounted to SEK 13,701 m and change in value of the properties amounted to SEK -296 m (-1,353) for the period.
- Net loss for the year amounted to SEK -193 m (-1,373).
- The net asset value amounted to SEK 44.68 per share (45.83).

Key metrics	2024	2023
Rental income, SEK m	908	888
Net operating income, SEK m	473	460
Change in property values, SEK m	-296	-1,353
Profit from property management, SEK m	152	148
Profit from property management, SEK/share	1.05	1.02
Net profit/loss for the period, SEK m	-193	-1,373
Net profit/loss for the period, SEK/share	-1.33	-9.44
Market value of properties, SEK m	13,701	14,018
Market value of properties, SEK/sq. m.	19,574	19,658
Loan-to-value ratio, %	50.9	50.2
Interest coverage ratio, multiple	1.6	1.7
Net asset value, EPRA NRV, SEK/share	44.68	45.83
Economic occupancy rate, %	92.8	92.5
Surplus ratio, %	52	52
Return on equity, %	-3.1	-19.4

Rental income

908 SEK m

Net operating income

473 SEK m

Loan-to-value ratio

50,9%

Net asset value, EPRA NRV, SEK/share

SEK 44,68



# FOUNDATION LAID FOR INCREASED PROFIT IN THE FUTURE

The first two years of Neobo's history have been both challenging and rewarding. In a turbulent business environment characterized by rising costs and interest rates, we as property owners have faced major challenges. At the same time, we have seen the potential offered by our portfolio of affordable residential properties, where the underlying demand and value-added potential have given us a good foundation to build on. When I took over as CEO in November 2022, my conviction was strong. With the right structure and focus, we can not only meet the challenges we face, but also create sustainable and profitable development based on a strong and attractive offering.

## Right structure and higher returns

During the first year, we worked intensively to build the right structure for Neobo and concentrated on our core business – property management, leasing and refinement. In 2024, we intensified our focus on driving returns from the portfolio and preparing Neobo to meet the listing requirements of Nasdaq's main list. The latter has been about improving the quality of our key processes and safeguarding our processes relating to risk, internal control, financial reporting and corporate governance. It has been a valuable exercise that has further strengthened our foundation. The listing on Nasdaq Stockholm, which became a reality in September, was followed by

the good news at the end of the year that Neobo has been included on the EPRA index, a leading global property index. These are milestones that will open up for more institutional and international owners to invest in Neobo, thereby broadening our investor base.

We have worked purposefully to increase returns from the property portfolio by raising rents, reducing costs and lowering vacancies.

In early autumn, it was announced that the Swedish Prison and Probation Service will become a new major tenant in one of our properties during the summer of 2025, which will reduce vacancies in our premises. The work on value-creating leasing and refinement of the portfolio is now continuing at full speed to further increase returns and create value for our customers and shareholders.

## Increased focus on portfolio optimization

During the year, we divested six properties in Eskilstuna and a retail property in Falun at levels that are in line with or exceed our carrying amounts for these.

The total transaction volume in Sweden increased significantly compared with the previous year, but remains at a low level in a historical perspective. As the financing environment improves, we are optimistic that liquidity will continue to rise moving forward, which is positive as we are now intending to step up the pace of our transaction activities.



Ringling the bell at Nasdaq Stockholm on September 20

### Refinancing in an improved financing environment

During the year, the Swedish Riksbank resolved to cut the policy rate on five occasions, from 4.0 percent in January to 2.5 percent in December. At the beginning of this year, a further reduction took place to 2.25 percent. The lower interest rates combined with greater access to capital have significantly improved the financing environment. During the past year, we refinanced loan agreements of SEK 2.7 billion of a total SEK 7.1 billion on attractive terms that improved our cash flow and freed-up resources for new investments. This is a testament to the shift in quality achieved by Neobo and the strong financing environment. We have a healthy dialogue with our banks, marked by mutual trust, which provides us with further stability and operational flexibility.

### Committed employees who see our customers' needs

Our work is fundamentally about taking care of our customers and properties. Close dialogue and strong local engagement are crucial. We have therefore given our property managers even greater responsibility for meeting customers' needs, as they have the best insight into what it takes to make lasting improvements. Although the improvement in the customer survey was not as great as in 2023, we are working purposefully to understanding our customers' needs and doing our best to satisfy them. I think customers can see that we take their views seri-

ously, and are working step by step to improve all the elements that contribute to their living environment. This is particularly true of the areas with the highest vacancy rates, where we continued to invest extra resources during the year to create attractive homes.

Sweden's population is not growing at the same rate as before and many households have faced tough economic conditions. In this respect, we have a competitive advantage with a portfolio of homes with reasonable rents that people can afford to live in. Overall, demand is

healthy in most of the municipalities where we have properties, while housing construction remains at low levels. Our objective is clear – to create attractive and sustainable living environments where people can thrive and feel secure

### Sustainability as a guiding principle

Sustainability has been key to us from the outset. With high ambitions and clear targets in

areas such as societal matters, climate and energy consumption, we are taking our sustainability journey step by step. In 2024, we reached all our sustainability milestones, including the development of an energy and climate roadmap to guide us toward our 2030 energy and climate goals. During the year, we also carried out energy optimization investments that will reduce both our costs and our environmental impact in the future. By investing smartly and strengthening our governance, we are taking important steps toward achieving our long-term ambitions – for the good of Neobo, our customers, shareholders and society.

“Our objective is clear – to create attractive and sustainable living environments where people can thrive and feel secure.”



Ylva Sarby Westman, CEO

### An exciting journey ahead

Although we have not yet reached our long-term goal of 10 percent return on equity, I am convinced that it is possible in the long term. To succeed, we must further optimize the portfolio, to achieve more efficient property management, and continue to increase the value in the property portfolio. Our strong financial position, our growing profit from property management and our portfolio of affordable residential properties are key competitive advantages that we are now building on. Moreover, managing and refining the existing properties and adapting them to the needs of people and the climate is perhaps the best way to contribute to a more sustainable residential property market in Sweden.

We are now entering our third year with a stable foundation in place and good opportunities to

create shareholder value moving forward. With the listing on Nasdaq's main market, inclusion in the EPRA index, improved liquidity in the transaction market and an ambitious value-creation strategy, we are now ready to take the next step on our journey with a focus on portfolio optimization and growth. I look forward to working together with my dedicated co-workers to take full advantage of the refinement potential in our property portfolio and thereby create value for our customers and shareholders.

Stockholm, March 2025

Ylva Sarby Westman  
CEO of Neobo

# CAUTIOUS ECONOMIC RECOVERY

## Macroeconomic developments

In 2024, the economic recovery in Sweden was weaker than expected, despite the Riksbank's extensive interest rate cuts. During the year, the Swedish Riksbank resolved to cut the policy rate on five occasions, from 4.0 percent in January to 2.5 percent in December. Despite these measures, household consumption remained subdued, which has dampened economic growth. Sweden's GDP growth for 2024 is estimated to be only 0.9 percent, reflecting the weak recovery. At the same time, inflation fell steadily during the year and was 1.5 percent in December, which is well below the Riksbank's target of 2 percent.

The labor market continues to show signs of weakness. At the end of December 2024, unemployment in Sweden was 7.1 percent, up from 6.6 percent year-on-year and the highest level in three years. This development reflects the uncertain economic situation, where companies have been cautious about hiring and have limited their expansion. At the same time, the number of bankruptcies has reached record levels. In 2024, 10,141 limited liability companies went bankrupt. This affected about 33,200 employees, corresponding to an increase of 38 percent compared to the preceding year. Several sectors have been heavily affected, with the largest increase in bankruptcies in the property, car dealerships and industrial sectors. Moreover, the number of company reorganizations doubled compared to 2023, clearly highlighting the financial challenges that many large companies are now facing.

The forecast for 2025 is that the recession will continue in Sweden and that unemployment will remain at about the same level as currently.

At a global level, central banks, including the Federal Reserve and the ECB, have cut interest rates to address the slowdown in the world economy. In the US, interest rates were cut to 4.25–4.50 percent, but despite this, the growth rate slowed and the labor market weakened with fewer new jobs. The ECB cut its interest rate to 3 percent in December, even though eurozone inflation rose to 2.4 percent in the same month.

China's economy grew by 5 percent in 2024, meeting its growth target. Despite this, the country has struggled with weaker domestic consumption and deflationary pressures. The economic recovery from the pandemic has been slower than expected, and the problems in the property sector, marked by a debt crisis, continue to pose challenges.

The global economy showed some resilience during the year, with growth projected at 3.4 percent for 2024. However, significant uncertainty remains, both due to geopolitical tensions and weaknesses in China's property market and political instability in the US.

## The property market

Despite remaining uncertainties in the surrounding world, the transaction market showed signs of recovery in 2024. The total transaction volume for the year amounted to SEK 140 billion, distributed between into 342 transactions. This represents an increase of 35 percent compared to 2023, although the volume remains at a historically low level, around 30 percent below the average for the 2015–2023 period.

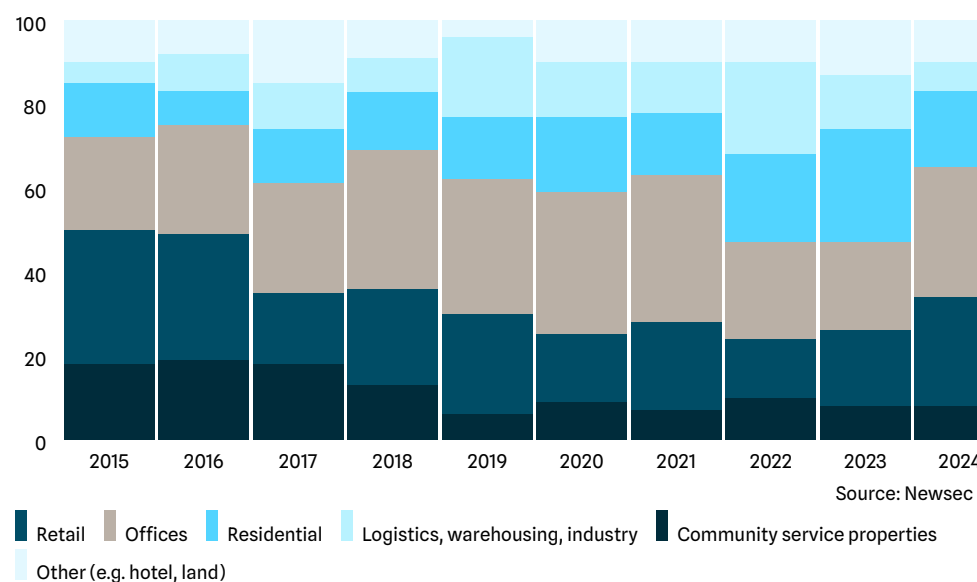
The Swedish property market noted a decrease in activity from foreign investors

during the year, which resulted in a drop in the share of foreign transactions from 30 percent in 2023 to 17 percent in 2024. Looking ahead, the market is expected to continue its recovery, supported by positive sentiment from both the banking and bond markets, which is strengthening incentives for property investment.

The Stockholm region retained its position as the most attractive market, accounting for 45 percent of transaction volume, in line with historical trends. Regional cities accounted for the second largest share at 28 percent, while the rest of Sweden accounted for 13 percent. Gothenburg and Malmö contributed 10 percent and 4 percent, respectively, of the total volume.

In terms of segment breakdown, residential properties continued to dominate, accounting for 31 percent of the transaction volume, followed by office properties with 26 percent. Transactions in the residential segment amounted to SEK 42.8 billion, up significantly from SEK 22.5 billion in 2023. The office segment noted a similar development, with transactions valued at SEK 36.7 billion, compared with SEK 18 billion in the previous year. Other segments accounted for 10 percent of the transaction volume, in line with the usual pattern, while retail and community service properties accounted for 8 percent and 7 percent respectively.

Segment breakdown, transaction market





## Residential properties

Sweden's population growth has historically been stable, but in recent years the trend has changed. Over the past 20 years, the average annual population growth rate has been 0.8 percent. However, for the full-year 2023, growth was only 0.3 percent, and in the first half of 2024, the lowest six-month population growth rate of the entire 2000s was recorded. This decline is mainly due to an increase in the number of people emigrating from Sweden, a decrease in immigration and a lower birth rate.

In the municipalities where Neobo has its property portfolio, an average population growth of 0.3 percent was noted between November 2023 and November 2024. This represents an increase from the previous year's level of 0.2 percent and is close to the national average of 0.35 percent. According to forecasts from Statistics Sweden (SCB), population growth is expected to remain positive until 2030 and probably beyond. For Neobo's municipalities, average annual

growth is forecast at 0.2 percent during this period. The development reflects a stable and continued positive population development in the areas where Neobo operates.

## Housing situation in Sweden

In 2024, the residential segment regained its position as the largest in the transaction market, with a 31-percent share of total transaction volume. The attractiveness of the residential segment is based on its stability and long-term value growth, which in Sweden has delivered strong returns over the past 40 years. At the same time, declining population growth and a deteriorating economic climate have put pressure on the market. Despite this, there remains a significant housing shortage in several regions, particularly in metropolitan areas such as Stockholm and its suburbs, where willingness to pay often exceeds average rental levels.

Housing construction is heavily influenced by regulations and economic cycles, which means

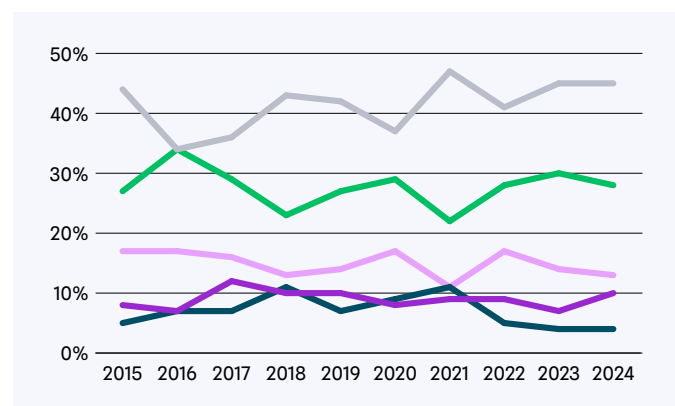
that construction rates vary over time. According to the latest report from the National Board of Housing, Building and Planning, there is now a sharp slowdown in housing construction, mainly due to high construction costs, rising interest rates and reduced household purchasing power. Projections for 2024 and 2025 show that only 40,000 and 33,000 residential properties, respectively, are expected to be completed each year, which is far below the annual need of 52,300 residential properties. At the same time, remote working has meant more people are moving from the major cities to more budget-friendly areas, a development that benefits Neobo's operating areas.

The rent negotiations for 2024 resulted in average rent increases of approximately 5.0 percent, and for 2025 average increases are expected to be 4.7 percent. These continued increases are one element in offsetting the significant inflation that has characterized recent years. In attractive areas such as Stockholm and

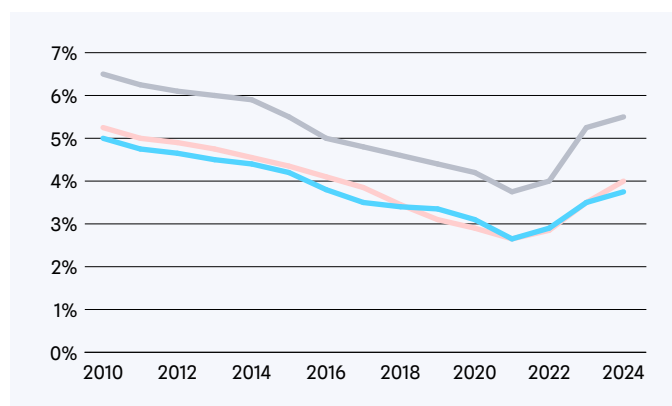
its suburbs, willingness to pay for rental apartments is expected to increase by 4.5 percent annually over the next five years, driven by real wage increases and stronger purchasing power. This creates favorable conditions for stable income and enables both investments in new production and renovations, without risking significant vacancies in Neobo's areas in the Stockholm region.

At the same time, the housing market is facing significant challenges. Reduced new construction risks leading to overcrowding, difficulties for young people to find a home and recruitment problems for businesses in expanding regions. Meeting these challenges requires strategic planning and adaptation to the needs of target groups. The high demand for residential properties in many growing communities, including Neobo's locations, provides a solid foundation for profitable projects and continued development of the housing market.

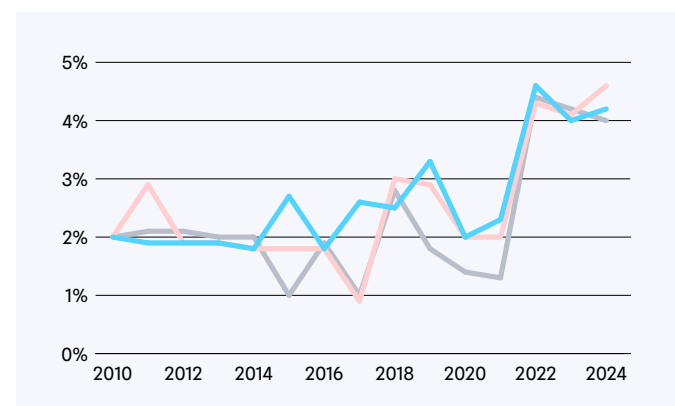
Geographic breakdown, transaction market



Investment yield, residential properties



Rent trend, residential properties, %

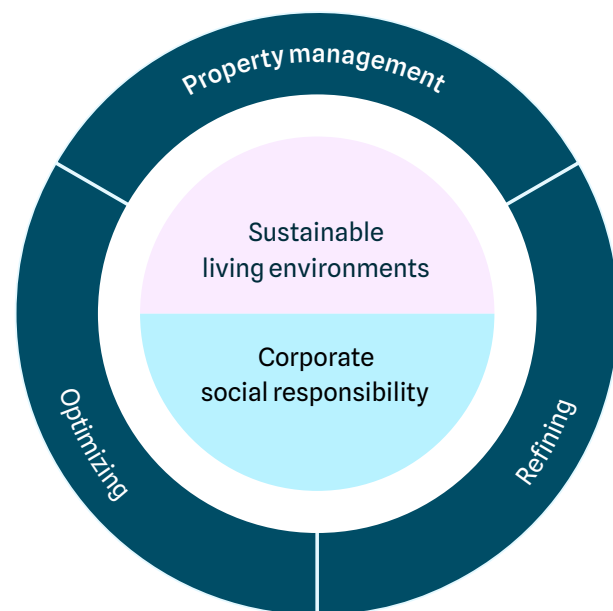


— Stockholm — Stockholm suburbs — Gothenburg — Malmö — Regional cities — Other major cities — Rest of country

Source of text and diagrams in Market and trends section: Newsec

# STRATEGIC FOCUS AND TARGETS

## Business model



## Strategy

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

## Vision

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

## Financial targets

	Target	Outcome 2024
Return on equity over time to exceed	10%	-3.1%
The loan-to-value ratio shall not exceed	65%	50.9%
The interest coverage ratio shall exceed	1.5x	1.6x

## Selected long-term sustainability targets

	Targets 2030	Outcome 2024
Reduced GHG emissions by 2030, Scope 1 and 2	-50%	-21.7%
Reduced energy use by 2030	-20%	0%
Tenant turnover per year 2030	<20%	26.2%
Employee commitment (eNPS), 2030	>20	26

# OUR PROPERTIES

At year-end, Neobo's property portfolio consisted of 260 properties with approximately 8,300 residential apartments and a leasable area of about 700,000 square meters. Residential properties accounted for 95 percent of the properties, with the remainder mainly consisting of community service properties.

The unrealized change in value during the year amounted to SEK -301 m (-1,353), corresponding to a decrease in value of -2.2 percent (-8.8). Realized value changes amounted to SEK 6 m during the year due to completed divestments. At the end of the year, the property portfolio was valued at SEK 13,701 m (14,018). The decrease in value during the period was primarily a result of increased yield requirements and higher tariff-based costs while the estimate for future rental income was raised, which 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, operat-

ing 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. Yield requirements have remained unchanged since the second quarter of 2024 and it is clear that they have now stabilized.

## Rental value and occupancy rate

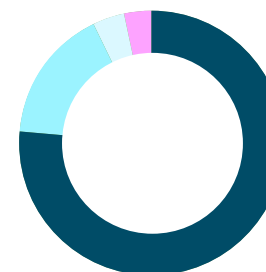
The annual rental value of the property portfolio amounted to SEK 1,017 m at year-end. Residential properties accounted for 77 percent of the rental value and commercial premises for 20 percent. Neobo's tenants are mainly private individuals, and corporate customers who lease stores, restaurants and offices on the ground floors of the residential properties, as well as customers in some of the company's community service properties. At the end of 2024, the total number of rental contracts was 13,185. Residential properties comprised 7,896 rental contracts, representing combined annual rents of SEK 742 m, and rental income from commercial premises was distributed over 454 leases with annual rents of SEK 172 m. No single

tenant accounted for more than 1.1 percent of the rental income. Neobo's largest tenant is Sala Municipality, which leases offices and residential properties. The year-end economic occupancy rate was 92.8 percent for the entire portfolio.

## Rental income and vacancy rate

Rental income increased to SEK 908 m (888) in 2024. For a like-for-like portfolio, rental income increased 6 percent. The increase in income is explained by an average rent increase in the residential portfolio of 5.1 percent, increased rents for commercial premises, a decrease in the vacancy rate and rent increases for apartments renovated during the year. At year-end, the economic occupancy rate amounted to 94.9 percent for the residential portfolio and 86.7 percent for the commercial premises. The average rent for Neobo's residential properties increased in 2024 and amounted to SEK 1,406 per square meter at year-end. Rent negotiations for residential properties in 2025 are under way and the agreements concluded to date encompass 48 percent of residential properties and entail an average rent increase of 4.9 percent.

## Rental value



SEK 1,017 m

- Residential, 77%
- Commercial premises, 16%
- Community service properties, 4%
- Parking and garages, 3%

## Change in property portfolio

SEK m	North Region	South Region	Total Neobo	Jan-Dec 2023
	Jan-Dec 2024	Jan-Dec 2024	Jan-Dec 2024	
Fair value, opening balance	5,979	8,039	14,018	15,295
Acquisitions				-100
Investments	61	103	164	177
Divestments	-180		-180	
Unrealized change in value	-74	-228	-301	-1,353
Reclassifications				
Fair value, closing balance	5,787	7,915	13,701	14,018

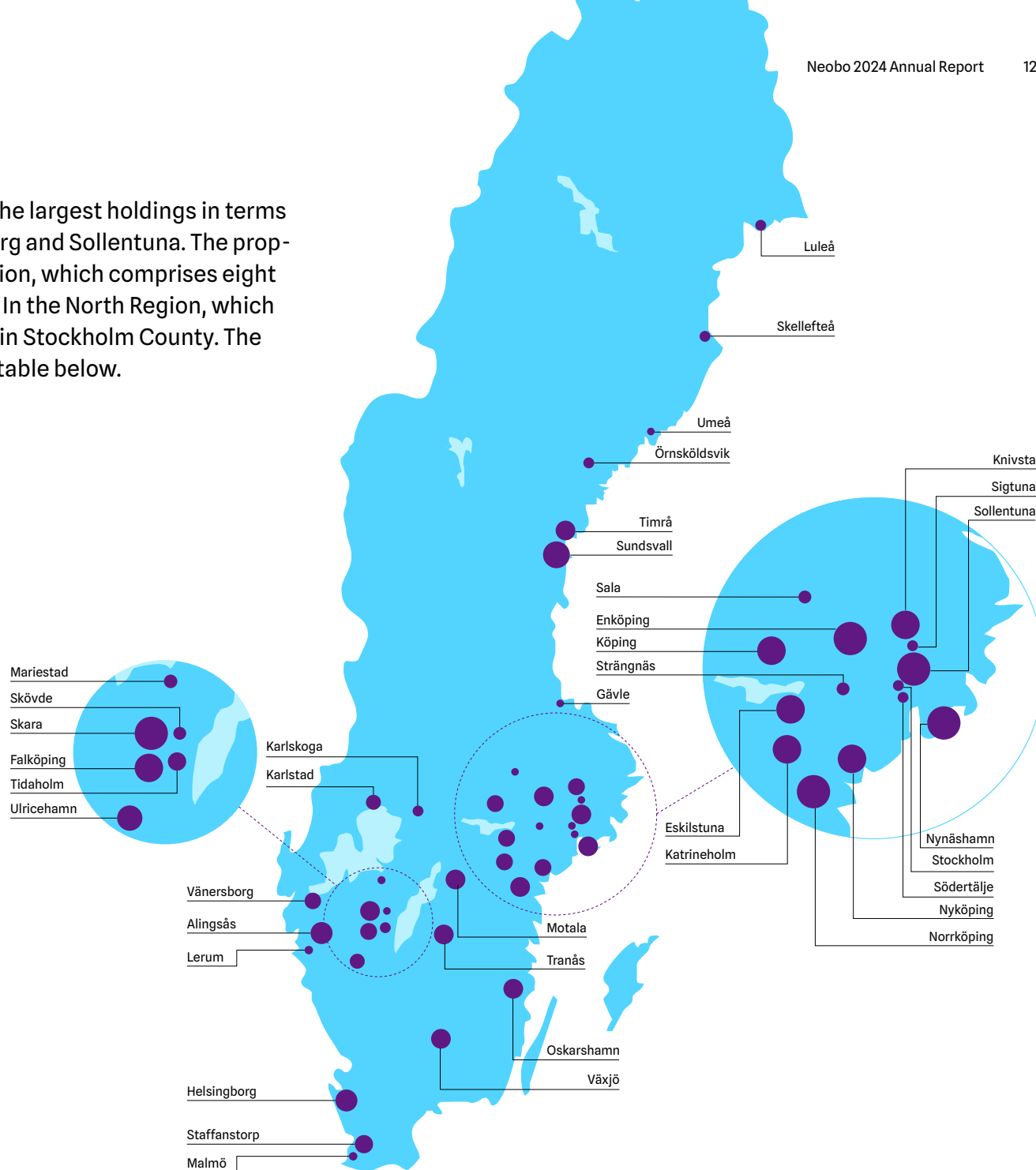


## Geographic breakdown of the portfolio

Neobo's 260 properties are located in 39 municipalities. The largest holdings in terms of property value are in Sundsvall, Nynäshamn, Helsingborg and Sollentuna. The property portfolio is divided into two regions: In the South Region, which comprises eight counties, the largest property value is in Västra Götaland. In the North Region, which comprises nine counties, the largest property portfolio is in Stockholm County. The largest holdings in terms of rental value are shown in the table below.

Breakdown by municipality, 20 largest based on rental value

Municipality	Region	Floor area, thousand sq. m.	Number of apartments	Rental value, SEK m	Rental value, SEK/sq. m
Sundsvall	North	48,822	560	78	1,595
Tranås	South	48,355	517	59	1,214
Nynäshamn	North	40,476	513	56	1,386
Oskarshamn	South	42,846	520	52	1,223
Motala	South	36,534	476	49	1,349
Norrköping	South	31,770	347	47	1,490
Helsingborg	South	29,528	456	44	1,487
Sollentuna	North	17,909	80	43	2,373
Skara	South	32,274	395	41	1,265
Växjö	South	28,631	450	41	1,425
Enköping	North	27,649	259	38	1,387
Staffanstorps	South	21,817	218	34	1,564
Köping	North	24,472	313	32	1,322
Alingsås	South	22,793	206	32	1,409
Falköping	South	21,765	196	30	1,388
Nyköping	South	16,379	243	27	1,641
Vänersborg	South	19,600	273	25	1,293
Karlstad	South	18,382	243	25	1,353
Knivsta	North	8,406	120	24	2,875
Timrå	North	15,978	116	23	1,465



Segment

	Total Neobo		South Region		North Region	
January–December	2024	2023	2024	2023	2024	2023
Market value of properties, SEK m	13,701	14,018	7,915	8,039	5,787	5,979
Market value, SEK/sq. m.	19,574	19,658	17,523	17,825	23,306	22,812
Rental value, SEK m	1,017	969	616	568	401	401
Rental value, SEK/sq. m.	1,454	1,358	1,364	1,258	1,616	1,531
Rental income, SEK m	908	888	544	514	364	373
Net operating income, SEK m	473	460	275	265	197	196
Surplus ratio, %	52	52	51	51	54	52
Occupancy rate, %	93	93	94	93	91	92
Number of properties	260	267	167	167	93	100
Number of apartments	8,309	8,391	5,556	5,556	2,753	2,835
Floor area, thousand sq. m.	700	713	452	451	248	262
Share of rental income	<div><div></div><div></div><div>South Region, 60%</div><div>North Region, 40%</div></div>		<div><div></div><div>60%</div></div>		<div><div></div><div>40%</div></div>	
Distribution of object type	<div><div></div><div></div><div></div><div>Residential, 77%</div><div>Premises, 20%</div><div>Parking, 3%</div></div>		<div><div></div><div></div><div></div><div>Residential proper- ties, 85%</div><div>Premises, 13%</div><div>Parking, 2%</div></div>		<div><div></div><div></div><div></div><div>Residential, 64%</div><div>Premises, 33%</div><div>Parking, 3%</div></div>	
Relates to share of rental income						

# THE WAY FORWARD

Focus on core business

Property management for the future

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Value-creating refinement

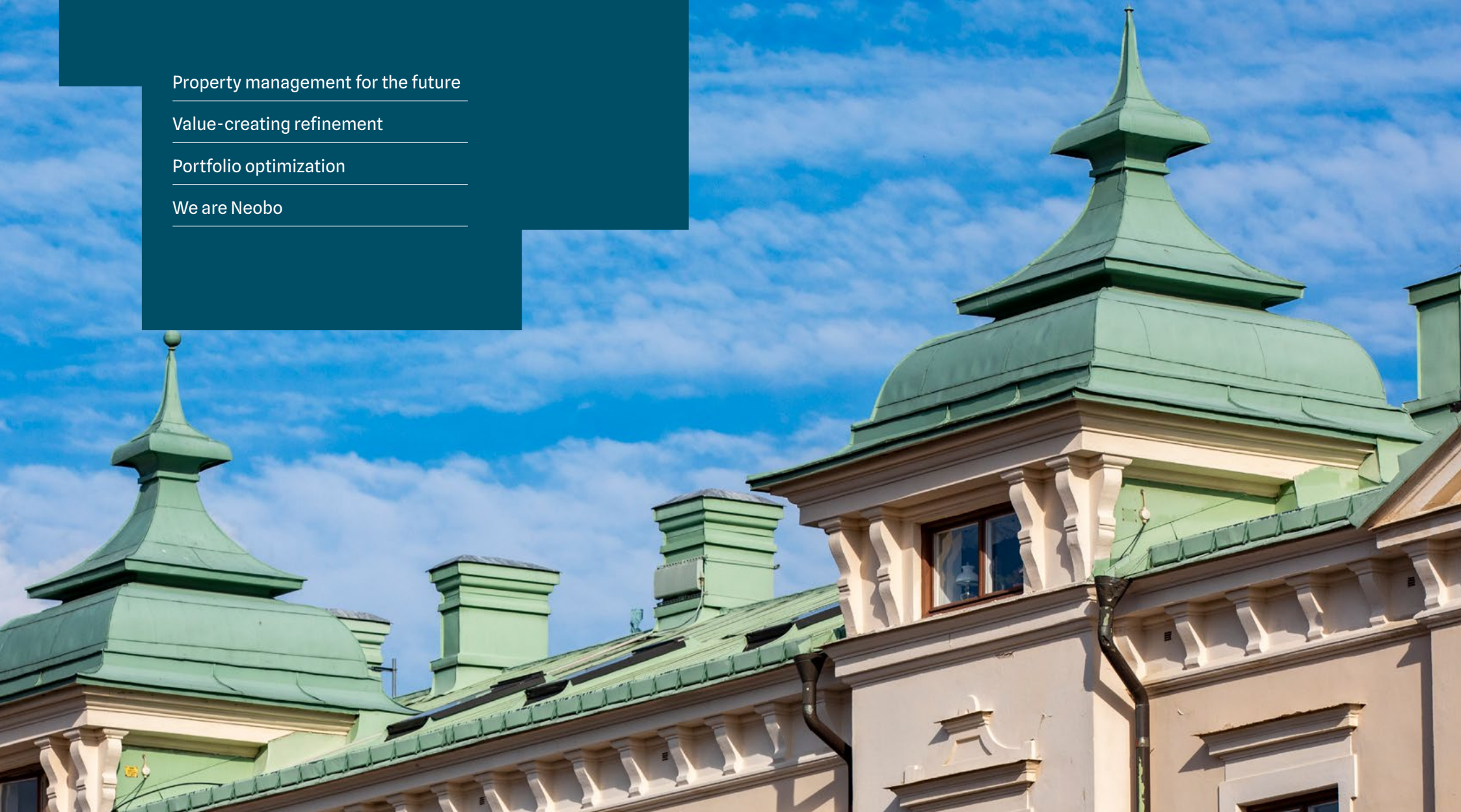
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Portfolio optimization

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We are Neobo

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# Property management for the future

Neobo creates long-term value through its structured model for managing, refining and optimizing the property portfolio. The aim is to create safe, sustainable and inclusive neighborhoods that attract more tenants who are happy and therefore stay longer.

Neobo conducts efficient and customer-centric property management with the focus on sustainability and profitability. Through its presence and regular dialogue with its tenants, Neobo ensures suitable value-adding improvements in the properties, which leads to increased customer satisfaction and yield. Tariff-based costs, such as electricity, heating and water, are monitored on a monthly basis, making it easier to take the right action in the right property. In addition, agreements are continuously reviewed to ensure quality and cost-effectiveness. Neobo's own staff in the various regions conduct most of the technical property management and remedial maintenance of the properties, which is supplemented by insourced services relating to such areas as heating, water, sanitation, ventilation and electricity. In relevant cases, Neobo works with company-wide procurements of technicians and suppliers in order to leverage the company's size and to thereby reduce property costs.

## Customer focus and our service offering

The groundwork has been laid to take the next step in our service offering. We now have an organization and systems in place to increase our customer focus. Through analysis, dialogue and customer surveys, we have gained good insights for further work. Using AI, we analyzed

more than 10,000 comments in the 2024 customer survey. We have continued to work on the results in the form of workshops, focus groups and activity plans by location and property management areas. Priority focus areas for 2025 are contact points, communication and waste management.

## Sustainability at the heart of the business

Sustainability has been key to us from the outset. In 2024, we reached all our sustainability milestones, including the development of an energy and climate roadmap to guide us toward our 2030 energy and climate goals. Sustainability is a central part of the property management organization and our employees work daily with the ten aspects that make up our sustainability work. You can read more about our sustainability activities in the sustainability report pages 22–34.



## Value-creating refinement

Refinement is an important part of our business model and we strive continuously to achieve value-adding improvements to increase the return from our properties and to create value for our customers. This includes apartment renovations, sustainability investments, improvement of outdoor environments and technical upgrades. There is a strong focus on energy-saving measures that also reduce operating costs. For maintenance and renovation work, the ambition is to always choose the best environmental and energy options. Examples include low-flow taps, more energy-efficient windows and additional insulation. Well-being and value-enhancing measures include bathroom and kitchen renovations, new electricity and LED lighting, installation of security doors and entry systems, and courtyard renovations.

When a tenant terminates a rental contract, the apartment is inspected and, depending on the apartment's condition, rental level and the rental market, a decision is made to lease or refurbish the apartment. If the apartment only requires minor measures, a basic renovation is carried out focusing on sustainability and security. If more extensive measures are required, a renovation is carried out to upgrade the standard of the apartment, which means higher rental income. In 2024, 100 apartments were upgraded in line with the latter.

### Nyköping Customer satisfaction and neo-thinking

Neobo owns 121 apartments in the Svetsaren 9 property in Nyköping. During the year, Neobo offered tenants a security package, which generated increased income of approximately SEK 165,000 per year. Jacob Milde, local property manager, explains:

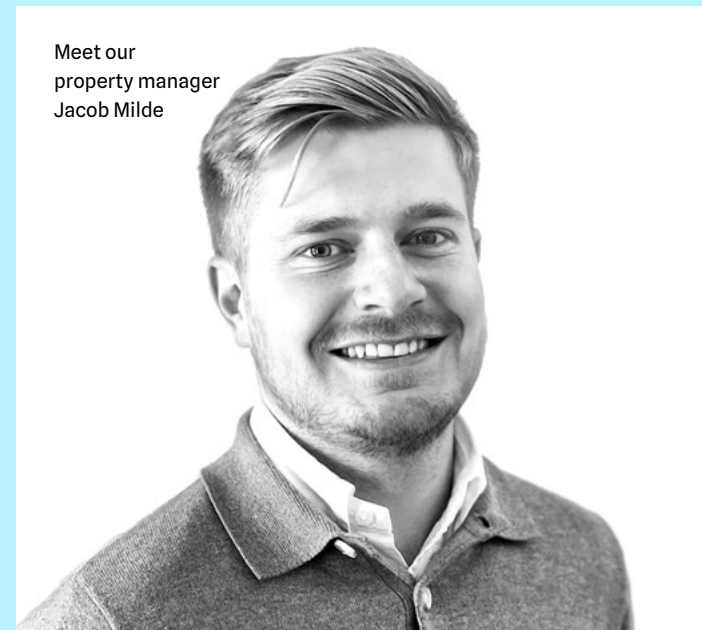
#### Tell us about the Security Package

"During the year, we have been working on a project we call the Security Package. The Security Package is something we have offered all tenants in one of our properties in Nyköping. It includes the installation of new iLOQ locking systems, a new access control system and digital laundry room booking. The idea came from the wishes expressed by our tenants in the annual customer survey. This work is in its final stages and has gone very smoothly. All tenants have accepted the offer and the main challenge so far has been the logistics when all of the tenants have had to sign for their new keys. But as this was a request from our tenants, the work has progressed very well."

#### How did you come up with the idea?

"The idea and thoughts have been around since last year's customer survey. Planning started at the beginning of the year and together with colleagues and skilled partners, we created an effective solution. Now we have not only facilitated our internal operations, but also helped to increase the security of our tenants. It feels fantastic."

Meet our  
property manager  
Jacob Milde



#### What feedback have you received from tenants?

"As we are still in the final stages of the project, not everything is fully up and running yet. However, we have already received plenty of positive feedback from our tenants for working toward a safer neighborhood."

The results of the 2024 customer survey also showed that Nyköping is one of the locations with the highest increase in customer satisfaction. It is gratifying that our tenants see the work we do. We are continuing to listen to our customers and identify value-creating investments that refine our neighborhoods and create greater satisfaction for our tenants.



# Portfolio optimization

During the year we began optimizing our property portfolio.

In February, we divested six low-yielding residential properties in Eskilstuna at an underlying property value of SEK 113 m, which was in line with the most recent external valuation conducted. The six properties were facing significant investments and the sale helped to strengthen our cash flow. At the end of June, we divested the Tegelbruket 4 retail property in Falun at an underlying property value of SEK 75 m. The transaction had a positive earnings effect of SEK 10 m and the released liquidity will be re-invested in the existing portfolio. The divestment meant that Neobo left Falun.

Liquidity in the transaction market has increased markedly since the preceding year, which is positive as we are now intending to step up the pace of our transaction activities to further optimize our property portfolio.

Letten 2  
property in Karlstad





# We are Neobo

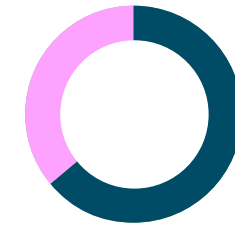
We work closely with our customers and with short decision-making paths and well-established processes. Several of our employees have extensive experience of value-creating property management and Neobo's current property portfolio. All the work that is done is designed to optimize the ability to conduct property management that is sustainable in the long-term and creates value for our customers.

Neobo has a strong corporate culture characterized by commitment, consideration and courage. These values permeate everything we do

and act as a guide in our day-to-day activities. The employees have good opportunities to impact the operations and the atmosphere is characterized by personal commitment at all levels. We are committed to a good working environment, high business conduct, an inclusive culture and good development opportunities.

The aim is to be one of the best employers in the industry in terms of employee commitment. At year-end, Neobo had a total of 78 employees. Of these, 28 were women and 50 were men.

## Our employees in 2024



**78** employees

- Men, 64%
- Women, 36%

## Our core values

### Commitment

- We are committed and businesslike.
- We care, we are forward-looking and we go the extra mile to succeed.
- We are driven and result-oriented.

### Consideration

- We display consideration for each other, our customers, our shareholders and our business environment.
- We treat people with respect and have an inclusive corporate culture.
- We cooperate and support each other.

### Courage

- We are open to change and innovative thinking, always endeavoring to make things a little better.
- We are unpretentious and solution-oriented.
- We challenge ourselves, each other and our business environment.
- We are inquisitive and open.



# FINANCING

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

During the year, the Swedish Riksbank cut the policy rate on several occasions to support the economy and stabilize inflation at its target. In December 2024, the policy rate was cut by 0.25 percentage points to 2.5 percent. For Neobo, this will mean an improved financial position and greater scope to make value-generating investments in the property portfolio.

During the year, Neobo worked actively on its debt and derivatives portfolio. Loan agreements of SEK 2.7 billion, of a total SEK 7.1 billion, were refinanced at lower margins than the average margin for Neobo's existing loan agreements and a number of new swaps were entered into to reduce the interest rate risk and increase the predictability of future cash flows.

Neobo endeavors to achieve a good earnings performance, economic resilience and strong financial position. The economic and financial targets are set to combine a high return on equity, high growth capacity and financial stability.

## Financing and Financial Policy

Given the current market conditions and the company's investment needs, the Board is of the opinion that the shareholders would benefit and the best total yield would be achieved by reinvesting profits in the business. Value-generating investments will be made in the form of apartment renovations and sustainable investments to help increase the return from the properties.

## Financial targets

	Target	Outcome 2024
Return on equity over time to exceed	10%	-3.1%
The loan-to-value ratio shall not exceed	65%	50.9%
The interest coverage ratio shall exceed	1.5x	1.6x

## Capital structure

Group, SEK m	Dec 31, 2024	Dec 31, 2023
Liabilities to credit institutions	7,115	7,278
Cash and cash equivalents	146	199
<b>Net debt</b>	<b>6,968</b>	<b>7,079</b>
Equity	6,213	6,405
<b>Total net debt and equity</b>	<b>13,181</b>	<b>13,484</b>

## Capital structure

The Group's operations are financed with equity and bank loans. Equity amounted to SEK 6,213 m (6,405) and liabilities amounted to SEK 7,765 m (8,092), of which SEK 7,115 m (7,278) pertained to interest-bearing liabilities.

According to the Financial Policy, the loan-to-value ratio should be less than 65.0 percent and at year-end, it amounted to 50.9 percent (50.2).

## Available liquidity

Total availability liquidity consists of assets in bank accounts, which at year-end amounted to SEK 146 m (199).

## Borrowing rate, loan-to-maturity and fixed interest term

The average interest rate at year-end amounted to 3.2 percent (3.4). Our property ownership is a long-term commitment that requires long-term

financing. A long loan-to-maturity also reduces refinancing risk. The remaining debt duration at year-end was 2.8 years (3.3).

Financial expenses are a significant cost item in the income statement. This is affected by changes in the underlying market interest rate and changes in lenders' mark-ups.

To reduce fluctuations in financial expenses to an acceptable level, interest rates are fixed for various terms to a large extent. To reduce interest rate risk and to achieve the desired fixed interest term, interest rate derivatives are used, which is a flexible and cost-effective way of changing the fixed interest term in the portfolio without having to amend the terms of the underlying loans. The average fixed interest term, including derivative instruments, was 2.4 years (2.2) at year-end.

The aggregated nominal value of interest rate derivatives was SEK 5,409 m (5,406) with maturities of between one and seven years. At the end of the year, interest rate derivatives had a fair value of SEK 63 M (171)

## Covenants

The loan agreements contain predetermined key metrics that Neobo undertakes to maintain during the term, known as covenants. If these are not met, for example, additional collateral may be required or, by extension, the counterparty may have the right to terminate the loan agreement. The agreements essentially stipulate an interest coverage ratio of a multiple of not less than 1.50–1.70, loan-to-value ratio of a maximum of 65–75 percent and an equity/assets ratio of not less than 25–30 percent. The company met all covenants with all counterparties during the year.

## Loan-to-maturity, SEK m

Year of maturity	Bank loans	Share, %
2025	847	12
2026	3,066	43
2027	2,174	31
2028	933	13
2029	0	0
2030 and later	94	1
<b>Total</b>	<b>7,115</b>	<b>100</b>

## Fixed interest term, SEK m

Year of maturity	Volume	Share, %
2025	1,706	24
2026	1,839	26
2027	1,370	19
2028	600	8
2029	700	10
2030 and later	900	13
<b>Total</b>	<b>7,115</b>	<b>100</b>

## Active interest rate derivatives, SEK m

Year of maturity	Nominal amount	Average interest, %
2025	1,450	0.17
2026	1,839	0.65
2027	420	1.10
2028	600	2.56
2029	700	2.55
2030 and later	400	2.74
<b>Total</b>	<b>5,409</b>	<b>1.17</b>

## 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

# CURRENT EARNINGS CAPACITY

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

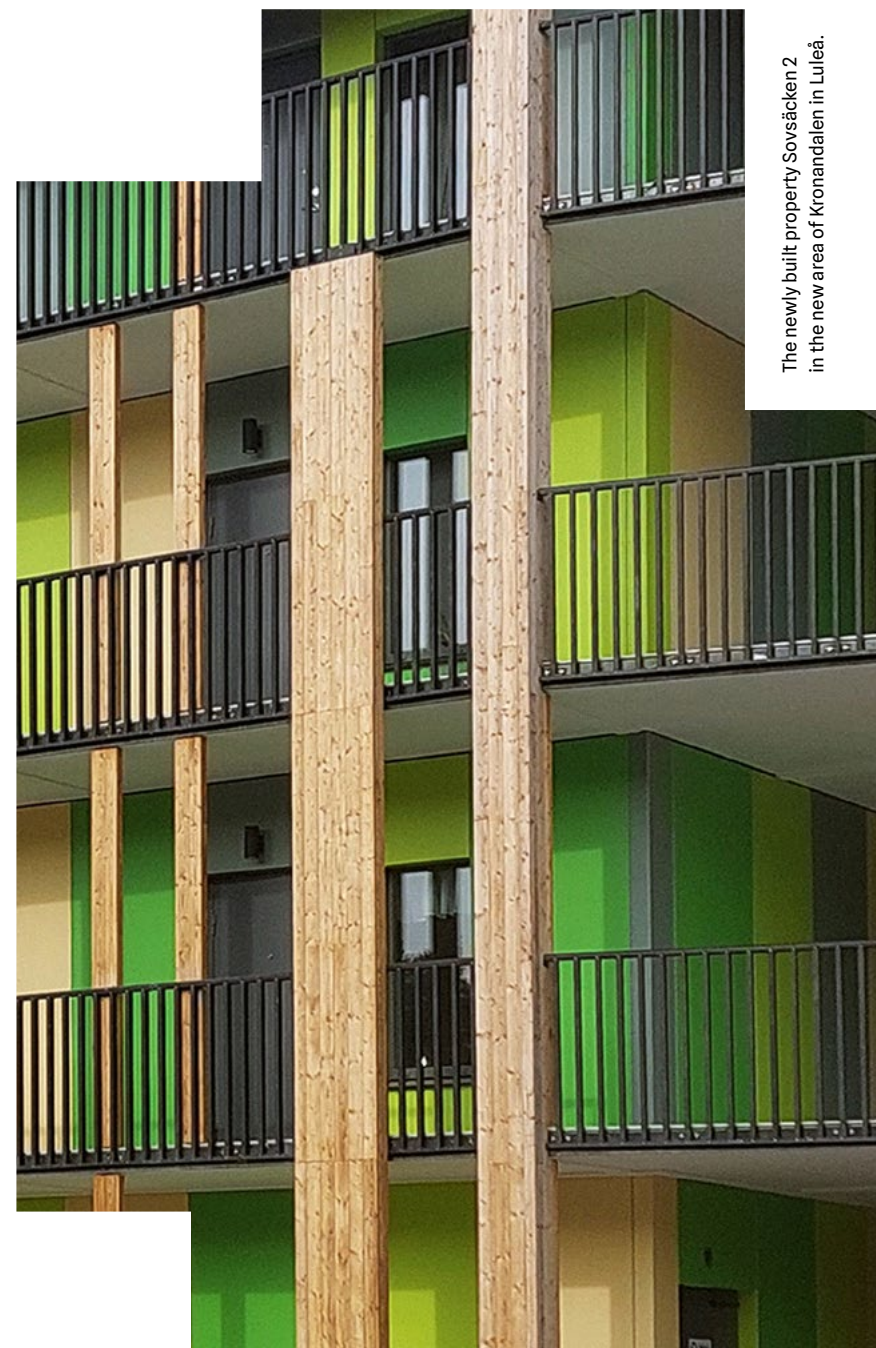
on current rental contracts as per each date. Agreed rent increases applicable on each date are included and all vacancies, including temporary vacancies, have been indexed on an annualized basis.

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	Jan 1, 2025	Oct 1, 2024	Jul 1, 2024	Apr 1, 2024	Jan 1, 2024
Rental value	1,017	994	1,003	992	969
Vacancy	-73	-71	-71	-70	-73
<b>Rental income</b>	<b>944</b>	<b>923</b>	<b>933</b>	<b>922</b>	<b>896</b>
Property management costs	-402	-393	-396	-390	-390
Property tax	-23	-24	-24	-24	-24
<b>Net operating income</b>	<b>520</b>	<b>506</b>	<b>512</b>	<b>508</b>	<b>482</b>
Central administration	-62	-60	-60	-60	-55
Net financial items	-227	-232	-237	-243	-250
<b>Profit from property management</b>	<b>230</b>	<b>213</b>	<b>215</b>	<b>205</b>	<b>177</b>



The newly built property Sovsacken 2 in the new area of Kronandalen in Luleå.



# SUSTAINABILITY REPORT

Introduction

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Environment and climate

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Social conditions

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Employees

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Human rights

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Countering corruption

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Auditor's opinion

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# SUSTAINABILITY

During the year, we continued to make progress on our important sustainability journey. Sustainability is central to our vision and business model and we work systematically in line with our long-term sustainability strategy.

This year’s Sustainability Report can be found on pages 22–34 and complies with the reporting requirements of the Swedish Annual Accounts Act. Under current legislation, and starting with fiscal year 2025, Neobo will be covered by the reporting requirements under the EU Corporate Sustainability Reporting Directive (CSRD). Neobo is not subject to reporting requirements under the EU Taxonomy Regulation, but under current regulations will be indirectly subject to the CSRD as of fiscal year 2025. In February 2025, the European Commission proposed amendments to the regulatory framework through Omnibus I, that included the application of the CSRD. These changes are not yet decided and have not been introduced into Swedish law, but if they are introduced as proposed, Neobo would no longer be subject to the CSRD’s regulatory framework on sustainability reporting.

Neobo was formed two years ago and from the outset we were able to adapt our sustainability work to the new requirements that have already been introduced, or are anticipated, in relation to our sustainability reporting, the energy efficiency of buildings and in line with other sustainability regulations. We are working with an ambitious plan for a transition of the entire property portfolio. Our property portfolio consists of properties with buildings of varying ages. Some are from the turn of the last century and others are newly built, though most are somewhere in between. This means that there is potential for improvement. We want to contribute to the important work to mitigate climate change by managing and refining the existing property stock. Making use of the residential properties and premises that already exist, as opposed to constructing new buildings, is beneficial for the

climate. We are constantly prioritizing and focusing our resources on the part of the business, on the specific projects and properties, where we have the greatest impact.

**Sustainability strategy and double materiality assessment**  
Already in 2023, Neobo’s first year of operation, we performed a stakeholder analysis, which was used as the basis for the initial double materiality assessment carried out in the same year. In 2024, Management reviewed and finalized the double materiality assessment based on the CSRD framework and the additional industry-specific standards published since the first initial assessment. Neobo’s employees were able to comment on the results of the materiality assessment. The results of the double materiality assessment

were approved and adopted by the Board of Directors but have not been reviewed by our auditors. The outcome of the materiality assessment shows that there are ten sustainability aspects that are considered material. These aspects have been set as targets and their achievement is monitored on an ongoing basis.  
Our sustainability strategy, which aims to ensure a sustainable Neobo, is based on the following two perspectives:  
**Sustainable living environments** – attractive and sustainable living environments where people can thrive and feel secure.  
**Corporate social responsibility** – consideration and respect for employees, tenants, investors and the society in which we operate.

## Neobo’s sustainability strategy and ten material aspects

Sustainable living environments						Corporate social responsibility			
Attractive and sustainable living environments where people can thrive and feel secure.						Consideration and respect for employees, tenants, investors and the society in which we operate.			
S4	E1	E1	E1	E5	E3	S1	S1	S2	G1
Safe homes and neighborhoods	Climate change adaptation	Energy efficiency and renewable energy	GHG emissions	Material use and waste	Water use	Working conditions	Diversity and equality	Human rights and terms of employment in the value chain	Risk of corruption and conflicts of interest

### Sustainability Policy

Neobo's Board adopted a Sustainability Policy in 2023 that summarizes the company's view and level of ambition in relation to overall sustainability issues. For us, sustainability means taking long-term responsibility for the development and management of our company and our property portfolio, so that our impact is not negative for future generations. We assume a holistic approach to our work and our definition of sustainability is based on environmental, social and governance perspectives in line with such international conventions as: the ILO Core Conventions, the Paris Agreement, the UN Sustainable

Development Goals (Agenda 2030) and EU directives such as CSRD.

### UN Global Compact

In 2024, Neobo joined the UN Global Compact, which is the world's largest sustainability network in the private sector. Through our membership, we are committed to the ten principles of human rights, labor, environment and anti-corruption. This Sustainability Report constitutes our annual reporting of the progress of our sustainability work – our Communication on Progress.

### Sustainability targets

For each of the material sustainability aspects, the Board has set an overall target, which is supplemented with at least one long-term target for 2030 and several short-term targets to be achieved in the coming years. In connection with the finalization of the double materiality assessment, at the end of 2024 the Board of Directors again reviewed and adopted all sustainability targets including short-term targets for 2025. All short-term targets set for 2024 were met during the year.

According to the company's guidelines for the remuneration of senior executives adopted by the 2024 Annual General Meeting, variable

cash remuneration for the management team should aim to promote the company's business strategy and long-term interests, including its sustainability. The criteria for variable remuneration should be designed to promote these interests. Already in 2024, the management team's incentive program was partly linked to the achievement of the company's sustainability targets. In accordance with the remuneration guidelines and to ensure a focused effort to meet the targets, the Board of Directors has also linked part of the management team's incentive program for 2025 to the achievement of this year's sustainability targets.

## Neobo's overall and long-term sustainability targets up until 2030

	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.			
Overall targets	S4 Safe homes and neighborhoods Safe living environment with low crime rates where tenants are engaged in the community	E1 Climate change adaptation A property portfolio adapted to a changing climate	E1 Energy efficiency and renewable energy Energy-efficient residential properties powered by renewable energy	E1 GHG emissions Reduced GHG emissions from the entire value chain with net zero emissions (Scope 1, 2 and 3) by 2045	E5 Material use and waste Efficient use of materials and minimizing waste	E3 Water use Reduce the use of fresh water in homes	S1 Working conditions One of the best employers in the industry in terms of employee commitment	S1 Diversity and equality A workplace characterized by diversity and equal opportunities for everyone to develop	S2 Human rights and terms of employment in the value chain Human rights are respected and monitored in the value chain	G1 Risk of corruption and conflicts of interest An ethical and transparent corporate culture with zero tolerance for irregularities
Long-term target by 2030	Annual tenant turnover for residential properties below 20 percent by 2030  Above industry average in the Service Index (AktivBo) in 2030	Continuously updated adaptation plan for all properties	Reduce energy use by 20 percent (building energy) by 2030 compared to 2023  100 percent of purchased energy from renewable sources	50 percent lower Scope 1 and 2 GHG emissions by 2030 compared to 2023  Measure, monitor and reduce Scope 3 GHG emissions by 2030 compared to 2023	Reduce amount of waste by 2030 compared to 2025	Reduce fresh water consumption in residential properties by 15 percent by 2030 compared to 2025	Employee commitment, eNPS > 20 by 2030  Employee attendance rate above industry average	Perceived inclusion 100 percent by 2030  The employees reflect society as a whole in terms of gender and ethnicity in 2030	Measuring and monitoring of human rights in the value chain by 2030  100 percent of significant suppliers evaluated against the Supplier Code of Conduct by 2030	100 percent of employees complete annual business conduct training



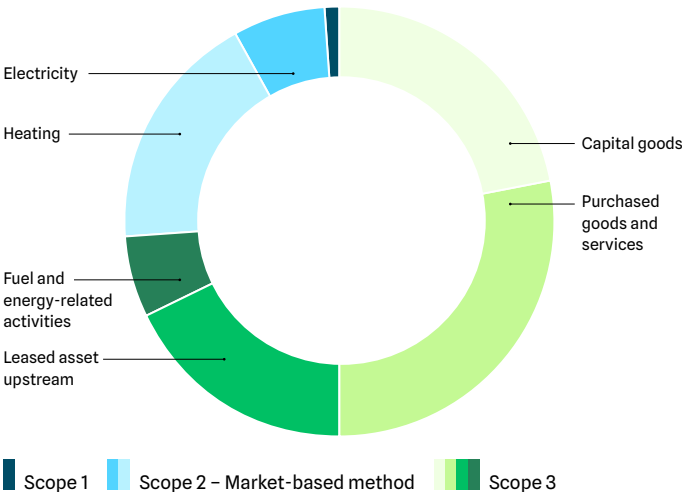
# How can we reach the targets?

## Energy and climate roadmap

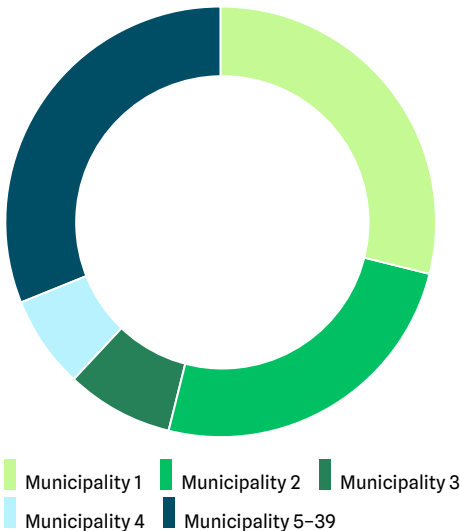
Some of the most important sustainability work carried out in 2024 was the development of an Energy and Climate Roadmap. The Energy Roadmap includes an action plan for energy optimization that indicates the steps we must take and an overall assessment of the investments required to achieve the long-term target to reduce energy consumption by 20 percent by 2030. The Climate Roadmap provides an overall indication of the steps the company must take and the investments required to achieve the long-term target to reduce Scope 1 and 2 GHG emissions by 50 percent by 2030.

In 2025, efforts will continue to further specify and assess the actions and investments that we must prioritize up to 2030. After taking various criteria into account, we have selected a focus group, which currently comprises 44 properties, where we are prioritizing planning and the implementation of energy and climate actions.

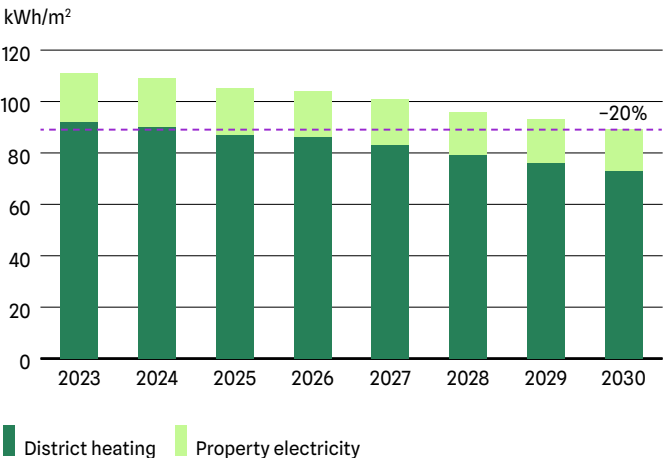
The 2023 climate report constitutes the base year for our climate targets



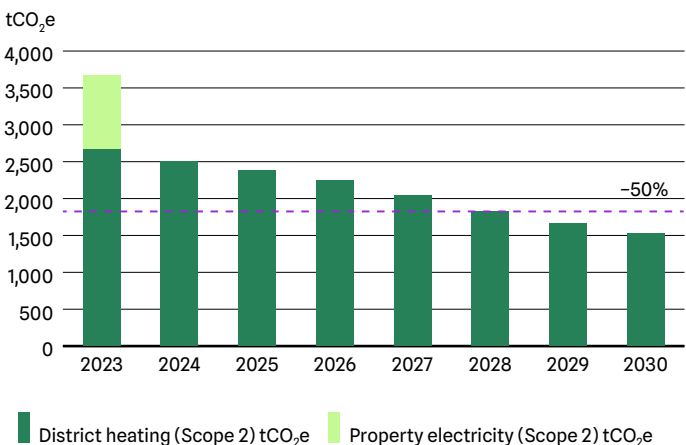
District heating companies in different municipalities contribute in varying degrees to our Scope 2 emissions from district heating



Energy Roadmap



Climate Roadmap





Governance and follow-up

The overall responsibility for coordinating sustainability work and following up on the sustainability targets has been delegated to the Head of Sustainability. The work to achieve all 12-month sustainability targets is monitored internally on a quarterly basis, and the long-term targets are monitored at least annually.

Neobo has adopted several policies and guidelines to govern its sustainability activities.

The overall policy document is our Sustainability Policy. During the year, all employees signed our Code of Conduct for employees, which is an important element for governance of all day-to-day activities. In 2024, we also drafted a Supplier Code of Conduct that was implemented for our main suppliers. In the first half of 2025, implementation will continue to include smaller suppliers.

Sustainability risks

Sustainability-related risks are identified, assessed and managed as part of the company’s general risk management and processes for managing the company’s risks, see description and risk analysis on pages 48–51. The Head of Sustainability is responsible for managing sustainability risks. Sustainability risks with a risk score of eight or more have been considered material and are specified in each subtopic.

Policies and other governing documents

Environment and climate	Social conditions	Employees	Respect for human rights	Countering corruption
Sustainability Policy	Sustainability Policy	Sustainability Policy	Sustainability Policy	Sustainability Policy
Code of Conduct for employees	Code of Conduct for employees	Code of Conduct for employees	Code of Conduct for employees	Whistleblower Policy
Supplier Code of Conduct	Supplier Code of Conduct	Health and Safety Policy	Supplier Code of Conduct	Code of Conduct for employees
Guidelines for energy and water	Guidelines for housing rental	Gender Equality Policy		Supplier Code of Conduct
Guidelines for business travel		Pension Policy		Guidelines for purchasing
Guidelines for company cars		Internal Privacy Policy		Decision-making and authorization procedures
Guidelines for purchasing		Action plan on victimization		
Water and energy management		Employee handbook		



Neighborhood photograph, Skara



Alen 1, Örnsköldsvik

# ENVIRONMENT AND CLIMATE

Property companies generally have a substantial climate impact mainly through new production, reconstruction and renovations of buildings, and from heating of buildings. Reducing energy consumption and the carbon footprint of renovations and maintenance is of the utmost importance to Neobo. In this area, we have great potential to make an impact by improving our property portfolio and its day-to-day operation.

We have identified two material risks in the environment and climate area: climate risks and the risk of increased costs for the green transition. See the description in the company’s risk analysis on page 48.

Climate risks

During the year, we carried out a survey of climate-related hazards covering all our 260 properties, showing their exposure to different types of climate risks. The survey was a desktop analy-

sis conducted on the basis of the geographical location of the properties and used climate scenarios, risk maps and data from national authorities such as the Swedish Meteorological and Hydrological Institute (SMHI) and the Geological Survey of Sweden (SGU).

The survey shows which of our properties have a high exposure to climate risks based solely on the geographical location of the properties and with the climate scenario RCP 4.5. The analysis was performed for the risk indicators required by the forthcoming regulatory framework of the CSRD and the EU Taxonomy. The result shows that just under half of our properties are exposed to some climate risk. The most prevalent risk is exposure to future heatwaves in the long term.

It is important for us to assess the impact of climate risks on our property portfolio and the need for any actions and investments to reduce these risks. As a first step, we have provided our

external property assessors with the compiled survey of exposure to climate risks, which they have taken into account when valuing the properties. The company has currently concluded that the effects of exposure to climate risks are not material to its financial position.

In the next step in 2025, we will conduct an in-depth vulnerability assessment for the properties identified as having a high exposure to risk. The vulnerability assessment will be based on each building’s specific conditions and take into account the activities carried out in the buildings. The greatest emphasis will be on the 13 properties that are at high risk of flooding from high river water levels or torrential rain. For high-risk and high-vulnerability buildings, we will subsequently identify preventive measures and establish adaptation plans to manage the climate risks. In this context, we will assess the scope of any necessary investments.

Ten climate risk indicators

Temperature			Wind	Water			Mass		
Heat wave	Heat stress	Forest fire	Wind	Sea level	Lake/water-course	Cloudburst	Mass slide	Landslide	Erosion
Risk of future severe heat-waves 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 rainfall	If building is located in a risk area for a mass slide	If building is located in a risk area for landslide	Exposure to erosion (coastal 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 Allmännytt.

Targets by 2030

E1

Climate change adaptation

Target

Continuously updated adaptation plan for all properties

How has it gone?

Survey of climate-related hazards conducted in 2024 for all properties.

### Risk of increased costs for the green transition

Neobo has assessed that increased demands for a green transition may lead to higher costs due to amendments to legal requirements and possible taxation of emissions. At the same time, we see that the sustainability investments we are making are lowering our operating costs and increasing the returns from our properties. We are following ongoing legislative processes, including the implementation of the Energy Performance of Buildings Directive (EPBD) in Swedish law. We continuously assess and quantify the investment needs of the property portfolio based on these aspects.

### Continuous focus on sustainability in property management

The property management organization works continuously with various sustainability matters as an integral part of the operation and management of the properties. In the environment and climate area, efforts to reduce energy and water consumption in the properties are highly important. To ensure a systematic approach with good governance and follow-up, we work according to a water and energy management system that describes how Neobo is to approach these matters internally. This work is led by a technical property manager with responsibility for energy issues.

We use the Mestro analysis tool to gain an overview of energy and water consumption.

During the company's first two years, practical work focused on achieving a good analysis of current energy consumption in our properties, which has meant we can now monitor energy consumption on a monthly basis.

To enable continuous monitoring and control of media consumption and property operating systems, it is essential that the properties are connected. In 2024, we connected around 30 of our properties and had 136 connected properties at the end of the year. This work will continue throughout the year and we aim to have two-thirds of our properties connected by the end of 2025. We are also continuously working to automate water meter reading in properties to obtain higher data coverage and monitor water consumption on an ongoing basis. During the year, we installed smart water meters in several properties for early detection of water leaks.

During the year, we continued efforts to enhance energy efficiency and implemented many measures to reduce energy consumption in our properties, which included investments in new technology and calibration to ensure efficient operation of existing equipment. In 2024, we made energy efficiency investments in around 40 properties.

Neobo's consumption of building energy in 2024, with normal-year adjusted heat consumption, was 113.0 kWh per sq. m. 2024 was a

warmer-than-average year in the 39 locations where we own properties. To compare energy consumption and also GHG emissions between years, we therefore make normal-year adjustments to the figures. We have a long-term target to reduce building energy consumption by 20 percent by 2030 compared to our base year of 2023. In the base year 2023, consumption was 111.4 kWh/sq. m., which corresponds to 113.6 kWh/sq. m. in the like-for-like portfolio. The consumption of building energy therefore remained at the same level as in 2023.

We analyzed energy consumption in 2024 at property level and found that energy consumption decreased in line with expectations in the properties where we invested in energy-saving measures in 2023 and 2024. However, consumption increased in other parts of the portfolio, which means that overall energy consumption in 2024 remained at the same level as in 2023. We will therefore place greater focus during the year on day-to-day efforts to optimize operations and increase the continuous monitoring of energy consumption. We will also review how best to use the combined skills and resources of our technician organization to improve daily operations and reduce our energy consumption. The total energy purchased in 2024 for the properties owned throughout the year was 94.2 GWh, which with normal-year adjustments corre-

### Targets by 2030

E1

Energy efficiency  
and renewable energy

#### Target

Reduce energy use  
by 20 percent (building energy) by  
2030 compared to 2023

How has it gone?

–0%

#### Target

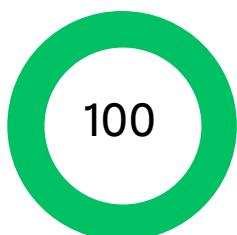
100 percent of purchased energy  
from renewable sources

How has it gone?

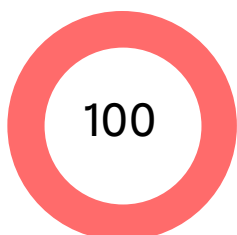
100%

### Share of data coverage in Mestro, %

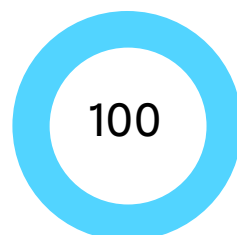
Electricity



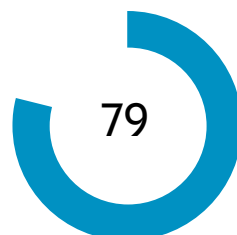
Heating



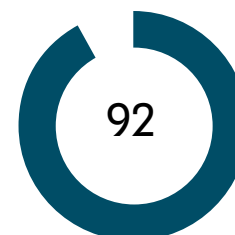
Cooling



Cold water



Hot water





sponds to 98.8 GWh. In 2023, total purchased energy amounted to 99.7 GWh, which, converted to the like-for-like portfolio, corresponds to total purchased energy in 2023 of 98.8 GWh. Total purchased energy therefore remained at the same level as in 2023.

Limiting our climate footprint and contributing to more sustainable electricity generation is a priority for us. We have therefore chosen to set a target for 2030 that all the electricity we purchase for our properties should come from renewable sources. We have already met this target in 2024 by purchasing 100 percent origin-labeled electricity from renewable sources.

#### Climate report for 2024

Neobo's total GHG emissions in 2024 have been compiled in a climate report. According to industry practice, the climate report follows the principles of the GHG Protocol and divides emissions into Scope 1, 2 and 3. The annual climate report improves the ability to monitor and measure progress toward Neobo's sustainability targets and to compare emissions with similar property companies.

Our first climate report was prepared for 2023, which is also the base year for our climate-related sustainability targets. To ensure

comparability between years, we have used the same data sources, methodology and boundaries as for 2023. In addition, we have developed the methodology for calculating employee commuting for the employee survey and standardized emissions per passenger-kilometer for different modes of travel, and we have added actual measured emissions from waste from our head office. In order to ensure comparability between years, normal-year adjustments were made of the measured values for heat consumption.

Neobo's total GHG emissions in Scope 1 and 2 (market-based method) decreased from 3,775 tCO<sub>2</sub>e (2023) to 2,887 tCO<sub>2</sub>e (2024), corresponding to a 21.7-percent reduction. This is a significant reduction, largely as a result of Neobo's decision to purchase only origin-labeled electricity from renewable sources for the properties' energy consumption as of 2024, which reduced total Scope 2 emissions according to the market-based method. The normal-year adjusted total energy use was broadly unchanged in the like-for-like portfolio between 2023 and 2024. Emissions from heating in Scope 2 increased, while emissions in Scope 1 decreased due to lower emissions from company cars as we chose to gradually replace fossil-fueled cars with electric cars.

We have a long-term target to reduce Scope 1 and 2 GHG emissions by 50 percent by 2030 compared to our base year of 2023. According to our Climate Roadmap, emissions should have been reduced by 32.2 percent between 2023 and 2024. This year's reduction in GHG emissions per square meter of 21.7 percent deviates from the Climate Roadmap mainly as the consumption of heat has not decreased between years and the emissions factors of the district heating companies were updated.

We have a long-term target to measure, monitor and reduce Scope 3 GHG emissions by 2030 compared to our base year of 2023. Neobo's total Scope 3 GHG emissions decreased from 10,642 tCO<sub>2</sub>e (2023) to 7,894 tCO<sub>2</sub>e (2024). The decrease in Scope 3 emissions is largely explained by updated emissions factors for cost-based emissions. In order to improve quality and increase comparability, there is an ongoing, long-term effort to gradually reduce the use of cost-based calculations in the climate report and obtain more emission statistics directly from suppliers. We are also continuously striving to develop the measurement methods for Scope 3 and have, for example, improved the measurement of employee commuting from using a standard model to including this in a questionnaire for employees.

#### SCOPE 1

Direct own emissions

##### Examples:

- Refrigerant emissions
- Own cars

#### SCOPE 2

Emissions from purchased energy

##### Examples:

- Emissions from district heating plants
- Emissions from purchased electricity

#### SCOPE 3

Indirect emissions

##### Examples upstream:

- Materials for renovations, tenant adaptations and maintenance
- Employee commuting
- Business traveling

##### Examples downstream:

- Tenant electricity
- Waste management

#### Targets by 2030

E1

GHG emissions

##### Target

50 percent lower Scope 1 and 2 GHG emissions by 2030 compared to 2023

How has it gone?

**-21.7%**

GHG emissions/sq. m.  
2024 compared to 2023

##### Target

Measure, monitor and reduce Scope 3 GHG emissions by 2030 compared to 2023 for all properties

How has it gone?

Work is ongoing to improve measurement methods to monitor Scope 3 emissions.

## Neobo's GHG emissions 2024

	2024 tCO <sub>2</sub> e	2023 tCO <sub>2</sub> e	2024 kgCO <sub>2</sub> e/sq. m. <sup>1)</sup>	2023 kgCO <sub>2</sub> e/sq. m. <sup>2)</sup>	2024 kgCO <sub>2</sub> e/SEK 000s <sup>3)</sup>	2023 kgCO <sub>2</sub> e/SEK 000s <sup>4)</sup>	Method of calculation and comment
<b>Scope 1</b>	<b>98</b>	<b>106</b>	<b>0.14</b>	<b>0.15</b>	<b>0.11</b>	<b>0.12</b>	
Refrigerant leakage	–	–	–	–	–	–	Refrigerant reports
Emissions from company vehicles	98	106	0.14	0.15	0.11	0.12	Supplier statistics
<b>Scope 2 – Market-based method</b>	<b>2,789</b>	<b>3,669</b>	<b>4.00</b>	<b>5.26</b>	<b>3.07</b>	<b>4.13</b>	
Electricity	–	1,010	–	1.41	–	1.14	Purchased electricity (supplier emission values)
Heating	2,789	2,659	4.00	3.72	3.07	2.99	Purchased district heating (grid emission values)
Cooling	–	–	–	–	–	–	Purchased cooling (grid emission values)
<b>Scope 2 – Facility-based method</b>	<b>4,034</b>	<b>3,901</b>	<b>5.78</b>	<b>5.59</b>	<b>4.44</b>	<b>4.39</b>	
Electricity	1,244	1,241	1.78	1.74	1.37	1.40	Purchased electricity (Nordic electricity mix)
Heating	2,789	2,659	4.00	3.72	3.07	2.99	Purchased district heating (grid emission values)
Cooling	–	–	–	–	–	–	Purchased cooling (grid emission values)
<b>Total Scope 1 &amp; 2 emissions – Market-based method</b>	<b>2,887</b>	<b>3,775</b>	<b>4.14</b>	<b>5.29</b>	<b>3.18</b>	<b>4.25</b>	
<b>Total Scope 1 &amp; 2 emissions – Facility-based method</b>	<b>4,132</b>	<b>4,006</b>	<b>5.92</b>	<b>5.61</b>	<b>4.55</b>	<b>4.51</b>	
<b>Scope 3</b>	<b>7,894</b>	<b>10,642</b>	<b>11.31</b>	<b>15.25</b>	<b>8.69</b>	<b>11.98</b>	
1. Purchased goods and services	1,179	3,038	1.69	4.25	1.30	3.42	Cost-based
2. Capital goods	3,446	4,087	4.94	5.72	3.80	4.60	Hybrid (supplier statistics and cost-based)
3. Fuel and energy-related activities	609	796	0.87	1.11	0.67	0.90	Purchased energy (grid emission values)
5. Waste (from offices)	2	–	0.00	–	0.00	–	Supplier statistics, not estimated in 2023
6. Business traveling	5	5	0.01	0.01	0.01	0.01	Hybrid (distance, supplier statistics, cost-based)
7. Employee commuting	61	30	0.09	0.04	0.07	0.03	Survey, calculated using standard model in 2023
8. Leased asset upstream	5	4	0.01	0.01	0.01	0.01	Hybrid (grid emission values and standard model)
13. Leased asset downstream	2,585	2,681	3.70	3.75	2.85	3.02	Hybrid (grid emission values and standard model)
<b>Total emissions Scope 1, 2 &amp; 3 – Market-based method</b>	<b>10,781</b>	<b>14,416</b>	<b>15.45</b>	<b>20.19</b>	<b>11.87</b>	<b>16.23</b>	
<b>Total emissions Scope 1, 2 &amp; 3 – Facility-based method</b>	<b>12,025</b>	<b>14,648</b>	<b>17.23</b>	<b>20.51</b>	<b>13.25</b>	<b>16.50</b>	

<sup>1)</sup> Based on 697,904 sq. m. of leasable area in 2024.<sup>2)</sup> Based on 714,048 sq. m. of leasable area in 2023.<sup>3)</sup> Based on SEK 908 m in sales in 2024.<sup>4)</sup> Based on SEK 888 m in sales in 2023.

# SOCIAL CONDITIONS

Housing security is very important to all people. This is reflected in our vision that is to create attractive and sustainable living environments where people can thrive and feel secure. In the area of social conditions, we have identified unsecure residential areas as a material risk, see also the description in the company's risk analysis on page 48.

Social challenges in society may affect Neobo's activities. Insecurity in residential areas reduces tenant satisfaction and can lead to a high turnover of residential tenants and increased vacancies.

Via its customer survey, Neobo has identified the residential areas where insecurity is greatest. Property management works continuously with measures that include outdoor environments, improved lighting and neighborhood watch patrols. In areas where there is a feeling of insecurity, we work closely with other stakeholders such as the police, municipalities, schools, social services and other property owners to strengthen these areas.

Activities to enhance security are an ongoing part of property management. The focus is mainly on the areas where our customers experience insecurity. We have properties in four of the 59 areas identified by the police as particularly exposed areas.

We continuously measure the turnover rate of our residential tenants. We have a long-term target that the turnover rate shall be less than 20 percent per year in 2030. In 2024, the annual tenant turnover rate was 26.2 percent. In 2023, the turnover rate was 27.5 percent. Turnover has therefore decreased by 1.3 percentage points

since 2023, showing that our work is yielding results and moving in the right direction.

We conduct annual customer surveys via AktivBo where our tenants provide us with valuable input. Security aspects are included in some of the questions included in the service index. If tenants are otherwise satisfied with their accommodation and the services we provide, we are confident that they will enjoy living and remain in our neighborhoods for longer, which in itself will lead to greater security. We have there-

fore set a long-term target for 2030 that our service index will be above the industry average by 2030. In 2024, our service index was 75. The industry average in 2024 was 82 and we continue to work toward this target, by addressing outdoor environments and communal areas that are perceived as unsecure by tenants, for example, by installing improved lighting. Where necessary, we also make security-enhancing investments, such as the installation of security doors and digital entry systems to properties.



Stensiken 1, Tidaholm

## Targets by 2030

S4

Safe homes and neighborhoods

### Target

Annual tenant turnover for residential properties below 20 percent by 2030

How has it gone?

26.2%

### Target

Above industry average in the Service Index (AktivBo) in 2030

How has it gone?

75



# EMPLOYEES

One of our most important assets is our employees, and we therefore strive to ensure that they are happy and healthy at work. In the employee area, we have identified organizational risk as a material sustainability risk, see also the description in the company's risk analysis on page 48. Organizational risk is defined as risk that we fail to recruit, develop and retain employees and managers with the right expertise.

Neobo works continuously with the company's core values; a process that involves all employees. Weekly pulse surveys for employee engagement are carried out to continuously monitor improvement and development aspects. Annual appraisals and performance reviews are conducted with all employees to identify expectations and develop employees. All of the company's managers meet regularly in a management forum to exchange experiences and to push shared organizational issues forward.

Our core values and vision are important guiding principles in our daily work. In 2024, we developed a new Code of Conduct for employees to guide us in our daily work. For us, it is crucial to be able to create successful teams and a healthy and committed organization. We have therefore chosen to continuously monitor employee well-being, for example in terms of perceived stress and commitment, through weekly questions in the Winningtemp tool. Our leaders and managers continuously analyze employee responses. Through Winningtemp, we measure employee commitment and perceived inclusion.



Employee commitment is measured through the employee Net Promoter Score (eNPS). The measurement involves asking employees how likely they are to recommend Neobo as an employer. Respondents are categorized as Ambassadors, Passives or Critics, respectively. The eNPS score can vary between -100 and 100, with 0-19 considered as good, 20-50 as very good and over 50 as excellent.

We have a long-term target that our eNPS shall exceed 20 by 2030. In 2024, our average

eNPS was 26. The average for all companies in Winningtemp was 20 in 2024.

We also have a target that the employee attendance rate shall exceed the industry average by 2030. In 2024, the employee attendance rate was 97.8 percent. The industry average for the members of the Fastigo employers' organization was 95.6 percent in 2023.

Our continued focus is on trying to maintain these good levels of eNPS and employee attendance.

## Targets by 2030

S1

Working conditions

Target

Employee commitment,  
eNPS > 20 by 2030

How has it gone?

26

Target

Employee attendance rate  
above industry average

How has it gone?

97.8%

In the area of diversity and inclusion, we have set two long-term targets for 2030. One target is to achieve 100 percent perceived inclusion among employees. We measure perceived inclusion continuously and in 2024 the result was satisfactory at a company-wide level. We are continuing this important work to create a workplace where all employees feel included.

Another long-term target is that employees should reflect society as a whole in terms of gender and ethnicity in 2030. We are convinced that

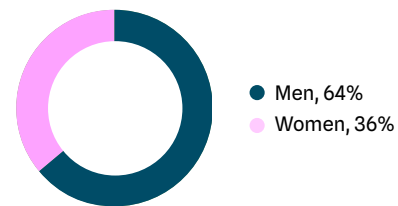
a diverse workforce creates better conditions for running the company efficiently, making better decisions and meeting the varying needs of our customers. In terms of gender distribution, there are more men than women in the company as a whole, while the situation is reversed in the composition of the management team.

We found that only 5 percent of employees have a foreign background in 2024. In this survey, we have used Statistics Sweden's definition of foreign background, meaning that the employee

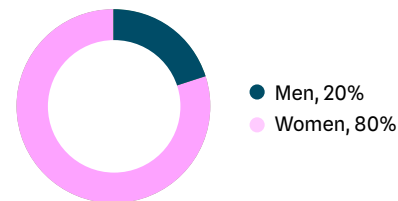
is either foreign-born themselves or has two foreign-born parents. In society today, 32 percent of people of working age, 20–64 years, have a foreign background. A focus area in the coming years will therefore be to promote diversity in the company. In 2025, we plan to draw up recruitment guidelines to ensure that we work purposefully toward our diversity target.



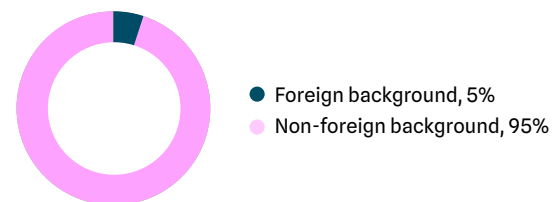
#### Gender distribution all employees



#### Gender distribution management team



#### Foreign background all employees



#### Targets by 2030

S1

Diversity and equality

##### Target

Perceived inclusion 100 percent by 2030

##### How has it gone?

Satisfactory results at a company-wide level

##### Target

The employees reflect society as a whole in terms of gender and ethnicity in 2030

##### How has it gone?

36% women  
64% men

5% with  
foreign background



# HUMAN RIGHTS

For Neobo, it is highly important to ensure that human rights are respected throughout the value chain. In the company's overall risk management, we have not identified any material sustainability risk in the area of human rights, but for us it is nevertheless regarded as important and prioritized to work with our suppliers in the value chain.

The UN Declaration of Human Rights consists of 30 articles on freedoms and rights that collectively express the fundamental and universal freedoms and rights. These rights and freedoms include, among others, the right to fair and satisfactory working conditions, the right to join trade unions, as well as economic, social and cultural rights, such as the right to social security, health and adequate housing.

As an operator in the property industry, we have a responsibility to ensure that the suppliers who work for us in our properties respect human rights and do not, for example, exploit staff inappropriately. We therefore have a long-term target to measure and follow-up human rights in the value chain by 2030. We also have a long-term target to have all significant suppliers assessed against our Supplier Code of Conduct by 2030.

In 2024, we introduced a Supplier Code of Conduct that clarifies the expectations and requirements we have on our suppliers and partners. Among other things, suppliers must support and respect internationally declared human rights and treat their employees and suppliers

fairly, equally and with respect for the equal value of all people. Suppliers must have procedures in place to assess the risk that their activities contribute to human rights violations. In 2024, we implemented a Supplier Code of Conduct for our largest and most important suppliers. In the first half of 2025, implementation also continued to include smaller suppliers.

In 2024, we also introduced purchasing guidelines to ensure that all purchases of goods and services are aligned with Neobo's core values and Sustainability Policy. The aim is to make

purchases in a cost-effective, simplified and rational way and to ensure the quality of purchases, taking into account sustainability aspects. For example, when ordering work in our properties, the guidelines require us to limit our suppliers to a maximum of two levels of subcontractors. This is an important first step to limit the long chains of subcontractors that are common in the construction and property industry, to enable control and transparency of the activities of the contractors carrying out work in our properties.



## Targets by 2030

S2

Human rights and terms of employment in the value chain

### Target

Measuring and monitoring of human rights in the value chain by 2030

### How has it gone?

Planning in progress

### Target

100 percent of significant suppliers evaluated against the Supplier Code of Conduct by 2030

### How has it gone?

Supplier Code of Conduct implemented for significant suppliers



# COUNTERING CORRUPTION

An important part of sustainability work is to actively promote good business conduct and to combat all forms of corruption. In general, the construction and property sector is considered a high-risk sector for corruption and bribery. We have not identified any material risk in this area but consider it important to take social responsibility and actively work on these issues.

In 2024, we introduced a new Code of Conduct for employees to guide employees in their daily work. The Code of Conduct supports us in pursuing operations in an ethical and, in all respects, sustainable manner. This includes maintaining high levels of ambition in the fight against corruption and limiting our environmental and climate impact. All employees have signed the Code of Conduct, which includes ethical and anti-corruption guidelines.

We also introduced a Supplier Code of Conduct, as imposing similar demands on our suppliers is an important part of our sustainability efforts. The Code of Conduct has been implemented for all significant suppliers, and in 2025 implementation will continue to include smaller suppliers.

During the year, we also introduced purchasing guidelines to ensure that all purchases of goods and services are aligned with Neobo's core values and Sustainability Policy. The aim is to make purchases in a cost-effective, simplified and rational way and to ensure the quality of purchases, taking into account sustainability aspects. The guidelines clarify how we should



handle procurements, possible conflicts of interest and which procurements must be open to competition. They also provide a clear internal framework to support our activities against corruption.

We are committed to doing the right thing and to maintaining the trust of our employees, partners and the public in us and our activities. We therefore want to do everything we can to detect and prevent any abuses in our operations as early as possible. Both employees and suppliers are therefore encouraged to report suspected irregularities either directly to someone at Neobo or anonymously via our whistleblowing function. The whistleblowing function is accessed via our external website and is avail-

able to all, see [www.neobo.se/en/contact-us/whistleblowing](http://www.neobo.se/en/contact-us/whistleblowing). Whistleblowing reports are received and handled by Neobo's General Counsel together with one member of the Board.

Both our Codes of Conduct are published in full on our website [www.neobo.se/en/investors/sustainability](http://www.neobo.se/en/investors/sustainability).

We have a long-term target that all employees shall receive training in business conduct annually by 2030. In 2024, we presented the two Codes of Conduct to our employees and all employees signed the internal Code of Conduct. In 2025, we will introduce annual employee training on business conduct.

## Targets by 2030

G1

Risk of corruption and conflicts of interest

### Target

100 percent of employees complete annual business conduct training

### How has it gone?

Planning of internal training in progress.

# The Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders of Neobo Fastigheter AB, corporate identity number 556580-2526

## Engagement and responsibility

The Board of Directors is responsible for the statutory sustainability report on pages 22–34, and that it is prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

Stockholm March 25, 2025  
Ernst & Young AB

Gabriel Novella  
Authorized Public Accountant

# CORPORATE GOVERNANCE AND THE SHARE

Corporate Governance Report

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Board of Directors

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Management

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The share and shareholders

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Auditor's report

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# CORPORATE GOVERNANCE REPORT

Neobo Fastigheter AB (publ) (“Neobo” or “the company”) is a Swedish public limited company with headquarter in Stockholm, Sweden. The company’s share has been listed on Nasdaq Stockholm since September 20, 2024.

Neobo Fastigheter AB (publ) (“Neobo” or “the company”) is a Swedish public limited company with headquarter in Stockholm, Sweden. The company’s share has been listed on Nasdaq Stockholm since September 20, 2024. To ensure appropriate governance of the company, responsibility is clearly allocated among shareholders, the Board of Directors, the CEO and Executive Management. Governance is based on the Articles of Association, the Board of Directors’ rules of procedure, the CEO’s instructions and adopted policies and guidelines, as well as the Swedish Companies Act and other applicable laws, ordinances and regulations such as regulations and recommendations pursuant to the listing of the company’s shares on Nasdaq Stockholm. Neobo applies the Swedish Corporate Governance Code (“the Code”). In 2024, Neobo did not deviate from the provisions of the Code in any respect.

## The share and shareholders

The company’s shares were listed on Nasdaq First North Premier Growth Market (“First North”) on February 10, 2023. In 2024, the company underwent a listing change process, whereby the company’s internal procedures, internal control and risk management were further developed and reviewed to ensure they met the high demands placed on companies included on the main list. On September 20, 2024, the change of listing was completed and the share was traded for the first time on Nasdaq Stockholm.

The share capital at year-end amounted to SEK 752,027,538 and the number of registered shares was 145,400,737. Each share has a quotient value of SEK 5.17. The company has only one class of share and each share entitles the holder to one vote at Annual General Meetings. There is no limit to the number of votes each shareholder can cast at an Annual General Meeting. The largest shareholders at the end of 2024 were Avanza Pension (13.20 percent), the Association of ICA Retailers (10.32 percent) and Martin Larsén (7.52 percent).

## Annual General Meeting

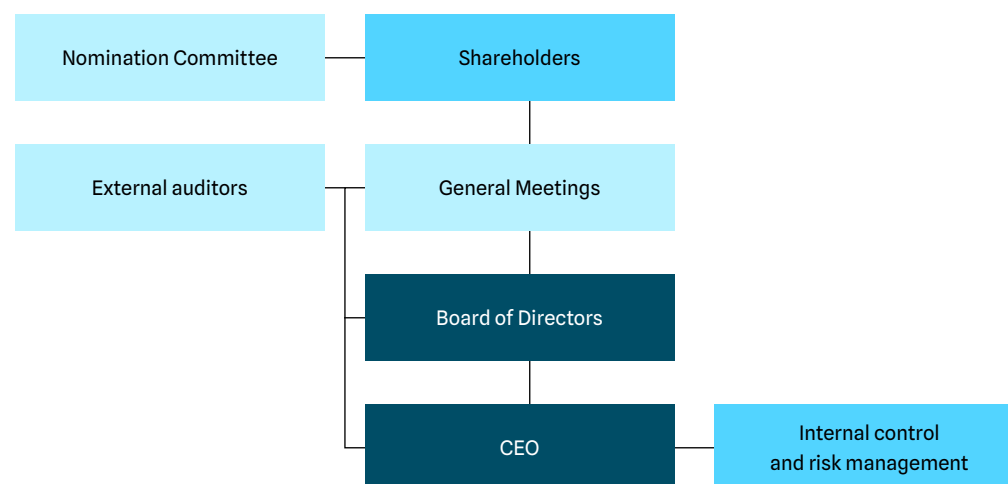
The Annual General Meeting is Neobo’s highest decision-making body, at which the shareholders have an opportunity to make decisions on matters concerning the company. The Annual General Meeting must be held in Stockholm no later than June 30 every year. The Annual General Meeting elects the Chairman of the Board, other Board Members and the company’s auditor. The Annual General Meeting’s tasks include adopting the company’s and the Group’s balance sheets and income statements and passing resolutions on the appropriation of earnings and on the discharge from liability of Board members and the CEO. Notice of the Annual General Meeting is to be issued in the form of an advertisement in Post- och Inrikes Tidningar and by making the notice available on the company’s website. The company must publicly disclose that the official notice has been issued through an announcement in Dagens Nyheter.

At Neobo’s Annual General Meeting on April 23, 2024, resolutions included the reelection of Board members Jan-Erik Höjvall, Mona Finnström, Ulf Nilsson and Jakob Pettersson, and the election of Anneli Lindblom as a new Board member. Jan-Erik Höjvall was elected Chairman of the Board. The Annual General Meeting resolved that no dividend would be paid for the 2023 fiscal year, that fees would be paid to the Board of Directors totaling SEK 1,730,000, of which SEK 550,000 to the Chairman of the Board and SEK 295,000 to each of the other members of the Board, and resolved to discharge the members of the Board of Directors and the CEO

from liability. The Annual General Meeting also resolved to re-elect the auditing company EY, resolved to adopt the guidelines for the remuneration of senior executives, and resolved to authorize the Board of Directors to decide on a new issue of shares. Minutes from the Annual General Meeting are available on Neobo’s website, [neobo.se/en/annual-general-meeting-2024](https://neobo.se/en/annual-general-meeting-2024).

The 2025 Annual General Meeting will be held in Stockholm on April 24, 2025. The notice and complete motions are available on the company’s website [www.neobo.se/en/investors/corporate-governance/general-meetings/annual-general-meeting-2025](https://www.neobo.se/en/investors/corporate-governance/general-meetings/annual-general-meeting-2025).

## Neobo’s organization



## Nomination Committee

The Nomination Committee shall consist of the Chairman of the Board and representatives of the three largest shareholders at September 30. The task of the Nomination Committee ahead of the forthcoming Annual General Meeting is to issue proposals concerning, inter alia, the election of Board members and Chairman of the Board, the election of auditor, the election of chairman of the Annual General Meeting and proposals concerning the payment of fees.

The Nomination Committee ahead of the 2025 Annual General Meeting consists of Göran Blomberg, Chairman of the Nomination Committee, appointed by the ICA-handlarnas Förbund AB, Martin Larsén, nominated by Martin Larsén, Johannes Wingborg, nominated by Länsförsäkringar Fondförvaltning and Jan-Erik Höjvall in his capacity as Chairman of the Board. As per September 30, 2024, the shareholders who had appointed members of the Nomination Committee jointly represented about 22.6 percent of the shares of Neobo.

## Board of Directors

The shareholders elect the Board of Directors at the Annual General Meeting. The Board's overriding task is to be responsible for the Group's organization and management, for the control of the accounting records and the management of assets and for ensuring that financial conditions

in other respects are satisfactory. The Board is obligated to ensure that there are functional reporting systems and that the Board Members receive necessary information about the company's position, earnings, financing and liquidity through periodic reporting. In addition to being responsible for the company's organization and management, the Board's principal task is to make decisions on strategic matters, such as the adoption of strategic plans, sustainability and profitability targets and policies. The Board also makes decisions on major acquisitions and sales of properties and companies.

The work of the Board of Directors is regulated through rules of procedure, which are adopted annually at the statutory Board meeting. The rules of procedure contain instructions concerning the division of responsibilities within the Board. The Board shall also ensure that the CEO fulfills his/her undertakings in accordance with the CEO instructions adopted by the Board.

In view of the company's size and the scope of its operations, the Board has concluded that it is not warranted to establish any Board committees. The duties of the audit committee and the remuneration committee are therefore being performed by the Board as a whole. The Board's rules of procedure are evaluated and adopted annually. The Board shall hold six or seven scheduled meetings per year, and unscheduled meetings when the Chairman of the Board deems fit or when this

is requested by the Board members or the CEO. The Chairman is responsible for ensuring that the annual evaluation of the Board of Directors and of the work of the CEO is implemented.

In accordance with the Articles of Association, Neobo's Board of Directors is to consist of no fewer than three and no more than ten members. The members are elected annually for the period until the close of the next Annual General Meeting. At the beginning of 2024, the Board consisted of five members. On February 7, 2024, Peter Wågström resigned from the Board with immediate effect due to other corporate commitments, after which the Board comprised four members until the 2024 Annual General Meeting.

Neobo's Board of Directors consists of Jan-Erik Höjvall, Chairman of the Board, Mona Finnström, Anneli Lindblom, Ulf Nilsson and Jakob Pettersson. For a more detailed presentation of the members, refer to page 42 and the company's website. The CEO is not a member of the Board.

During the year, the Board held 18 minuted meetings, including one statutory meeting and nine per capsulam meetings. The issues addressed by the Board include Neobo's strategy, objectives, business plan, budget, organization, external reporting, financing issues, risk analysis, issues related to the change of listing from First North to Nasdaq Stockholm, divestment of properties, the double materiality assessment in accordance with CSRD and the formulation of the sustainability targets. During the year, the Board monitored, in particular, the development of the company's financing costs, liquidity forecast and vacancies. During the year, the Board also discussed and adopted a number of policies and monitored in particular the company's work on developing internal control in view of the company's change of listing to Nasdaq Stockholm.

In addition to the Board, the CEO, CFO, and General Counsel and Head of Sustainability were

present at the Board meetings. The Board conducted an annual Board evaluation through FNCA, the company's former Certified Advisor at First North. The evaluation of the Board was conducted using an anonymous digital survey answered by the Board members and the CEO. The responses were compiled in a report, analyzed and supplemented by summary comments. The results were presented in charts and compared with a reference group of responses from other listed companies. The results were presented to the Chairman, after which the Board reviewed and discussed the results. The results were also reported to the Nomination Committee.

## CEO

The CEO is responsible to the Board of Directors, is in charge of the day-to-day property management of the company and directs its operations in accordance with the Board's guidelines and instructions, in part through the CEO instructions adopted by the Board.

## Remuneration of senior executives

Neobo's senior executives are Ylva Sarby Westman, CEO, Maria Strandberg, CFO, Malin Axland, General Counsel and Head of Sustainability, Anna-Carin Skoglund, Regional Manager North, and Per Sundequist, Regional Manager South. For a more detailed presentation of the senior executives, refer to page 43 and the company's website.

The 2024 Annual General Meeting resolved to adopt guidelines for the remuneration of senior executives. This means, among other things, that Neobo shall apply market-based and competitive forms of remuneration. Remuneration may consist of a fixed and a variable component. The guidelines contain various requirements concerning the structure of remuneration and a maximum amount for variable remuneration. Derogation from the guidelines by the Board is

## Attendance at Board meetings in 2024

	Board meetings	Of which per capsulam	Independent of the company	Independent of major shareholders
Jan-Erik Höjvall (Chairman)	18/18	9/9	No (former CEO)	Yes
Mona Finnström	18/18	9/9	Yes	Yes
Anneli Lindblom	12/12	6/6	Yes	Yes
Ulf Nilsson	18/18	9/9	Yes	Yes
Jakob Pettersson	18/18	9/9	Yes	No
Peter Wågström	1/1	1/1	Yes	Yes

permitted if there are special reasons in individual cases. Such derogations should then be reported in the Remuneration Report ahead of the next Annual General Meeting. The guidelines for remuneration of senior executives are published on the company's website <https://www.neobo.se/en/investors/corporate-governance/remuneration/>.

For information on the remuneration of the Board of Directors and senior executives in 2024, see Note 5. The 2023 Annual General Meeting resolved to introduce a three-year warrant program (LTIP 2023) for certain senior executives. Warrants were transferred in May 2023 to Ylva Sarby Westman, Maria Strandberg, Malin Axland and Jonny Göthberg. The warrants held by Jonny Göthberg were redeemed by the company at year-end 2023 as Jonny is no longer employed by the company.

A remuneration report for 2024 will be presented to the 2025 Annual General Meeting, see the company's website [neobo.se/en/investors/corporate-governance/general-meetings/annual-general-meeting-2025](https://www.neobo.se/en/investors/corporate-governance/general-meetings/annual-general-meeting-2025).

### Internal control

According to the Swedish Companies Act and the Code, the Board is responsible for the internal control of the company. This report has been prepared in accordance with the Swedish Annual Accounts Act and is therefore limited to internal

control over financial reporting. To describe internal control, the company has followed the internationally established Committee of Sponsoring Organizations (COSO) framework, which comprises five components: control environment, risk assessment, control activities, information and communication, and monitoring activities.

### Control environment

The basis for the company's internal control is the control environment from which Neobo is governed. To ensure appropriate governance of the company, responsibility is clearly allocated among shareholders, the Board of Directors, the CEO and Executive Management. Governance is based on the Articles of Association, the Board's rules of procedure, the CEO's instructions, adopted policies and guidelines together with the business plan and budget.

Management is responsible for defining procedures and processes necessary to manage material risks in operating activities and financial reporting. In addition to policy documents, there are guidelines, decision-making and authorization procedures, reporting instructions, a Code of Conduct for employees and job descriptions for each role containing responsibilities and powers.

### Risk assessment

In order to identify and eliminate risks in the financial reporting, Neobo annually analyzes the material

income statement and balance sheet items with associated work processes, where there is a risk that errors, incompleteness or irregularities could occur if the necessary control elements are not built into the procedures. The risk assessment therefore analyzes whether errors could occur and, if so, how and where in the process. The risk assessment identified the items with the highest risk of material error. These are items where the value of the transactions is high or the process is highly complex and requires strong internal controls.

Neobo's identified material financial processes in 2024 were as follows:

- Property valuation process
- Financing process
- Project process
- Rent process
- Procurement process
- Financial statements process
- Salary process
- Transaction process

For more information on business risks and risk management, see page 48.

### Control activities

To ensure that there are no material errors in the financial reporting, control activities have been established for the risks identified within the material processes. The work on risk assessment and the design of control activities is carried out by employees who are continuously involved in each process in collaboration with Neobo's Head of Treasury and CFO. This creates ownership and understanding of risks and the importance of internal controls. Control activities are performed at an overall level, for example by analyzing results and key metrics. They are also conducted at a detailed level by including a number of control points in the ongoing processes, such as formal reconciliations and attestations.

Neobo has a Whistleblower Policy that guarantees that employees and other stakeholders can report anonymously and without repercussions on any conduct or other irregularities that involve violations or suspected violations of laws or other guidelines and regulations. A whistleblowing channel is available via the Neobo website.

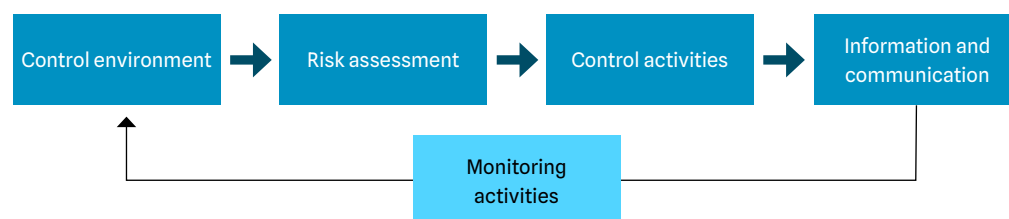
### Information and communication

An Information Policy is in place to ensure good internal and external information disclosure. The Information Policy regulates how external information is formulated in accordance with Swedish law and practice. Neobo shall provide accurate, relevant, clear and reliable information simultaneously to all its shareholders, the capital market, society and media. All information deemed to be inside information is communicated to the market via press releases. The company has ensured that the information reaches the market at the same time. The CEO and CFO are designated as spokespersons for financial matters.

Management is responsible for informing the relevant employees internally about their responsibility to maintain good internal control. Employees are kept up to date on regulations, policies and guidelines on the intranet and at information meetings.

### Monitoring activities

All process descriptions, policies and policy documents are updated as necessary, but at least once a year. Work monitoring of the internal control system is led by Neobo's CFO and Head of Treasury together with the relevant employees working on the material processes for financial reporting. An independent evaluation of internal control is carried out annually and reported to both Management and the Board. These controls are considered necessary to ensure thorough





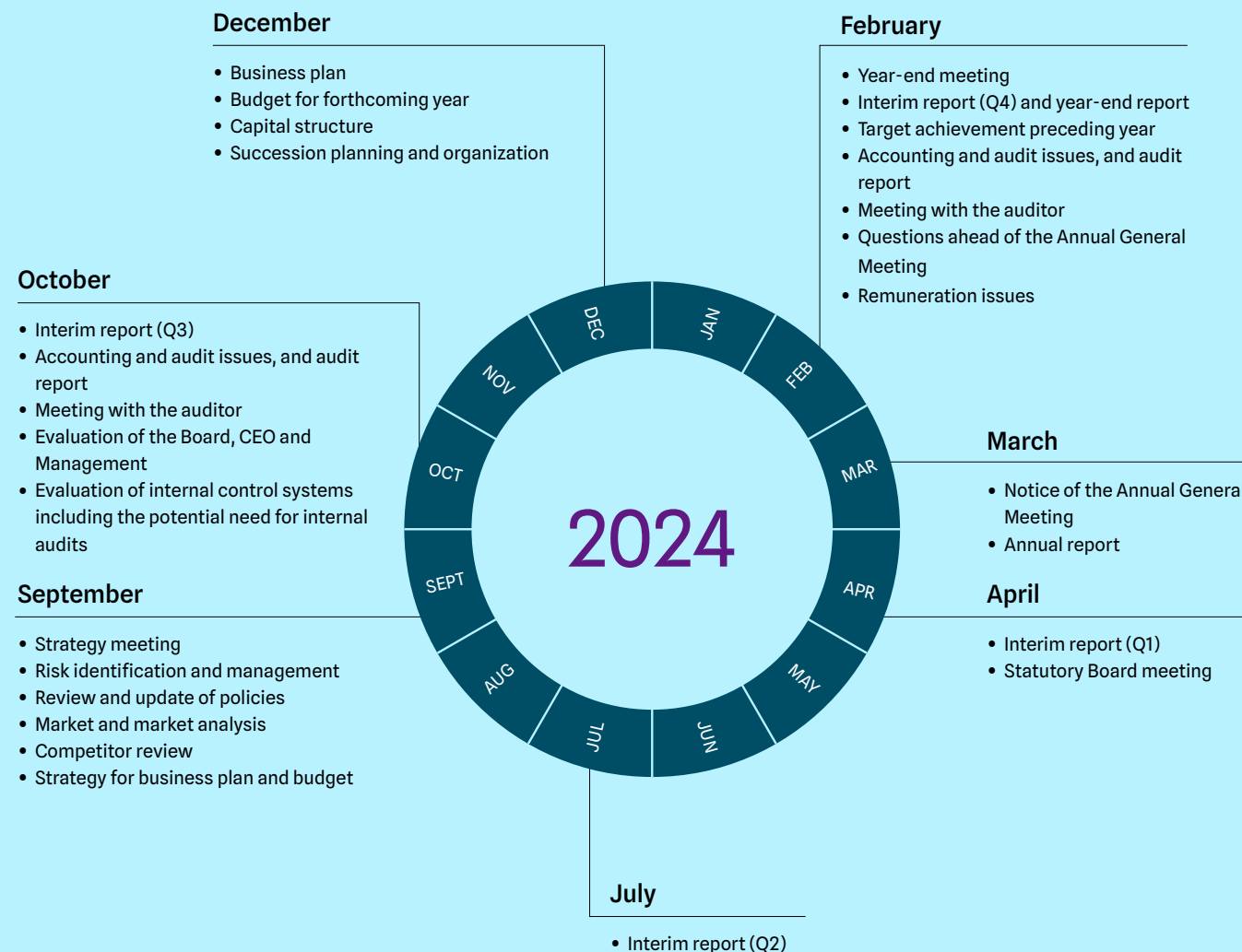
knowledge, transfer of experience and high quality in the routine financial work and as a result also in financial reporting.

The company's auditor in charge personally reports their observations from the audit and assessment of internal control to the Board and to Management at least twice a year. The interim report for the January–September period is reviewed by the auditor, who also issues a separate review report that is published together with the report. Internal controls are considered appropriate for an organization of Neobo's size, for which reason the Board and Management see no need for a separate dedicated internal audit function. The matter of any need for a special internal audit function will be followed up annually.

#### Audit

Neobo's Annual Report, including this Corporate Governance Report and Sustainability Report, as well as the administration of the Board and the CEO are examined by the company's auditor in accordance with the Swedish Companies Act. This examination results in a report to the Board of Directors and in an auditor's report that is issued to the Annual General Meeting. At the 2024 Annual General Meeting, the auditing firm EY was appointed as auditor, with Gabriel Novella as auditor in charge, for the period until the 2025 Annual General Meeting. Fees are paid according to approved invoices.

### Annual cycle



# Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Neobo Fastigheter AB, corporate identity number 556580-2526

## Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2024 on pages 37–40 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 25, 2025  
Ernst & Young AB

Gabriel Novella  
Authorized Public Accountant

# BOARD OF DIRECTORS



## Jan-Erik Højvall

Chairman of the Board since 2022.

**Born:** 1959.

**Education:** M.Sc. in Mechanical Engineering, Stockholm Royal Institute for Technology (KTH).

**Other current positions:** –.

**Previous experience includes:**

CEO of Amasten Fastighets AB, CEO of Rikshem and CEO of Akelius fastigheter AB. Chairman of Studentbostäder i Norden AB (publ).

**Shareholding in the company<sup>1)</sup>:**  
253,560 shares.

**Independent in relation to major shareholders:** Yes.



## Mona Finnström

Board member since 2022.

**Born:** 1959.

**Education:** Bachelor's Degree in Behavioral Science and courses in Business Administration.

**Other current positions:**

Chairman of Sveriges Förvaltarforum AB. Board member of Stockholms Kooperativa Bostadsforening, a housing cooperative and Mona Finnström utveckling AB.

**Previous experience includes:**

Board member of Fastigo Aktiebolag, HR Huset, Fastighetsbranschens och Arbetsgivarpartner Aktiebolag. CEO of Fastigo Aktiebolag.

**Shareholding in the company<sup>1)</sup>:**  
15,000 shares.

**Independent in relation to major shareholders:** Yes.



## Anneli Lindblom

Board member since 2024.

**Born:** 1967.

**Education:** Master of Business Administration from Frans Schartaus Handelsinstitut Stockholm.

**Other current positions:**

CFO Pandox AB. Board member Logistea AB and Haypp Group AB. Chairman of the Board in subsidiaries in the Pandox Group.

**Previous experience includes:**

Board member and Chairman of the Audit Committee of Amasten Fastighets AB and Hemfosa Fastigheter AB. CFO of several listed companies.

**Shareholding in the company<sup>1)</sup>:**  
833 shares.

**Independent in relation to major shareholders:** Yes.



## Ulf Nilsson

Board member since 2022.

**Born:** 1958.

**Education:** LL.M. from Uppsala University.

**Other current positions:**

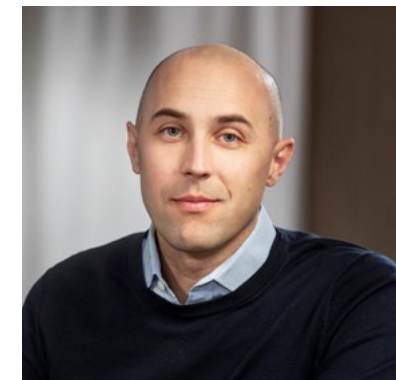
Chairman of GC Cru AB, Richard Juhlin Grand Cru AB and Vamlingbo Ladugårdar AB. Board member of Avestaörnen 3 AB, Krylbohus AB, LC Åkersberga Fastighets AB and Sigfride Fastigheter AB. Deputy board member of Ballstaudde Bostadsutveckling AB.

**Previous experience includes:**

Board member of Amasten Fastighets AB and Kungsleden AB. CEO D. Carnegie & CO.

**Shareholding in the company<sup>1)</sup>:**  
300,000 shares.

**Independent in relation to major shareholders:** Yes.



## Jakob Pettersson

Board member since 2023.

**Born:** 1986.

**Education:** B.Sc. and M.Sc. from the Stockholm School of Economics.

**Other current positions:**

CFO of the Association of ICA Retailers. Board member of Hagabacken Fastighets AB.

**Previous experience includes:**

Board member of Amasten Fastighets AB.

**Shareholding in the company<sup>1)</sup>:**  
0 shares.

**Independent in relation to major shareholders:** No.

Peter Wågström was a member of the Board until February 7, 2024.

<sup>1)</sup>Refers to own holdings and holdings of related persons and legal entities as per the date of signing the Annual Report



# MANAGEMENT



## Ylva Sarby Westman

CEO since 2022.

Born: 1973.

**Education:** M.Sc. in Mechanical Engineering, Stockholm Royal Institute for Technology (KTH).

### Other current positions:

Board member of Eastnine AB (publ).

### Previous experience includes:

CEO of Kungsleden AB. Deputy CEO of Castellum AB and Kungsleden AB. CFO of Castellum AB and Kungsleden AB.

### Shareholding in the company<sup>1)</sup>:

117,300 shares.

### Warrants 2023/2026:1:

436,200 warrants.



## Maria Strandberg

CFO since 2023.

Born: 1983.

**Education:** M.Sc. in Business and Economics, Södertörn University Stockholm.

**Other current positions:** –.

### Previous experience includes:

CFO of Castellum AB. Financial director at Kungsleden AB. Auditor at EY.

### Shareholding in the company<sup>1)</sup>:

21,000 shares.

### Warrants 2023/2026:1:

96,933 warrants.



## Malin Axland

General Counsel since 2022 and Head of Sustainability since 2023.

Born: 1974.

**Education:** LL.M. from Stockholm University.

### Other current positions:

Board member of MAXland AB.

### Previous experience includes:

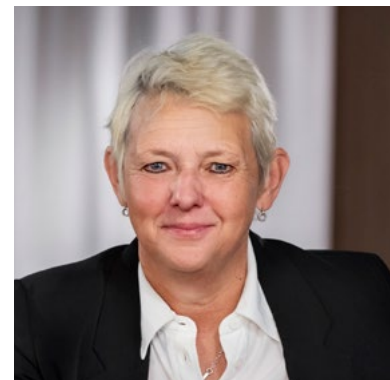
General Counsel Kungsleden AB. Lawyer Mannheimer Swartling Advokatbyrå. Own activity as an interim lawyer.

### Shareholding in the company<sup>1)</sup>:

33,300 shares.

### Warrants 2023/2026:1:

96,933 warrants.



## Anna-Carin Skoglund

Regional Manager since 2022.

Born: 1963.

**Education:** Engineering studies at Örebro University. Facilities Manager at Newton. Leadership studies at Umeå University.

### Other current positions:

### Previous experience includes:

Regional Manager at SBB. Property Manager at Ängelholmshem.

### Shareholding in the company<sup>1)</sup>:

25 shares.



## Per Sundequist

Regional Manager since 2022.

Born: 1967.

**Education:** Real Estate Agent course, undergraduate studies in economics, Marketing economist DIHM, IHM Business School.

### Other current positions:

Deputy Board member of Christina Sundequist Konsult AB.

### Previous experience includes:

President, HSB Nordvästra Götaland. Market Area Manager, Skandia Fastigheter. Head of Project Development, Götenehus. Regional Manager, SBB Norden AB.

### Shareholding in the company<sup>1)</sup>:

3,500 shares.

<sup>1)</sup> Refers to own holdings and holdings of related persons and legal entities as per the date of signing the Annual Report

# THE SHARE AND SHAREHOLDERS

Neobo's market value, meaning the value of all listed shares outstanding, totaled SEK 3,046 m on December 31, 2024. The number of shares outstanding amounted to 145,400,737 and the number of known shareholders to 101,799.

## Trading and turnover

Neobo's share is listed on Nasdaq Stockholm. Share turnover over the last twelve-month period totaled 152 million shares. Turnover, meaning the number of shares sold divided by the number of shares outstanding at the balance sheet date, was 104 percent.

## Share price development and total yield

The share price for Neobo at year-end was SEK 20.95 (13.8). During the year, the highest price recorded was SEK 26.30 and the lowest was SEK 12.14. The total yield of the share over the last twelve-month period was 52 percent, compared with -2.0 percent for OMX Stockholm Real Estate GI.

## Net asset value, EPRA NRV

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 year amounted to SEK 44.68/share (45.83). The share price at the balance sheet date thus amounted to 47 percent of the net asset value.

## Calculation of net asset value

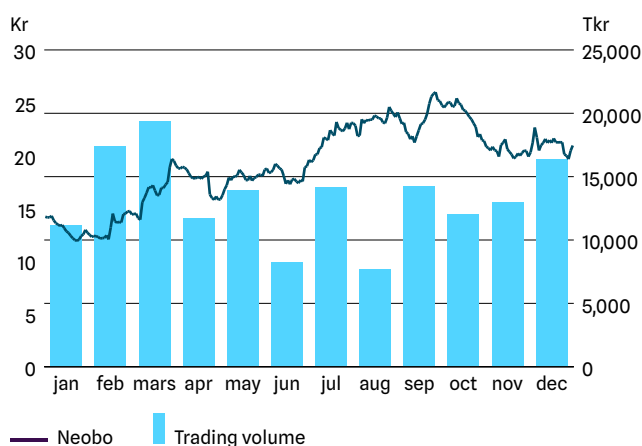
	SEK m	SEK/share
Equity according to the balance sheet	6,213	42.73
Add back according to the balance sheet:		
Derivatives	-63	-0.44
Deferred tax	347	2.38
<b>Long-term net asset value</b>	<b>6,497</b>	<b>44.68</b>

## Dividend policy

No dividends are paid to shareholders and profits are reinvested in the business.

Given the current market conditions and the company's investment needs, the Board is of the opinion that the shareholders would benefit and the best total yield would be achieved by reinvesting profits in the business. Value-generating investments will be made in the form of apartment renovations and sustainable investments to help increase the return from the properties.

## Neobo share price and turnover development in 2024



## Ownership structure at December 31, 2024

At year-end, there were 101,799 known shareholders in Neobo. The ten largest shareholders controlled 50.6 percent of the share capital and voting rights at December 31, 2024. Foreign ownership amounted to 12.1 percent.

Size	No. of shares	Capital and voting rights, %	No. of known shareholders	Proportion of known shareholders, %
1-500	6,037,328	4.2	93,274	91.6
501-1 000	2,824,407	1.9	3,763	3.7
1,001-5,000	7,936,391	5.5	3,650	3.6
5,001-10,000	3,791,046	2.6	511	0.5
10,001-20,000	4,246,906	2.9	296	0.3
20,001-	113,429,513	78.0	305	0.3
Anonymous ownership	7,135,146	5.0	0	0.0
<b>Total</b>	<b>145,400,737</b>	<b>100</b>	<b>101,799</b>	<b>100</b>

Largest shareholders	No. of shares	Percentage of share capital and voting rights, %
Avanza Pension	19,186,199	13.2
Association of ICA Retailers	15,000,000	10.3
Martin Larsén	10,938,320	7.5
Länsförsäkringar Fonder	7,622,636	5.2
Arvid Svensson Invest	6,664,412	4.6
Handelsbanken Fonder	3,313,898	2.3
Futur Pension	3,289,876	2.3
Handelsbanken Liv Försäkring AB	2,855,196	2.0
ODIN Fonder	2,413,988	2.0
Gösta Welandson and companies	2,314,636	1.6
<b>Total 10 largest</b>	<b>73,599,161</b>	<b>50.6</b>
<b>Other</b>	<b>71,801,576</b>	<b>49.4</b>
<b>Total</b>	<b>145,400,737</b>	<b>100.0</b>

Source: Modular Finance



# FINANCIAL STATEMENTS

Directors' Report

Risks and risk management

Accounts

Notes

Auditor's report



# DIRECTORS' REPORT

The Board of Directors and the CEO of Neobo Fastigheter AB (publ), Corp. Reg. No. 556580-2526, hereby present the Annual Report and the consolidated financial statements for the 2024 fiscal year. Figures in parentheses refer to the preceding fiscal year.

## About Neobo

Neobo's business is to own, manage and refine residential properties in Swedish municipalities experiencing population growth, a good employment rate and a stable rental market. Neobo strives to be a reliable long-term landlord that works actively with sustainability to contribute to the good development of society. The portfolio consists of 260 properties with a total area of 700,000 sq. m. and a market value of SEK 13,701 m.

## Income, costs and earnings

### Rental income

Rental income increased to SEK 908 m (888) during the year. For a like-for-like portfolio, rental income increased 5.7 percent. The increase in income is explained by an average rent increase in the residential portfolio of 5.1 percent, increased rents for commercial premises, a decrease in the vacancy rate and rent increases for apartments renovated during the year. The economic occupancy rate increased 0.3 percentage points year-on-year, totaling 92.8 percent (92.5) at the end of the year.

### Property management costs

Total property costs increased during the year by SEK 6 m to SEK -435 m (-429). The increase is a net effect of higher costs for operations as well as reduced costs for maintenance and sold properties. Operating costs increased by SEK 22 m

excluding one item affecting comparability relating to electricity subsidies of SEK 8 m in 2023. The higher operating costs were due to increased tariff-based and snow removal costs. Property administration was charged with items affecting comparability of SEK 3 m related to organizational changes. Adjusted for this, costs for property administration decreased by SEK 2 m. Maintenance expenses decreased by SEK 23 m during the year due to lower maintenance requirements compared with the preceding year.

## Net operating income

Net operating income increased by SEK 13 m to SEK 473 m (460) during the year. For the like-for-like portfolio, the increase corresponded to 12 percent excluding items affecting comparability, primarily due to higher rental income.

## Administration

Administration costs for the year decreased to SEK -143 m (-155), of which property administration amounted to SEK -68 m (-67) and central administration to SEK -75 m (-88). Items affecting comparability totaling SEK 19 m were charged to costs for the year, of which SEK 15 m linked to costs for preparations for a switch to Nasdaq Stockholm's main list and the reorganization. Additionally, SEK 4 m was attributable to a provision during the fourth quarter relating to an ongoing insurance matter. Excluding items affecting comparability, during both the current

and preceding year, administration costs decreased by SEK 11 m as a result of the structuring of operations and the organization now being complete.

## Profit from property management

Profit from property management for the year increased to SEK 152 m (148) despite the divestment of seven properties during the year and an increase in financing costs.

## Net financial items

Net financial items amounted to SEK -246 m (-224) during the year and the average interest rate was 3.2 percent (3.4) at the end of the year. Financial expenses rose compared with the year-earlier period as a result of the higher underlying interest rate. The interest coverage ratio for the year declined to a multiple of 1.6 (1.7), primarily due to a higher financial net. The policy is for the interest coverage ratio to exceed a multiple of 1.5 for the corresponding period.

## Change in value of investment properties

The unrealized change in value during the year amounted to SEK -301 m (-1,353), corresponding to a decrease in value of -2.2 percent (-8.8). Realized value changes amounted to SEK 6 m during the year due to completed divestments. At the end of the year, the property portfolio was valued at SEK 13,701 m (14,018).

## Change in the value of financial instruments

Derivative instruments are used to adjust the interest rate risk in the loan portfolio. The fair value of the derivatives portfolio amounted to SEK 63 m at the end of the year, compared with SEK 171 m in 2023.

## Finance

### Financial Policy

Given the current market conditions and the company's investment needs, the Board is of the opinion that the shareholders would benefit and the best total yield would be achieved by reinvesting profits in the business, for which reason no dividend is proposed for 2024.

Neobo's financial targets and risk limitations are as follows:

- Return on equity over time to exceed 10 percent.
- The loan-to-value ratio shall not exceed 65 percent
- Interest coverage ratio is to exceed a multiple of 1.5.

The financial targets and risk limitations were unchanged compared with 2023.

## Available liquidity

Neobo's liquidity consists of assets in bank accounts, which at year-end amounted to SEK 146 m (199).

### Borrowing rate, loan-to-maturity and fixed interest term

The average interest rate at year-end amounted to 3.2 percent (3.4). Our property ownership is a long-term commitment that requires long-term financing. A long loan-to-maturity also reduces refinancing risk. The remaining debt duration at year-end was 2.8 years (3.3). Financial expenses are a significant cost item in the income statement. This is affected by changes in the underlying market interest rate and changes in lenders' mark-ups. To reduce fluctuations in financial expenses to an acceptable level, interest rates are fixed for various terms to a large extent. To reduce interest rate risk and to achieve the desired fixed interest term, interest rate derivatives were used, which is a flexible and cost-effective way of changing the fixed interest term in the portfolio without having to amend the terms of the underlying loans. The average fixed interest term was 2.4 years (2.2) at year-end.

### Covenants

The loan agreements contain predetermined key metrics that Neobo undertakes to maintain during the term, known as covenants. If these are not met, for example, additional collateral may be required or, by extension, the counterparty may have the right to terminate the loan agreement. The most common covenants are an interest coverage ratio of a multiple of not less than 1.5–1.7, loan-to-value ratio of a maximum of 65–75 percent and an equity/assets ratio of not less than 25–30 percent. Other commitments include ensuring that borrowing subsidiaries are wholly owned, that subsidiaries with pledged assets do not raise additional loans and that the lender is provided with certain financial information. The company met all covenants with all counterparties during the year.

### Tax

Recognized tax during the year amounted to SEK 58 m (54), of which SEK –19 m (–21) is current tax and the remainder is deferred tax. Current tax is in line with the previous period. The change in deferred tax is explained by a lower decline in the value of the property portfolio. The effective tax rate during the period was 22.9 percent (3.8).

At December 31, 2024, the deferred tax liability amounted to SEK 347 m compared to SEK 430 m at the end of 2023. The deferred tax liability was largely attributable to investment properties. The change in tax liability is attributable to the unrealized decline in value of investment properties during the period.

Neobo was not subject to any tax proceedings at the end of the period.

### Property portfolio

The property portfolio consists of 260 properties (267) with a total leasable area of 700,000 sq. m. (713,000). As of December 31, 2024, the property portfolio was valued externally with an estimated market value of SEK 13,701 m, compared with SEK 14,018 m at the beginning of the year. The change in value during the period amounted to SEK –301 m (–1,353), corresponding to a decrease in value of 2.2 percent (8.8).

The valuations were conducted according to the RICS Red Book guidelines using the same methodology as for previous external evaluations. The market value is affected by property-specific, value-impacting events during the period, such as new and renewed rental contracts, vacated leases and investments made. The changes deemed to have occurred in market rents and valuation yields since the previous external valuation were also taken into account.

The value of the properties 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. The average value of the building rights after risk deductions in the valuation is approximately SEK 853/sq. m. GFA (1,146). The average yield requirement at the end of the year amounted to 5.0 percent (4.7) – an increase of 29 bp compared with the start of the year. The fourth quarter shows an unchanged yield and confirms that yield requirements have stabilized. It also shows stronger cash flow as residential rent negotiations were agreed at higher levels than previously assumed in the valuations.

### Change in property portfolio

SEK m	2024	2023
Opening balance, Jan 1	14,018	15,295
Acquisitions	0	-100
Investments	164	177
Divestments	-180	0
Unrealized change in value	-301	-1,353
Closing balance, Dec 31	13,701	14,018

### Corporate governance

Neobo is a Swedish public limited company with headquarter in Stockholm, Sweden. Governance is based on the Articles of Association, the Board of Directors' rules of procedure, the CEO's instructions and adopted policies and guidelines, as well as the Swedish Companies Act and other applicable laws, ordinances and regulations. For further information, refer to the Corporate Governance Report on pages 37–40.

### Remuneration of senior executives

The remuneration of senior executives is addressed and determined by the Board of Directors. Remuneration comprises fixed salaries, variable remuneration, pension benefits and other customary benefits. For a more detailed description, refer to Note 5. Guidelines for the remuneration of senior executives are set out in

the Corporate Governance Report on pages 37–40. The Board proposes that no changes be made to the guidelines for the remuneration of senior executives.

### Risks and uncertainties

Priority areas for risk management mainly include property valuation, financing, project activities and leasing, taking into account both the complexity and size of amounts. The company has well-functioning procedures for managing these risks and has a stable financial position with solid key metrics. For risks and uncertainties, please refer to the section "Risks and risk management" on page 48.

### Sustainability

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

In 2024, Neobo conducted around 40 energy saving projects of varying sizes, with the main focus on heating systems and connecting properties. In 2024, we also continued the planned roll-out of fiber networks in our property portfolio.

Further information on Neobo's sustainability work can be found in the Sustainability Report on pages 22–34.

### Appropriation of profits

The Board proposes that no dividend be paid for the 2024 fiscal year and that the company's available profits of SEK 5,521,192,646 be carried forward in their entirety.

# Risks and risk management

All business operations are exposed to risks. Correctly managed, these risks can lead to opportunities but if they are not managed at all, in time or are managed incorrectly, this can lead to seri-

ous negative consequences in the form of lower income, higher costs and reduced credibility. Work to identify, analyze, manage and follow up strategic, operational, legal and financial risks is

therefore a high-priority area for Neobo.

The Board has overriding responsibility for risk management, while operating activities are delegated to the CEO and management team,

which work on these matters as part of a structured process as presented in the figure below. A presentation and review with the Board is held annually and has a three-year time horizon.

Risk category	Risk	Probability	x	Impact	=	Risk value
Strategic risks	Transaction risk	3		4		12
Operational risks	Macro risk (black swan)	3		4		12
	Climate risk	4		3		12
	Increased costs for the green transition	4		3		12
	Unsecure residential areas	4		3		12
	Rental income and rent trend	3		4		12
	Organizational risk	3		4		12
	Maintenance backlog	3		3		9
	Deficiencies in technical status	3		3		9
	Recession	3		3		9
	Valuation risk	2		4		8
Legal risks	Political risk (new/amended legislation or application of the law)	3		4		12
Financial risks	Interest rate risk	2		5		10
	Restricted access to funding	2		5		10
	Lack of liquidity	2		5		10
	Early loan maturity	2		4		8

Based on the risk inventory carried out, the management team identifies risk areas that are in focus and these are classified according to probability and impact according to the following scale:

- 1 — Very small
- 2 — Small
- 3 — Medium
- 4 — Large
- 5 — Very large

Risks with a total value of at least eight are presented in the Annual Report. These will be monitored and included in next year's risk assessment. Risks with a total value of 12 or higher are immediately addressed by designating those responsible for reducing, eliminating or exporting unwanted risks. An action plan with risk mitigation measures is developed.

## Risk inventory

Inventory of existing and new risks, including through workshops and discussions with different parts of the organization.

## Risk assessment

The management team assesses the identified risks based on probability and impact using the rating scale of 1–5. Significant changes in the risk map are communicated to the Board.

## Risk management

For the most important areas, responsibilities, priorities and action plans are established. Risks are broken down at unit level and coordinated with business plans at all levels.

## Risk reporting

Continuous follow-up within the management team. Annual reporting, or more frequently as required, of risk assessment and action plan and activities carried out presented in a risk control report to the Board.



## STRATEGIC RISKS

## Transaction risks

**Risk**

Portfolio optimization, including acquisitions and divestments, is an important part of Neobo's business model and strategy. A prerequisite for transactions is that market supply meets demand and that buyers and sellers can agree on a market rate of return.

**Management**

The company works closely with the transaction market and regularly meets both property owners and consultants to identify business opportunities and create conditions for value-generating transactions.

## OPERATIONAL RISKS

## Macro risk (black swan)

**Risk**

An unexpected global event occurs that has a major impact on the world around us.

**Management**

Neobo works continuously in line with the company's Risk Policy and continuity plan and has regular crisis exercises. Continuous monitoring of the business environment to obtain early indications.

## Climate risk

**Risk**

Higher water levels and extreme weather events such as torrential rain, storms or droughts leading to water shortages are examples of possible consequences of climate change. For property owners, the changes can pose the risk of severe damage to properties and the environment around them, as well as chronic risks. Damage to properties can lead to higher maintenance costs.

**Management**

Climate risk screening of all properties was carried out in 2024 to identify properties at risk. Further investigations and a vulnerability assessment will take place for properties at risk in 2025. Thereafter, we will develop action plans for the properties concerned in 2026.

## Increased costs for the green transition

**Risk**

Legislative or regulatory changes in the field of sustainability, or increased demands from the company's financiers, may result in increased costs for the company, such as carbon taxation, or the need for investments, such as energy efficiency.

**Management**

Ongoing work to reduce Neobo's energy use and carbon footprint in line with the sustainability strategy and targets. The Head of Sustainability is responsible for business intelligence, including monitoring new legislation, trends and public debate, in order to receive early indications of risks related to requirements that may lead to increased costs.

## OPERATIONAL RISKS

### Unsecure residential areas

#### Risk

Risks relating to social challenges in society may affect Neobo's activities. Insecurity in residential areas reduces the tenant satisfaction and can lead to a high turnover rate and increased vacancies.

#### Management

Via its customer survey, Neobo has identified the residential areas where insecurity is greatest. Property management works continuously with measures that include outdoor environments, improved lighting and neighborhood watch patrols. In the most insecure areas, property management works closely with other stakeholders such as the police, municipalities, schools and social services to work together to strengthen these areas.

### Rental income and rent trend

#### Risk

If the occupancy rate or rental levels decline, regardless of reasons, Neobo's earnings will be impacted negatively. The setting of rents for residential properties is negotiated within the collective negotiating system with local tenant associations in the various locations. The rent trend for commercial premises is dependent on economic conditions and is primarily impacted by such factors as demand, type of premises, design, standard and location.

#### Management

Demand for residential properties is considerable in the municipalities in which Neobo operates. The company works actively in its residential areas by renovating apartments up to a modern standard and thereby raising the rental level. For commercial leases, rental levels are regulated successively, since the leases normally extend over periods of 3–5 years. To understand the tenants' needs, we engage in a continuous dialogue at a local level through our in-house property management organization and regular customer surveys.

### Organizational risk

#### Risk

Employees are one of Neobo's principal assets. At Neobo, employees should have a high sense of well-being and satisfaction at work. Failing to recruit, develop and retain employees and managers with the right expertise is the major risk.

#### Management

Neobo works continuously with the company's core values; a process that involves all employees. Weekly pulse surveys for employee engagement are carried out to continuously monitor improvement and development aspects. Annual appraisals and performance reviews for all employees to identify expectations and develop employees. All of the company's managers meet regularly in a management forum to exchange experiences and push shared organizational issues forward.

### Maintenance backlog

#### Risk

A lack of preventive risk management and a maintenance backlog can lead to higher costs for insurance premiums and for repairing damage to properties, and increase the risk of personal injury.

#### Management

Neobo works with long-term maintenance plans for each property to continuously manage priority investment and maintenance measures and renovate apartments as the need arises. Regular property inspections are performed as part of proactive property management measures and systematic work environment management.

### Deficiencies in technical status

#### Risk

Technical status and standard of properties that do not meet regulatory requirements or are technically obsolete.

#### Management

Neobo works with long-term maintenance plans for each property to continuously manage priority investment and maintenance measures.

### Recession

#### Risk

Risk linked to reduced demand in the market leading to increased competition and reduced rental income, thereby resulting in deteriorating property values.

#### Management

Neobo is actively working to manage and refine residential properties and premises to ensure their attractiveness and competitiveness in a challenging market situation.

### Valuation risk

#### Risk

Properties are reported at their estimated market value, which varies depending on factors such as the economic situation and interest rates. Changes in the market's yield requirement have a significant impact on Neobo's financial reporting.

#### Management

The entire property portfolio is valued by external authorized appraisers every quarter. The company follows the policy and process for property valuation and conducts internal controls every quarter.

## LEGAL RISKS

## Political risk (new/amended legislation or application of the law)

**Risk**

Conducting property operations is highly dependent on laws, regulations and official decisions. Laws and regulations pertaining to the property market are often influenced by political opinion and can therefore change at short notice. Changes in, for example, subsidies such as investment grants, regulation of the energy performance of buildings, and tax legislation may have a significant impact on Neobo's activities.

**Management**

Risks related to political decisions, legislation and regulations are mainly managed through proactive efforts to remain informed and updated in these areas. External specialists and consultants are used when necessary.

## FINANCIAL RISKS

## Interest rate risk

**Risk**

In addition to equity, Neobo's operations are financed by bank loans, which means that interest costs constitute a major individual cost for the company. Changes in market interest rates impact Neobo's earnings directly via interest costs and also indirectly via the value of the properties.

**Management**

Neobo works on the basis of a clear financial strategy and risk mandate in the Financial Policy. The company is actively striving to reduce interest rate risk and create a balanced maturity structure in the debt portfolio. Analysis and forecasting of key financial metrics, including stress tests, are carried out on an ongoing basis. The company has a close collaboration with lending banks for rapid information and business intelligence.

## Restricted access to funding

**Risk**

Neobo's financing consists of bank loans. There is a risk that financing cannot be obtained, or is available only at sharply increased costs, when a loan falls due for repayment or the terms and conditions are renegotiated.

**Management**

Neobo works actively to maintain and improve relationships with the company's financiers. In addition, the company works to diversify the maturity structure of the loan portfolio, to ensure that all loans do not fall due for repayment in the same year and thereby to mitigate the impact of disruptions in the financial market during an individual year.

## Lack of liquidity

**Risk**

Liquidity risk means a lack of access to cash and cash equivalents or credit facilities to meet payment obligations.

**Management**

The company works on the basis of a continuity plan and has a clear financial strategy. Liquidity forecasts are made on an ongoing basis, and include stress tests.

## Early loan maturity

**Risk**

Risk of breach of covenants in loan agreements, which means banks may terminate loan agreements early.

**Management**

Neobo continuously monitors key metrics that constitute covenants in the loan agreements, and this work includes sensitivity analyses.



# Consolidated financial statements

## Consolidated income statement

Amounts in SEK m	Note	2024	2023
Rental income	2, 3	908	888
Operating costs	4	-302	-272
Repairs and maintenance	4	-43	-66
Property administration	4	-68	-67
Property tax		-23	-24
<b>Total property management costs</b>		<b>-435</b>	<b>-429</b>
<b>Net operating income</b>		<b>473</b>	<b>460</b>
Central administration	4, 5	-75	-88
Financial income	6	3	1
Financial expenses	6	-247	-224
Ground rent	7	-1	-1
<b>Profit from property management</b>		<b>152</b>	<b>148</b>
Change in values on properties	11	-296	-1,353
Change in the value of financial instruments	18	-108	-223
<b>Profit/loss before tax</b>		<b>-251</b>	<b>-1,428</b>
Current tax	8	-19	-21
Deferred tax	9	77	75
<b>Net profit/loss for the year, in its entirety attributable to Parent Company shareholders</b>		<b>-193</b>	<b>-1,373</b>
Average number of shares before dilution		145,400,737	145,400,735
Average number of shares after dilution		145,715,771	145,400,735
Earnings per share before dilution, SEK		-1.33	-9.44
Earnings per share after dilution, SEK		-1.32	-9.44

## Consolidated statement of comprehensive income

Amounts in SEK m	2024	2023
Net profit/loss for the year	-193	-1,373
Other comprehensive income	-	-
<b>Total comprehensive income for the year, in its entirety attributable to Parent Company shareholders</b>	<b>-193</b>	<b>-1,373</b>

## Consolidated balance sheet

Amounts in SEK m	Note	Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	5	0
Investment properties	11	13,701	14,018
Equipment, machinery and installations	12	2	4
Derivatives	18	63	181
Other long-term receivables		1	0
<b>Total non-current assets</b>		<b>13,772</b>	<b>14,204</b>
<b>Current assets</b>			
Accounts receivable	13	8	8
Derivatives	18	13	13
Current tax assets		8	0
Other receivables	14	15	31
Prepaid expenses and accrued income	15	16	43
Cash and cash equivalents	18	146	199
<b>Total current assets</b>		<b>206</b>	<b>293</b>
<b>TOTAL ASSETS</b>		<b>13,978</b>	<b>14,497</b>

Amounts in SEK m	Note	Dec 31, 2024	Dec 31, 2023
Share capital		752	752
Other contributed capital		5,141	5,141
Retained earnings including comprehensive income for the year		319	512
<b>Total equity attributable to Parent Company shareholders</b>		<b>6,213</b>	<b>6,405</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	16, 17	6,267	7,089
Deferred tax liabilities	9	347	430
Derivatives	18	13	23
Other non-current liabilities		2	1
<b>Total non-current liabilities</b>		<b>6,630</b>	<b>7,543</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	16, 17	847	189
Accounts payable		41	53
Current tax liabilities		0	23
Other liabilities	19	101	70
Accrued expenses and prepaid income	20	146	214
<b>Total current liabilities</b>		<b>1,135</b>	<b>550</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,978</b>	<b>14,497</b>

## Consolidated change in equity

Amounts in SEK m	Share capital	Other contributed capital	Retained earnings	Total	Non-controlling interests	Total equity
Opening equity, Jan 1, 2023	752	5,141	1,883	7,777	-	7,777
Net profit/loss for the year	-	-	-1,373	-1,373	-	-1,373
Comprehensive income for the year	-	-	-1,373	-1,373	-	-1,373
Issue of employee warrants	-	-	1	1	-	1
<b>Closing equity, Dec 31, 2023</b>	<b>752</b>	<b>5,141</b>	<b>512</b>	<b>6,405</b>	<b>-</b>	<b>6,405</b>
Opening equity, Jan 1, 2024	752	5,141	512	6,405	-	6,405
Net profit/loss for the year	-	-	-193	-193	-	-193
Comprehensive income for the year	-	-	-193	-193	-	-193
Issue of employee warrants	-	-	-	-	-	-
<b>Closing equity, Dec 31, 2024</b>	<b>752</b>	<b>5,141</b>	<b>319</b>	<b>6,213</b>	<b>-</b>	<b>6,213</b>

The number of shares amounts to 145,400,737 (145,400,737), all of which are of the same class. One share entitles the holder to one vote. The quotient value of the share amounted to SEK 5.2.

### Share-based incentive program

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 have a three-year term, following the redemption of 96,933 warrants by the company during the first quarter. The warrants were acquired by the warrant holders at a price of SEK 0.79 per warrant. The price was calculated using the Black & Scholes model. Each warrant entitles the holder to subscribe for one (1) share in the company during the period from May 1, 2026 up to and including May 25, 2026. The options become valuable when the share price exceeds the strike price

of SEK 10.83. The maximum number of additional shares can amount to not more than 630,067, corresponding to approximately 0.4 percent of the total number of shares and votes in the company, provided full subscription and full exercise of all warrants. 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 warrants, the weighted average number of shares outstanding is 145,715,771. In such a case, the increase in the share capital will amount to a maximum of SEK 3,259,096.



## Consolidated cash flow statement

Amounts in SEK m	Note	2024	2023
<b>Operating activities</b>			
Net operating income		473	460
Central administration		-75	-88
Add back, depreciation		1	0
Adjustment for other non-cash items		0	-
<b>Cash flow from operating activities before interest and tax</b>		<b>399</b>	<b>372</b>
Interest paid		-401	-393
Interest received		154	169
Income tax paid		-56	-46
<b>Cash flow before changes in working capital</b>		<b>96</b>	<b>102</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) of operating receivables		43	33
Increase (+)/Decrease (-) of operating liabilities		-49	75
<b>Cash flow from operating activities</b>		<b>90</b>	<b>210</b>
<b>Investing activities</b>			
Investments in existing properties	11	-164	-177
Acquisition of properties	11	-	73
Divestment of properties	11	183	-
Investments/divestments in equipment, machinery and installations	12	0	0
<b>Cash flow from investing activities</b>		<b>19</b>	<b>-104</b>

Amounts in SEK m	Note	2024	2023
<b>Financing activities</b>	16		
Borrowings		65	-
Repayment of loans		-227	-136
Change in other non-current liabilities		0	-2
<b>Cash flow from financing activities</b>		<b>-162</b>	<b>-138</b>
<b>Cash flow for the year</b>		<b>-53</b>	<b>-32</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>199</b>	<b>231</b>
<b>Cash and cash equivalents at the end of the year</b>	18	<b>146</b>	<b>199</b>

### Comments on the cash flow statement

During the year, two divestments took place, yielding a total purchase consideration of SEK 188 m less a tax rebate of SEK 5 m. In conjunction with the divestments, loans of SEK 139 m were repaid, why net cash flow amounted to SEK 44 m.

# Parent Company financial statements

## Parent Company income statement

Amounts in SEK m	Note	2024	2023
Net sales	24	89	24
Personnel costs	5	-9	-10
Other operating expenses		-85	-68
<b>EBIT</b>		<b>-6</b>	<b>-54</b>
<b>Profit from financial items</b>			
Result from shares in subsidiaries	25	-227	-1,623
Interest income and similar items	6	88	46
Interest costs and similar items	6	-59	-29
<b>Profit/loss after financial items</b>		<b>-203</b>	<b>-1,661</b>
Appropriations		2	53
<b>Profit/loss before tax</b>		<b>-201</b>	<b>-1,608</b>
Tax	8	-	1
<b>NET PROFIT/LOSS FOR THE YEAR</b>		<b>-201</b>	<b>-1,607</b>

## Parent Company statement of comprehensive income

Amounts in SEK m	2024	2023
Net profit/loss for the year	-201	-1,607
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-201</b>	<b>-1,607</b>

### Comments on the Parent Company financial statements

Operations in the Parent Company Neobo Fastigheter AB (publ) consist of Group-wide functions and organization for managing the properties owned by the subsidiaries. No properties are owned directly by the Parent Company. Income in the Parent Company amounted to the SEK 89 m (24) during the year and pertains primarily to the Parent Company's invoicing to subsidiaries for services rendered.

Shares in Group companies were impaired in the amount of SEK -227 m (-1,623) due to lower property values in the Group companies. In June, the company restructured internal loans, which resulted in the conversion of short-term loans into shareholders' contributions, thereby increasing the acquisition cost of the Parent Company's participations in the subsidiaries. This has not impacted the company's cash flow.

The Parent Company's cash flow from operating activities amounted to SEK -67 m (1,615). Cash flow from investing activities amounted to SEK 0 m (-1,671) and cash flow from financing activities to SEK 0 m (0). Cash flow for the year amounted to SEK -67 m (-56). Cash and cash equivalents at year-end amounted to SEK 101 m (168).

## Parent Company balance sheet

Amounts in SEK m	Note	Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	5	0
Equipment, machinery and installations	12	0	1
<b>Total property, plant and equipment and intangible assets</b>		<b>5</b>	<b>1</b>
<b>Financial assets</b>			
Participations in Group companies	22	5,639	48
<b>Total financial assets</b>		<b>5,639</b>	<b>48</b>
<b>Total non-current assets</b>		<b>5,644</b>	<b>49</b>
<b>Current assets</b>			
Current receivables from Group companies	26	540	6,239
Accounts receivable	13	1	0
Tax assets		4	4
Other receivables	14	0	24
Prepaid expenses and accrued income	15	2	8
Cash at bank balances		101	168
<b>Total current assets</b>		<b>649</b>	<b>6,444</b>
<b>TOTAL ASSETS</b>		<b>6,293</b>	<b>6,493</b>

Amounts in SEK m	Note	Dec 31, 2024	Dec 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital		752	752
Statutory reserves		4	4
<b>Total restricted equity</b>		<b>756</b>	<b>756</b>
<b>Non-restricted equity</b>			
Share premium reserve		4,888	4,888
Retained earnings		834	2,441
Net profit/loss for the year		-201	-1,607
<b>Total non-restricted equity</b>		<b>5,521</b>	<b>5,722</b>
<b>Total equity</b>		<b>6,278</b>	<b>6,479</b>
<b>Current liabilities</b>			
Accounts payable		6	3
Other liabilities	19	2	1
Accrued expenses and prepaid income	20	7	9
<b>Total current liabilities</b>		<b>15</b>	<b>13</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,293</b>	<b>6,493</b>

## Parent Company's change in equity

Amounts in SEK m	Share capital	Statutory reserves	Share premium reserve	Retained earnings	Total equity
Opening equity, Jan 1, 2023	752	4	4,887	2,441	8,085
Net profit/loss for the year	-	-	-	-1,607	-1,607
Comprehensive income for the year	-	-	-	-1,607	-1,607
Issue of employee warrants	-	-	1		1
<b>Closing equity, Dec 31, 2023</b>	<b>752</b>	<b>4</b>	<b>4,888</b>	<b>834</b>	<b>6,479</b>
Opening equity, Jan 1, 2024	752	4	4,888	834	6,479
Net profit/loss for the year	-	-	-	-201	-201
Comprehensive income for the year	-	-	-	-201	-201
Issue of employee warrants	-	-	-		
<b>Closing equity, Dec 31, 2024</b>	<b>752</b>	<b>4</b>	<b>4,888</b>	<b>633</b>	<b>6,278</b>



## Parent Company cash flow statement

Amounts in SEK m	Note	2024	2023
<b>Operating activities</b>			
Profit/loss before financial items		-6	-54
Add back, depreciation		0	-
Adjustment for other non-cash items		-	-
<b>Cash flow from operating activities before interest and tax</b>		<b>-6</b>	<b>-54</b>
Interest paid		-59	-29
Interest received		88	45
Income tax paid		-1	-9
<b>Cash flow before changes in working capital</b>		<b>22</b>	<b>-46</b>
Increase (-)/Decrease (+) in operating receivables		-91	1,683
Increase (+)/Decrease (-) in operating liabilities		2	-22
<b>Cash flow from operating activities</b>		<b>-67</b>	<b>1,615</b>
<b>Investing activities</b>			
Investments/divestments in equipment, machinery and installations		-	-
Change in other long-term receivables		-	-
Shareholders' contributions paid		-	-1,671
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-1,671</b>

Amounts in SEK m	Note	2024	2023
<b>Financing activities</b>			
Dividend paid		-	-
Repayment of loans		-	-
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow for the period</b>		<b>-67</b>	<b>-56</b>
Cash and cash equivalents at the beginning of the period		168	224
Cash and cash equivalents at the end of the period	18	101	168

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## General information and accounting policies

# 1 General information and accounting policies

## General information

Neobo Fastigheter AB (publ), Corp. Reg. No. 556580-2526 is the Parent Company of the Neobo Group with its registered office in Stockholm and the address Mäster Samuelsgatan 42, SE-111 57 Stockholm, Sweden. Neobo's share is listed on Nasdaq Stockholm.

The Neobo Group strives for long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield. The Parent Company's assets mainly comprise shares and participations in companies that own properties.

The annual accounts and the consolidated financial statements were approved by the Board on March 25, 2025 and will be referred for adoption by the Annual General Meeting on April 24, 2025.

## Accounting policies

This section is a summarized overview of the principles for preparing the financial statements. For material information on the accounting policies applied for each item, see the following notes. All amounts are reported in SEK million unless otherwise stated.

## Principles for preparing the consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) Accounting Standards as resolved on December 31, 2024 and approved by the EU with interpretations of the IFRS Interpretations Committee, and in accordance with the Swedish Corporate Report-

ing Board's RFR 1, Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. Unless otherwise indicated, the policies have been applied consistently for all presented years. The measurement of items in the annual report used acquisition cost, except in the case of revaluation of investment properties and financial instruments, which were measured at fair value.

## Consolidated financial statements

The consolidated financial statements have been prepared using the cost method except for items for investment properties and certain financial assets and liabilities, which are measured at fair value. The consolidated financial statements apply to the Parent Company Neobo Fastigheter AB and the companies over which the Parent Company has a controlling interest (subsidiaries), see Note 22.

## Leases

Leases in which essentially all of the risks and benefits associated with ownership remain with the lessor are classified as operating leases. Properties leased out under operating leases are included in the item investment properties.

## Material judgements and assumptions when applying the Group's accounting policies

The preparation of financial statements in accordance with IFRS Accounting Standards requires that the management and the Board make judgements and assumptions that affect the carrying amounts of assets, liabilities, income and expenses, as well as other information disclosed. These judgements are based on experi-

ence and the various assumptions that are considered reasonable by the Management and the Board in view of the prevailing circumstances. The actual results may subsequently deviate from these assessments and other conditions may arise.

## Material judgements

Acquisitions of companies:

Acquisitions of companies can be classified as either business combinations or asset acquisitions. An asset acquisition occurs if the acquisition relates to property but does not include the organization, personnel and processes required to run the business. In the case of asset acquisitions, no deferred tax attributable to the property acquisition is recognized, instead any discount reduces the acquisition cost of the property. This means that the changes in value will be impacted by the tax rebate in the subsequent valuation.

## Significant assumptions

Investment properties:

Investment properties are recognized at fair value, which is determined by management based on a market assessment. When valuing investment properties, assumptions can have a significant impact on the Group's earnings and position. The valuation requires making assumptions about future cash flows and determining the discount rate (yield requirement) for each property. To reflect the uncertainty in the assumptions and assessments made, an uncertainty range is usually specified in property valuation. More on this and the assumptions used is presented in Note 11.

## Cash flow statement

Cash flow statements are prepared in accordance with the indirect method as per IAS 7.

## New and amended standards from the IASB and interpretations and statements from the IFRS IC that came into force during the year

No new and amended standards, interpretations and statements that came into force during the 2024 fiscal year had any material impact on the Group's financial statements.

## New and amended standards from the IASB and interpretations and statements from the IFRS IC that will come into force after 2024

IFRS 18 Presentation and Disclosures in Financial Statements will take effect on January 1, 2027. The Group will examine the impact of this during 2025.

## Events after the balance sheet date

No significant events occurred after the balance sheet date.





### 3 Rental income

#### Accounting policies

The Group's revenue consists primarily of rental income.

Rental contracts are classified in their entirety as operating leases. Rental income including sur-charges is invoiced in advance and the rents are allocated straight line so that only the portion of the rents that fall due during the period is recognized as revenue. Where appropriate, recognized rental income has been reduced by the value of rent discounts granted. Should rental contracts grant a reduced rent over a specified period, this is allocated straight line over the particular contractual period.

Based on the leases held by the Group and their wording, Neobo found that the service provided by the Group is subordinate to the rental contract and that all premiums shall be deemed to be rent.

#### Maturity structure of contracts

Duration	Group		
	Number of contracts	Contract value, SEK m	Share of value
2025*	12,884	809	86%
2026	121	50	5%
2027	88	21	2%
2028	34	15	2%
2029	36	23	2%
2030+	22	25	3%
<b>Total</b>	<b>13,185</b>	<b>944</b>	<b>100%</b>

\* Of which 7,896 residential contracts with an annual rent of SEK 742 m. Rental contracts for residential properties have a 3-month notice period

Occupancy rate and rental value, Jan 1, 2025	Group		
	Rental value, SEK m	Rental value, SEK/sq. m.	Economic occupancy rate
Residential properties	782	1,406	94.9%
Premises	210	1,480	86.7%
Parking and garages	25	-	77.7%
<b>Total</b>	<b>1,017</b>	<b>1,454</b>	<b>92.8%</b>

Occupancy rate and rental value, Jan 1, 2024	Group		
	Rental value, SEK m	Rental value, SEK/sq. m.	Economic occupancy rate
Residential properties	728	1,297	94.6%
Premises	217	1,446	86.9%
Parking and garages	24	-	79.3%
<b>Total</b>	<b>969</b>	<b>1,358</b>	<b>92.5%</b>

The average remaining term in the contract portfolio at year-end was 3.2 years (3.5). Of the contractual rent, 18 percent (21) comprises commercial contracts and 82 percent (79) residential properties, and parking and garages. There are 454 commercial contracts (435) distributed between tenants in a number of different sectors, no single tenant accounts for more than 1.1 percent (1.2) of the rental income. Exposure to credit losses is reduced by analyzing the creditworthiness of tenants for new leases and at regular intervals. When necessary, collateral is required.

## 4 Expenses

The Group's costs mainly comprise direct property costs and administration costs.

Costs distributed in the income statement, SEK m	Group	
	2024	2023
Property costs excluding administration	367	362
Property administration	68	67
Central administration	75	88
<b>Total</b>	<b>510</b>	<b>517</b>

By type of cost, SEK m	Group	
	2024	2023
Repairs and maintenance	43	66
Property tax	23	24
Operating costs	302	272
Personnel costs	68	73
Depreciation/amortization	1	1
Other external costs	74	80
<b>Total</b>	<b>510</b>	<b>517</b>

Administration, SEK m	Group	
	2024	2023
Personnel costs	68	73
Purchased services	61	64
IT	10	14
Marketing	3	2
Depreciation equipment, machinery and installations	1	1
<b>Total</b>	<b>143</b>	<b>155</b>

### Property management costs

Property costs that are part of the Group's net operating income include operating and maintenance costs, costs for property administration and property tax. Operating costs include tariff-based costs, such as electricity, water, heating, sanitation and insurance. Repairs and maintenance refer to costs for measures to maintain the standard and technical condition of the property. Property tax pertains to both property tax based on the property's tax assessment value and, where relevant, a levy on real estate based on fees per apartment.

### Property administration

The Group's administration costs are allocated to property administration, which is part of the Group's net operating income and central administration. Property administration relates to costs for property management and leasing and some parts of financial management.

### Central administration

Central administration consists mainly of costs related to the Board, the CEO and other management personnel, audit costs and corporate costs for the preparation of shareholder information, maintaining the stock exchange listing, costs related to the annual report, and costs for depreciation of equipment, machinery and installations. For depreciation of equipment, machinery and installations relating to central administration, see Note 12. For information about costs relating to the Board, CEO and other management personnel, see Note 5.

### Accounting for electricity subsidies

Neobo reported electricity subsidies of SEK 0 m (8) received during the year. The received electricity subsidies are recognized as a cost reduction on the date when there is reasonable assurance that the conditions associated with the subsidies are satisfied.

### Auditor's fees

Central administration also includes auditor's fees, see the table below.

Fees and disbursements to auditors, SEK m	Group		Parent Company	
	2024	2023	2024	2023
Auditing assignment, EY	4.0	5.2	4.0	5.2
Audit services in addition to audit assignment	1.9	0.3	1.9	0.3
Other	-	-	-	-
<b>Total</b>	<b>5.9</b>	<b>5.5</b>	<b>5.9</b>	<b>5.5</b>

The audit assignment refers to the auditor's fees for the statutory audit, meaning such work necessary to present the auditor's report. Audit-related activities in addition to audit assignment relates in principle to what is referred to as quality assurance services as well as advice or other assistance, which is caused by observations on such examination or implementation of other such work tasks. All services were provided by Ernst & Young AB.

## 5 Employees and personnel costs

### Accounting policies

Remuneration of employees comprises salaries, paid holiday, paid sick leave and other benefits as well as pensions. The Group has mainly defined-contribution pension plans. A defined-contribution plan is a pension plan under which the company pays fixed contributions into a separate legal entity, thereby discharging its obligation to the employee. Defined-contribution plans are recognized as costs in the period to which the premiums paid pertain.

### Employees

The CEO is employed by the Parent Company Neobo Fastigheter AB. All other personnel in the Group are employed by Neobo Service AB. The average number of employees in the Group in 2024 was 78 (75), of whom 28 (27) were women and 50 (49) men. Neobo's senior executives refers to the CEO and others who together with the CEO form the company's management team, see page 43. On the balance sheet date, 4 (4) of the senior executives in the Group were women and 1 (1) men and on the Board, 2 (1) were women and 3 (4) men.

### Salaries and other remuneration

Salaries and other remuneration of the CEO and other senior executives consist of base salaries, benefits and variable remuneration in accordance with the incentive program.

Salaries and other remuneration, SEK m	Group		Parent Company	
	2024	2023	2024	2023
Senior executives	12	12	5	4
Other employees	37	33	0	0
<b>Total salaries and remuneration</b>	<b>49</b>	<b>45</b>	<b>5</b>	<b>4</b>
Pension costs	4	10	2	2
Social security costs	15	15	2	2
<b>Total</b>	<b>68</b>	<b>70</b>	<b>9</b>	<b>8</b>

Senior executives, SEK 000s	2024				
	Basic salary incl. social security contributions/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
<b>Chairman of the Board</b>					
Jan-Erik Höjvall	550	-	-	-	550
<b>Other Board members</b>					
Mona Finnström	295	-	-	-	295
Ulf Nilsson	295	-	-	-	295
Jakob Pettersson	197	-	-	-	197
Anneli Lindblom	197	-	-	-	197
Peter Wågström	35	-	-	-	35
CEO, Ylva Sarby Westman*	5,460	840	112	1,380	7,792
Other senior executives (4 individuals)	8,341	771	278	2,135	11,525
<b>Total</b>	<b>15,370</b>	<b>1,611</b>	<b>390</b>	<b>3,515</b>	<b>20,886</b>

\* In the event of dismissal initiated by the company, the notice period will be six months. Severance pay, including salary during the notice period, may not exceed 18 monthly salaries.

Senior executives, SEK 000s	2023				
	Basic salary incl. social security contributions/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
<b>Chairman of the Board</b>					
Jan-Erik Höjvall	603	-	-	-	603
<b>Other Board members</b>					
Mona Finnström	324	-	-	-	324
Ulf Nilsson	324	-	-	-	324
Jakob Pettersson	-	-	-	-	-
Eva Swartz Grimaldi	309	-	-	-	309
Peter Wågström	324	-	-	-	324
CEO, Ylva Sarby Westman	4,626	-	108	1,639	6,373
Other senior executives (5 individuals)	9,740	-	319	2,313	12,372
<b>Total</b>	<b>16,250</b>	<b>-</b>	<b>427</b>	<b>3,952</b>	<b>20,629</b>

## 6 Financial income and expenses

### Accounting policies

Financial income relates to interest income on bank deposits, receivables, financial investments and dividend income. Costs consist of interest costs and other costs arising in connection with borrowing, such as handling charges and administrative fees. The net effect of exchange rate differences on financial items is recognized as an income or expense depending on the outcome. Financial income and expenses are recognized in profit or loss for the period to which they pertain. In the income statement, the interest rate component of derivatives is reported on the same line as interest costs, as all interest rate derivatives are used to hedge interest costs.

Financial income, SEK m	Group		Parent Company	
	2024	2023	2024	2023
Interest income	3	1	2	10
Other financial income	0	-	0	0
Interest income, Group companies	-	-	86	36
<b>Total financial income</b>	<b>3</b>	<b>1</b>	<b>88</b>	<b>46</b>
Financial expenses, SEK m				
Interest costs, liabilities to credit institutions	-397	-389	0	-
Interest rate component, derivatives	156	165	-	-
Other financial expenses	-7	-1	0	-
Interest costs, Group companies	-	-	-59	-29
<b>Total financial costs</b>	<b>-248</b>	<b>-225</b>	<b>-59</b>	<b>-29</b>
<b>Net financial items</b>	<b>-246</b>	<b>-224</b>	<b>30</b>	<b>17</b>

### Net financial items

Net financial items are not affected by the market value of existing contracts for interest rate derivatives, which are used to adjust the fixed interest term, as these are recognized as change in value under a separate heading. See also Note 17 and 18.

## 7 Site leasehold agreements and other leases

### Letting cost/ground rent

An owner of a building on municipally owned land pays an annual fee in the form of ground rent to the municipality. This ground rent is currently calculated so that the municipality receives the effective rate of interest based on the estimated market value of the land. The ground rent is accrued over time and is usually renegotiated at intervals of 10 to 20 years.

At the end of the year, Neobo had five properties with site leaseholds. Ground rent, including leasehold fees, amounted to SEK 1 m (1).

In addition to site leasehold agreements, there are a few minor leases in the form of cars, office equipment, etc. These contracts have been defined as contracts where the underlying asset is of low value and the practical exemption in IFRS 16 was applied, which means lease payments are recognized as a cost on a straight-line basis over the lease term in profit or loss and that no right-of-use assets or lease liabilities are recognized in the balance sheet.



## Tax

## 8 Current tax

### Accounting policies

Tax for the period comprises current and deferred tax. Tax is recognized in profit or loss, except when the underlying transaction is recognized in other comprehensive income or directly in equity, in which case, the related tax is also recognized in other comprehensive income or equity.

The current tax charge is calculated based on taxable profit for the period. Taxable income differs from recognized profit, in that it has been adjusted for non-taxable income and non-deductible items. Current tax is tax that is to be paid or received in the current year adjusted with current tax attributable to previous periods. Deferred tax is recognized on the difference between carrying amounts and the tax bases of assets and liabilities. Change in the recognized deferred tax assets or liabilities is recognized in profit or loss as a cost or revenue except when the tax pertains to items recognized in other comprehensive income or directly in equity.

Reconciliation of effective tax rate SEK m	Group		Parent Company	
	2024	2023	2024	2023
Profit/loss before tax	-251	-1,428	-201	-1,608
Tax according to current tax rate	52	294	41	331
Tax effect of:				
Tax attributable to previous years	1	1	-	1
Non-taxable income upon sale of subsidiaries	-5	-	-	-
Items related to divestment of properties	-9	-	-	-
Other non-taxable income	-	-	-	3
Non-deductible costs	-1	-34	-47	-335
Utilization of previously unutilized tax loss carry forwards	2	16	-	-
Other tax adjustments	-	7	-	-
Tax depreciation	-	-	-	-
Temporary differences, untaxed reserves	-	-	-	-
Temporary differences, derivatives	22	-5	-	-
Disposal of participations	11	-	-	-
Non-deductible net interest	-16	-	-6	-
Temporary differences, properties	-	-225	-	-
<b>Recognized tax</b>	<b>58</b>	<b>54</b>	<b>0</b>	<b>1</b>
Effective tax rate	-22.9%	-3.8%	-0.2%	-0.1%
Current tax	-19	-21	0	1
Deferred tax	77	75	0	0
<b>Recognized tax</b>	<b>58</b>	<b>54</b>	<b>0</b>	<b>1</b>

## 9 Deferred tax

### Accounting policies

Deferred tax is recognized on the difference between the carrying amounts of assets and liabilities in the financial statements and the tax bases used when calculating taxable profit. Deferred tax liabilities are recognized for taxable temporary differences and deferred tax assets are recognized for deductible temporary differences insofar as it is probable that the amounts can be utilized to offset future taxable surpluses. However, deferred tax is not recognized if the temporary difference arises from the initial recognition of assets or liabilities in an asset acquisition. Deferred income tax is calculated based on statutory tax rates at the balance sheet date that have been enacted, notified or are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax Group, SEK m	2024		2023	
	Basis	Tax	Basis	Tax
Properties	1,643	338	2,063	425
Derivatives	0	0	0	0
Untaxed reserves	40	8	24	5
Other	0	0	0	0
<b>Recognized deferred tax liability</b>	<b>1,683</b>	<b>347</b>	<b>2,087</b>	<b>430</b>
Opening balance	2,087	430	2,452	505
Recognized in income statement	-404	-77	-365	-75
Divestment of companies	0	-6	0	0
<b>Closing balance</b>	<b>1,683</b>	<b>347</b>	<b>2,087</b>	<b>430</b>

### Deferred tax in Parent Company

The deferred tax liability in the Parent Company's balance sheet amounted to SEK 0 m (0) at year-end.

## Assets

## 10 Intangible assets

### Accounting policies

#### Intangible assets

Intangible assets are recognized at acquisition cost less accumulated amortization and impairment. The intangible assets are amortized on a straight line basis during the assets' estimated useful life. The estimated useful lives are expected to be 3–5 years. Amortization is calculated from the time when the asset is ready for use.

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Opening balance	0	3	0	0
Acquisitions	4	0	4	0
Reclassifications	1	-3	1	0
Closing balance	5	0	5	0

## 11 Investment properties

### Accounting policies

#### Investment properties

Investment properties, which are properties held to generate rental income and capital appreciation, are initially recognized at acquisition cost, including directly attributable transaction costs. Following initial recognition, investment properties are recognized at fair value. Fair value is primarily based on prices in an active market and is the amount to which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of the properties is established by assessing the market value of all properties at each individual period end.

Additional expenditure is capitalized when it is probable that the Group will receive future financial benefits associated with the expenditure, which means that it is value enhancing, and the expenditure can be reliably determined. Other maintenance expenses and repair costs are expensed when incurred. In the case of major new construction, expansions and conversions, the interest cost during the production period is capitalized.

### Change in value of investment properties

Both unrealized and realized changes in value are recognized in profit or loss on the row "Change in value of investment properties". Unrealized change in value is calculated on the basis of the period-end valuation compared with the valuation conducted at the beginning of the period, or alternatively, if the

property was acquired during the period, at acquisition cost, taking investments during the period into account. Realized change in value of the properties are calculated as price less selling expenses less book value including the year's unrealized change in value.

The fair value of investment properties declined during the year by SEK 317 M to SEK 13,701 M (14,018). The decrease in value reflects the change that has occurred in the properties' cash flows and in the required valuation yield. The Parent Company does not own any properties.

Change in investment properties SEK m	North	South	Group	
	2024	2024	2024	2023
Opening balance	5,979	8,039	14,018	15,295
Acquisitions	-	-	-	-100
Divestments	-180	-	-180	0
Investments	61	103	164	177
Unrealized change in value	-74	-228	-301	-1,353
Closing balance	5,787	7,915	13,701	14,018

### Valuation

Fair value consists of market value, which is based on the most likely price in the event of a sale with a normal marketing period in the open property market. The fair value of the properties is established by assessing the market value of each individual property at each individual period end. The valuation process is guided by a valuation policy and under this all properties are valued externally at the end of each quarter. If an agreement has been signed concerning the purchase and sale of a property, the agreed property value is instead used as a basis for the market value for coming quarterly accounts. External valuations are performed in accordance with International Valuation Standards (IVS) and the RICS Red Book. Alongside of the external valuation, an internal plausibility check is conducted of the values. In 2024, the external valuation was performed by Savills Sweden AB.

### Valuation method

Market values are assessed mainly using a yield-based valuation method based on market-adapted cash flow statements with a minimum ten-year projection period, which is mainly applicable to investment properties in normal operation and development properties with contractual tenants. For building rights and other properties where a cash flow valuation is not applicable, the market values are instead assessed on the basis of the location-price method or a development calculation, taking into account the uncertainties assessed by the market.

### Valuation assumptions

The cost of capital and the valuation yield are based on the property assessor's experience-based assessments of market yield requirements for comparable properties. The forecast of future cash flows takes into account the property's use, age and maintenance status. Rental payments are based on existing rental contracts and when contracts expire a market-based rental level is adopted. Costs for operation, maintenance and administration are based on actual costs in combination with forecasts, assessments and experiences from comparable properties. Future investments are assessed as needs become known. External property valuers inspect each property at least every three years. The yield requirement also takes account of climate risks, but this effect is currently difficult to quantify as existing market data is insufficient.

### Key assumptions in the valuation of investment properties

Yield requirements per property category	Interval			
	2024		2023	
	North	South	North	South
Residential properties	3,9–5,2	3,6–6,0	3,7–5,0	3,5–6,0
Commercial	4,3–7,2	3,7–8,0	3,9–7,2	3,6–8,0
Community service	3,9–7,2	5,0–7,7	3,7–6,8	4,8–7,7
<b>Total</b>	<b>3,9–7,2</b>	<b>3,6–8,0</b>	<b>3,7–7,2</b>	<b>3,5–8,0</b>

Yield requirements per property category	Weighted average			
	2024		2023	
	North	South	North	South
Residential properties	4.5	4.8	4.2	4.4
Commercial	6.4	7.1	6.3	7.0
Community service	5.4	5.8	5.2	5.7
<b>Total</b>	<b>5.0</b>	<b>5.0</b>	<b>4.8</b>	<b>4.7</b>

Valuation assumptions	North	South	Total	Total
	2024	2024	2024	2023
Cost of capital – cash flow, weighted	6.80%	6.87%	6.84%	6.77%
Cost of capital – residual value, weighted	7.02%	7.02%	7.02%	6.84%
Yield requirements – residual value, weighted	5.03%	5.03%	5.03%	4.74%
Long-term vacancy rate	2.90%	2.91%	2.91%	2.95%
Market rent, fully occupied, calculation start date	1,659 SEK/sq. m.	1,386 SEK/sq. m.	1,483 SEK/sq. m.	1,401 SEK/sq. m.
Operating and maintenance costs, start of calculation	530 SEK/sq. m.	551 SEK/sq. m.	543 SEK/sq. m.	498 SEK/sq. m.
Normalized net operating income, start of calculation	1,090 SEK/sq. m.	800 SEK/sq. m.	903 SEK/sq. m.	868 SEK/sq. m.
Rent increase residential properties, year 0	–	–	4.50%	5.00%
Rent increase residential properties, year 1	–	–	3.00%	4.00%
Inflation, year ≥1	–	–	2.00%	2.00%

### Sensitivity analysis property valuation

The property valuations were performed according to generally accepted principles based on market-aligned assumptions and assessments. The table below presents the effects on the market value of the investment properties of changes in individual parameters. There may be an interconnection between the parameters and they rarely move in isolation. For example, a notice of termination may affect the assessment of future cash flows as well as the risk associated with future vacancies, which may be reflected in the yield requirement. A higher inflation rate leads to higher income and costs, at the same time as the yield requirement may be affected. Shifts in one or more parameters in reality are likely to result in a greater or lesser value impact in relation to the sensitivity analysis below.

Total	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+/-5%	+1,005/- 1,001	+/- 7%
Operating and maintenance costs	+/-5%	-338/+ 345	- 2%/+ 3%
Yield requirement	+/-0.25 percentage point	-660/+ 738	+ / -5%
Long-term vacancy rate	+/-0.25 percentage point	-42/+ 46	+/- 0%
Cost of capital	+/-1 percentage point	-980/+ 1,081	- 7%/+ 8%

North Region	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+/-5%	+392/- 390	+/- 7%
Operating and maintenance costs	+/-5%	-115/+ 120	- /+ 2%
Yield requirement	+/-0.25 percentage point	-280/+ 313	+ / -5%
Long-term vacancy rate	+/-0.25 percentage point	-15/+ 20	+/- 0%
Cost of capital	+/-1 percentage point	-415/+ 460	- 7%/+ 8%

South Region	Change in assumption	Value impact, SEK m	Value impact, %
Rental value	+/-5%	+613/- 612	+/- 8%
Operating and maintenance costs	+/-5%	-224/+ 225	- /+ 3%
Yield requirement	+/-0.25 percentage point	-381/+ 425	+ / -5%
Long-term vacancy rate	+/-0.25 percentage point	-27/+ 26	+/- 0%
Cost of capital	+/-1 percentage point	-565/+ 623	- 7%/+ 8%

### Sensitivity analysis, change in value

The table below illustrates how changes in the market value of investment properties, not taking into account deferred tax, impact earnings and the relevant key metrics.

	Change in the market value of properties	Impact	Impact, %
Earnings	+/-10%	+/- SEK 1,370 m	+/-710%
Equity	+/-10%	+/- SEK 1,370 m	+/-22%
Loan-to-value ratio	+/-10%	-5 percentage points/ +6 percentage points	-9%/+11%

## 12 Equipment, machinery and installations

### Accounting policies

Equipment, machinery and installations mainly comprises office equipment and cars, recognized at acquisition cost less accumulated depreciation and impairment. Equipment, machinery and installations is depreciated on a straight line basis during the assets' estimated useful life which is expected to be 5 years. Equipment, machinery and installations is estimated to have a useful life that is assumed to be equal to the asset's technical longevity, which is why the residual value is assumed to be negligible and is disregarded. Depreciation is calculated from the time when the asset is ready for use.

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Opening balance, acquisition cost	14	13	1	0
Acquisitions during the year	-	1	0	1
Reclassifications	-1	-	-1	-
Closing balance, accumulated acquisition cost	13	14	0	1
Depreciation/amortization				
Opening balance, accumulated depreciation	-10	-9	0	0
Sales and disposals	0	0	-	-
Depreciation for the year incl. acquired depreciation and depreciation in divested companies	-1	-1	-	-
Closing balance, accumulated depreciation	-11	-10	0	0
Closing carrying amount	2	4	0	1

## 13 Accounts receivable

### Accounting policies

The book value of accounts receivable is consistent with fair value. As payments of accounts receivable are made in the near future, the fair value is the same as amortized cost. Historically, there have been no significant losses on rent receivables. All accounts receivable older than two months are reserved as doubtful accounts receivable.

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Receivables from tenants	37	29	1	0
Provisions for doubtful accounts receivable	-29	-22	0	0
Closing balance	8	8	1	0

Total reserves for doubtful accounts receivable is based on historical statistics, plus a risk assessment of accounts and rent receivables.

Age-allocated accounts receivable	Group		Group	
	2024	2023	2024	2023
Not past-due	10	12	1	-
Past-due, 1-30 days	0	2	-	-
Past-due, 31-90 days	4	2	-	-
Past-due, more than 90 days	23	13	-	-
Total	37	29	1	-

Change in provisions for doubtful accounts receivable during the year is specified below.

Provisions for doubtful accounts receivable, Group	2024	2023
Opening balance	-22	-10
Increase in provision, recognized in profit or loss	-13	-15
Credit losses identified during the year	5	2
Reversal of unutilized amount	1	1
Closing balance	-29	-22



## 14 Other receivables

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Tax account	14	5	0	0
Other current receivables	1	26	0	24
<b>Total</b>	<b>15</b>	<b>31</b>	<b>0</b>	<b>24</b>

## 15 Prepaid expenses and accrued income

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Accrued interest receivable	2	1	0	0
Other interim receivables	14	42	2	8
<b>Total</b>	<b>16</b>	<b>43</b>	<b>2</b>	<b>8</b>

## Financing and capital structure

## 16 Capital structure

The Group endeavors to achieve a good earnings performance, economic resilience and a strong financial position. The economic and financial targets are set to combine a high return on equity, high growth capacity and financial stability.

The Group's financial risk limitations according to the Financial Policy:

- Return on equity over time shall exceed 10 percent
- Interest coverage ratio is to exceed a multiple of 1.5
- The loan-to-value ratio shall not exceed 65 percent

Given the current market conditions and the company's investment needs, the Board is of the opinion that the shareholders would benefit and the best total yield would be achieved by reinvesting profits in the business.

The terms and conditions imposed on the Group by external lenders in order to provide credit are similar in the different credit agreements. The agreements essentially stipulate an interest coverage ratio of a multiple of not less than 1.5–1.7, loan-to-value ratio of a maximum of 65–75 percent and an equity/assets ratio of not less than 25–30 percent. Covenants are reported on a quarterly or annual basis. At year-end, the Group complied with all terms and conditions imposed, and there are no indications that the Group would have difficulties in complying with the covenants when they are next tested in 2025. The terms and conditions are also under the Group's financial targets.

Covenant	Volume	Test period
Interest coverage ratio	4,702	Quarterly
Interest coverage ratio	2,913	Annually
Loan-to-value ratio	6,084	Quarterly
Loan-to-value ratio	734	Annually
Equity/assets ratio	6,084	Quarterly
Equity/assets ratio	734	Annually

The Group's capital structure comprises interest-bearing net loan debt and equity attributable to Parent Company shareholders. This consists of share capital, other contributed capital as well as retained earnings, including net profit/loss for the year.

Neobo's borrowing is secured through mortgage deeds in the Group's properties, share pledges in subsidiaries and in certain cases guarantees issued by the Parent Company for subsidiary borrowing. Interest-bearing liabilities are recognized at amortized cost, which is the carrying amount in the Capital structure table.

Capital structure	Dec 31, 2024	Dec 31, 2023
Group, SEK m	Carrying amount	Carrying amount
Liabilities to credit institutions	7,115	7,278
Cash and cash equivalents	146	199
<b>Net debt</b>	<b>6,969</b>	<b>7,079</b>
Equity	6,213	6,405
<b>Total net debt and equity</b>	<b>13,182</b>	<b>13,484</b>

## 17 Financial risk

Through its operations, the Group is exposed to various types of financial risks. Financial risks are defined as fluctuations in the Group's earnings and cash flow due to changes in, for example, interest rates. Neobo is primarily exposed to financing and liquidity risk, credit risk and interest rate risk. Financial transactions and risks in the Group are managed centrally by the Parent Company's finance function. The Group's Financial Policy for managing financial risks has been designed and approved by the Board of Directors. The Financial Policy provides a framework of guidelines and regulations, and also defines objectives for financing activities. The overall objectives of the financing activities are to:

- Achieve the best possible financial net within the framework of the decided risk level and given risk limits
- Identify and ensure efficient management of the financial risks that arise in Neobo
- Ensure good access to funds so that Neobo's payment obligations can be met at all points in time
- Ensure access to requisite financing at the lowest possible cost within the framework of the decided risk level
- Ensure that the financing activities are subject to appropriate internal controls

### Financing and liquidity risk

Financing risk refers to the long-term risk that ensuring the Group's capital requirements and the refinancing of loans outstanding becomes more difficult or costly, for example through restricted access to different sources of financing. Liquidity risk is the risk of being unable to meet financial obligations.

### Credit risk

Credit risk refers to the risk that the counterparty cannot fulfill deliveries or payment obligations. Neobo's credit risks concern the possible failure of tenants to fulfill their payments under existing rental contracts.

**Interest rate risk**

Interest rate risk refers to exposure to changes in market interest rates and credit margins. According to the Financial Policy, Neobo's finance function works with periods of fixed interest based on the estimated interest rate trend, cash flow and capital structure.

Liquidity risk – analysis of tenors	2024			
	0–1 year	1–2 years	2–5 years	>5 years
Assets				
Accounts receivable	8			
Other receivables	15			
Cash and cash equivalents	146			
<b>Total</b>	<b>169</b>			
Liabilities				
Bank loans	1,096	3,282	3,205	91
Accounts payable	41			
<b>Total</b>	<b>1,137</b>	<b>3,282</b>	<b>3,205</b>	<b>91</b>

Liquidity risk – analysis of tenors	2023			
	0–1 year	1–2 years	2–5 years	>5 years
Assets				
Accounts receivable	8			
Other receivables	31			
Cash and cash equivalents	199			
<b>Total</b>	<b>238</b>			
Liabilities				
Bank loans	189	3,491	3,503	96
Accounts payable	53			
<b>Total</b>	<b>242</b>	<b>3,491</b>	<b>3,503</b>	<b>96</b>

Maturity structure, current and non-current interest-bearing liabilities in the Group, year	Group			
	Fixed interest term		Loan-to-maturity	
	Amount	Share, %	Amount	Share, %
0–1	1,706	24	847	12
1–2	1,839	26	3,066	43
2–3	1,370	19	2,174	31
3–4	600	8	933	13
4 years and later	1600	22	94	1
<b>Closing balance</b>	<b>7,115</b>	<b>100</b>	<b>7,115</b>	<b>100</b>
<b>Breakdown, fixed and floating interest incl. derivative instruments</b>				
Interest-bearing liabilities– floating interest	1,706			
Interest-bearing liabilities– fixed interest	5,409			

**Financial derivative instruments**

In order to limit interest rate risk, the rate was fixed using interest rate derivatives (interest rate swaps). Neobo has taken out interest rate swaps for SEK 5,409 m. The subscribed interest rate derivatives and market value on December 31 are presented in Note 18.

Sensitivity analysis cash flow <sup>1)</sup>	Change, %	Earnings effect, SEK m
Rental income	+/-5%	+/-45
Costs, property management	+/-5%	+/-22
Occupancy rate	+/-1 percentage point	+/-10
Average borrowing rate, including derivatives	+/-1 percentage point	+/-15
Market value, derivatives	+/-1 percentage point	+153/-164

<sup>1)</sup> The earnings effect pertains to the impact on the next year taking into account the duration of rental contracts and loan agreements. The earnings effect is before tax.

# 18 Financial instruments

## Accounting policies

Financial instruments are any form of agreement or contract that gives rise to a financial asset or liability. Financial assets in the balance sheet are: accounts receivable, cash and cash equivalents and derivative instruments. Financial liabilities consist of accounts payable, loans and derivative instruments. Purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument have expired or been transferred and the Group has transferred substantially all risks and rewards associated with ownership. Financial assets in the Group are classified in the following categories in accordance with IFRS 9:

- Derivative instruments: measured at fair value through profit or loss (excluding interest payments during the year).
- Debt instruments: measured at fair value through profit or loss

## Calculation of fair value

The fair value of financial instruments traded in an active market is based on market valuations using current market data. For financial assets, the current bid price is used, while for financial liabilities the current ask price is used.

## Methodology and basis

Derivative instruments are calculated by discounting future contractual cash flows at the current market interest rate for each maturity. Financial liabilities are calculated by discounting future contractual cash flows at the current market interest rate. Accounts receivable and payable are based on nominal value, meaning taking into account any estimated credits.

## Maturity structure derivative instruments

Year of maturity	Nominal amount, SEK m	Market value, SEK m	Average interest rate, %
2025	1,450	13	0.17
2026	1,839	48	0.65
2027	420	14	1.10
2028	600	-4	2.56
2029	700	-3	2.55
2030 and later	400	-5	2.74
<b>Total</b>	<b>5,409</b>	<b>63</b>	<b>1.17</b>

Categorization of financial instruments Group, SEK m	Financial assets/liabilities measured at amortized cost		Financial assets/liabilities measured at fair value through profit or loss	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
<b>Assets</b>				
Derivatives			76	194
Accounts receivable	8	8		
Other receivables	15	31		
Cash and cash equivalents	146	199		
<b>Total</b>	<b>169</b>	<b>238</b>	<b>76</b>	<b>194</b>
<b>Liabilities</b>				
Interest-bearing liabilities	7,115	7,278		
Derivatives			13	23
Other liabilities	101	70		
Accounts payable	41	53		
<b>Total</b>	<b>7,257</b>	<b>7,401</b>	<b>13</b>	<b>23</b>

Derivatives, SEK m	Group	
	2024	2023
Opening balance	171	393
Unrealized change in value	-108	-222
Acquisitions	-	-
<b>Closing balance</b>	<b>63</b>	<b>171</b>

All derivatives pertain to interest rate derivatives.

Cash and cash equivalents, SEK m	Group	
	2024	2023
Cash at bank balances	146	199
<b>Closing balance</b>	<b>146</b>	<b>199</b>



## Operational liabilities

## 19 Other liabilities

SEK m	Group		Parent Company	
	2024	2023	2024	2023
VAT liability	8	20	1	1
Personnel-related liabilities	2	3	1	0
Other current liabilities	91	47	0	0
<b>Total</b>	<b>101</b>	<b>70</b>	<b>2</b>	<b>1</b>

## 20 Accrued expenses and prepaid income

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Vacation pay liabilities and social security costs	6	7	0	0
Accrued interest costs	2	5	-	-
Prepaid rents	70	78	-	-
Property management costs	31	86	7	9
Other accrued expenses and prepaid income	37	38	0	0
<b>Total</b>	<b>146</b>	<b>214</b>	<b>7</b>	<b>9</b>

## 21 Pledged assets and contingent liabilities

Commitments and legal liability for remediation of polluted land may become an issue in the future, in terms of both owned and divested properties. Costs could arise in the form, inter alia, of increased costs for decontamination of land in connection with new construction or refurbishment or additions, or alternatively reduced purchase considerations when divesting properties. It is not possible to calculate any future amounts. Government assistance that has been granted may need to be repaid should the conditions for the support not be fulfilled during the period of assistance. In addition, other disputes may arise in the business from time to time. The outcomes are frequently difficult to assess. Insofar as it is probable that a dispute may result in a cost for the Group, this is recognized in the accounts.

SEK m	Group		Parent Company	
	2024	2023	2024	2023
Pledged assets				
Pledged mortgages	8,336	8,648	-	-
Contingent liabilities				
Guarantee commitments	-	-	7,115	7,273
<b>Total</b>	<b>8,336</b>	<b>8,648</b>	<b>7,115</b>	<b>7,273</b>

## Group structure

## 22 Participations in Group companies

### Accounting policies

The Parent Company's participations in Group companies are measured at acquisition cost less accumulated impairment. A subsidiary's carrying amount is tested at least once a year for the possible indication of impairment, or more often when there is an indication that the carrying amount may not be recoverable. The impairment test compares the estimated recoverable amount with the carrying amount. The recoverable amount is the higher of fair value less selling costs and the value in use. Value in use is the present value of future cash flows. Any impairment is recognized when the decline in value is considered to be permanent. Impairments and reversals of previous impairments are recognized in profit or loss.

Shares and participations in subsidiaries, SEK m	Parent Company	
	2024	2023
Opening balance	48	0
Shareholders' contributions	5,818	1,671
Sales	-	-
Impairment	-227	-1,623
<b>Closing balance</b>	<b>5,639</b>	<b>48</b>

Specification of Parent Company's direct holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of participations	Share, %	Carrying amount	
					2024	2023
Neobo Service AB	559395-8167	Stockholm	25,000	100	19	19
Neobo Holdco 1 AB	559408-9673	Stockholm	25,000	100	649	0
Neobo Holdco 2 AB	559408-9681	Stockholm	25,000	100	905	0
Neobo Holdco 3 AB	559408-9699	Stockholm	25,000	100	1,322	1
Neobo Holdco 4 AB	559408-9707	Stockholm	25,000	100	1,652	0
Neobo Holdco 5 AB	559408-9715	Stockholm	25,000	100	185	15
Neobo Holdco 6 AB	559408-9723	Stockholm	25,000	100	153	5
Neobo Holdco 7 AB	559408-9749	Stockholm	25,000	100	699	1
Neobo Holdco 8 AB	559408-9756	Stockholm	25,000	100	54	7
<b>Total</b>					<b>5,639</b>	<b>48</b>

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of participations	Share of equity, %
Neobo Alingsås Lerum AB	559248-6681	Stockholm	250	100
Neobo Anna och Hummern i Helsingborg AB	556847-1451	Stockholm	500	100
Neobo Biografen AB	559248-6699	Stockholm	250	100
Neobo Bostad 103 AB	559347-1963	Stockholm	25,000	100
Neobo Bostad 22 AB	559070-4663	Stockholm	50,000	100
Neobo Bostad 23 AB	559070-4531	Stockholm	50,000	100
Neobo Bostad 3 AB	559062-6254	Stockholm	50,000	100
Neobo Bostad Oskarshamn AB	559043-2216	Stockholm	50,000	100
Neobo Brågarp AB	556212-1912	Stockholm	40,000	100
Neobo Continental Apartments AB	559062-6122	Stockholm	50,000	100
Neobo Dubbelkrut AB	559159-3156	Stockholm	500	100
Neobo East AB	556691-9543	Stockholm	800,000	100
Neobo Enigheten HB	916831-9763	Stockholm		100
Neobo Eskilstuna 4 AB	559323-5756	Stockholm	25,000	100
Neobo Eskilstuna 6 AB	559323-5947	Stockholm	25,000	100
Neobo Falköping 1 KB	969691-5009	Stockholm		100
Neobo Falköping 2 KB	969691-7625	Stockholm		100
Neobo Falköping 3 KB	967800-2842	Stockholm		100
Neobo Falköping AB	559408-9657	Stockholm	25,000	100
Neobo Falköping Holding AB	559319-6883	Stockholm	25,000	100
Neobo Falun Timrå AB	556684-8999	Stockholm	1,000	100
Neobo Falun Timrå Holding AB	559018-1219	Stockholm	50,000	100
Neobo Fastighets AB Prästkragen 5	559208-2241	Stockholm	50,000	100
Neobo Fenja Agne AB	556551-6522	Stockholm	5,000	100
Neobo Fjärilen 17 AB	559317-1357	Stockholm	50,000	100
Neobo Fjärilsvingen AB	556679-8202	Stockholm	1,000	100
Neobo Färgaren HB	969671-1093	Stockholm		100
Neobo Gustaf HB	969673-5423	Stockholm		100
Neobo Gävle 2 AB	559003-8617	Stockholm	500	100
Neobo Helsingborg 5 AB	556704-6767	Stockholm	1,000	100
Neobo Holdco 1.1.1 AB	559408-9830	Stockholm	25,000	100
Neobo Holdco 1.1.2 AB	559408-9822	Stockholm	25,000	100
Neobo Holdco 1.1.3 AB	559408-9814	Stockholm	25,000	100
Neobo Holdco 1.1.4 AB	559408-9665	Stockholm	25,000	100
Neobo Holdco 2.1 AB	559408-9764	Stockholm	25,000	100

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of participations	Share of equity, %
Neobo Holdco 2.1.1 AB	559408-9772	Stockholm	25,000	100
Neobo Holdco 2.1.2 AB	559408-9780	Stockholm	25,000	100
Neobo Holdco 2.1.3 AB	559408-9798	Stockholm	25,000	100
Neobo Holdco 3.1 AB	559408-9582	Stockholm	25,000	100
Neobo Holdco 3.1.1 AB	559408-9590	Stockholm	25,000	100
Neobo Holdco 4.1 AB	559408-9608	Stockholm	25,000	100
Neobo Holdco 4.1.1 AB	559408-9988	Stockholm	25,000	100
Neobo Holdco 4.1.2 AB	559408-9996	Stockholm	25,000	100
Neobo Holdco 5.1 AB	559408-9913	Stockholm	25,000	100
Neobo Holdco 6.1 AB	559408-9905	Stockholm	25,000	100
Neobo Holdco 7.1 AB	559408-9871	Stockholm	25,000	100
Neobo Holdco 7.1.1 AB	559408-9897	Stockholm	25,000	100
Neobo Holdco 7.1.2 AB	559408-9889	Stockholm	25,000	100
Neobo i Enköping AB	556710-5902	Stockholm	1,000	100
Neobo i Märsta AB	559082-2622	Stockholm	50,000	100
Neobo Isaksdal AB	556897-8257	Stockholm	500	100
Neobo Järna AB	556976-6925	Stockholm	1,000	100
Neobo Karlstad KB	969664-8386	Stockholm		100
Neobo Katrineholm AB	559337-1718	Stockholm	25,000	100
Neobo Knivsta Gredelby AB	559218-2215	Stockholm	500	100
Neobo Kristinegatan AB	556677-6331	Stockholm	1,000	100
Neobo Köping 1 AB	559026-6036	Stockholm	500	100
Neobo Köping 2 AB	556748-9660	Stockholm	1,000	100
Neobo Köping 3 AB	556950-8400	Stockholm	50,000	100
Neobo Köping Holding AB	559333-2462	Stockholm	25,000	100
Neobo Köping Innerstaden 1:38 AB	559113-0405	Stockholm	1000	100
Neobo Köping Saga & Ale AB	559059-5426	Stockholm	500	100
Neobo Köping Stadskanten AB	559157-4362	Stockholm	500	100
Neobo Lerum AB	559273-6325	Stockholm	50,000	100
Neobo Liljan HB	916896-8452	Stockholm		100
Neobo Luleå AB	559273-6341	Stockholm	50,000	100
Neobo Mariestad 2 AB	559408-9640	Stockholm	25,000	100
Neobo Mariestad AB	559081-0734	Stockholm	500	100
Neobo Mitt Holding AB	559222-2995	Stockholm	50,000	100
Neobo Mjården AB	556883-4989	Stockholm	500	100

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of participations	Share of equity, %
Neobo Motala AB	556680-9363	Stockholm	1,000	100
Neobo Nevisborg AB	559163-6138	Stockholm	500	100
Neobo Norrköping 2 AB	559408-9632	Stockholm	25,000	100
Neobo Norrköping AB	559323-5749	Stockholm	25,000	100
Neobo Nyckelpigan 24 AB	556605-0893	Stockholm	1,000	100
Neobo Nyköping 2 AB	556707-9362	Stockholm	100,000	100
Neobo Nynäshamn AB	556919-3773	Stockholm	500	100
Neobo Oscarsbo AB	556173-2636	Stockholm	200	100
Neobo Panirab AB	556520-8856	Stockholm	1000	100
Neobo Parken AB	559227-6314	Stockholm	50,000	100
Neobo Pinjen 4 AB	556604-9564	Stockholm	1,000	100
Neobo Propco 8.1 AB	559408-9863	Stockholm	25,000	100
Neobo Propco 8.2 AB	559408-9855	Stockholm	25,000	100
Neobo Pärilan HB	969673-4210	Stockholm		100
Neobo Sala AB	556975-6504	Stockholm	1,000	100
Neobo Samhäll 93 AB	559224-4023	Stockholm	50,000	100
Neobo SamSkara Gräshoppan 6 AB	556695-3633	Stockholm	100,000	100
Neobo SamTidaholm Stensiken 1 AB	556810-8293	Stockholm	50,000	100
Neobo Skara AB	559408-9624	Stockholm	25,000	100
Neobo Skövde AB	559323-5723	Stockholm	25,000	100
Neobo Skövde Holding AB	559036-3676	Stockholm	100,000	100
Neobo Solen 13 HB	969673-4202	Stockholm		100
Neobo Solen 9 HB	969673-5407	Stockholm		100
Neobo Sollentuna Sjöstjärnan 2 AB	559185-5720	Stockholm	50,000	100
Neobo Spitoula Fastighets AB	556893-6677	Stockholm	1,000	100
Neobo Stenfastigheter i Karlskoga AB	556798-6269	Stockholm	15,000	100
Neobo Stenstan AB	556981-7892	Stockholm	500	100
Neobo Stettfast AB	559084-1366	Stockholm	500	100
Neobo Strängnäs AB	556975-6520	Stockholm	1,000	100
Neobo Sundsvall 2 AB	559323-5731	Stockholm	25,000	100
Neobo Sundsvall AB	559127-1431	Stockholm	500	100
Neobo Sundsvall Granlodrakar AB	559200-5580	Stockholm	500	100
Neobo Tegelborgen AB	556446-1787	Stockholm	100	100
Neobo Timrå 2 AB	556730-5775	Stockholm	1,000	100
Neobo Timrå 3 AB	556730-3374	Stockholm	1,000	100

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of participations	Share of equity, %
Neobo Timrå 4 AB	556730-3101	Stockholm	1,000	100
Neobo Tjuren HB	916896-7686	Stockholm		100
Neobo Tranås AB	556707-6616	Stockholm	100,000	100
Neobo Tranås Västermalm AB	556649-4273	Stockholm	1,000	100
Neobo Träkolet AB	556652-7049	Stockholm	1,000	100
Neobo Ulricehamn AB	559326-6322	Stockholm	25,000	100
Neobo Umeå 2 AB	559074-2630	Stockholm	50,000	100
Neobo Umeå 3 AB	559118-8395	Stockholm	50,000	100
Neobo Viola Fastighet I Karlskoga AB	556786-2486	Stockholm	1,000	100
Neobo Vipán 15 AB	556692-8569	Stockholm	1,000	100
Neobo Vkn 13 i Helsingborg AB	556751-3063	Stockholm	1,000	100
Neobo VR Bostad Norr 1 AB	559158-1052	Stockholm	50	100
Neobo Vänersborg AB	559326-6330	Stockholm	25,000	100
Neobo Örnholmen 3 AB	556882-0830	Stockholm	500	100
Neobo Övik AB	559273-6358	Stockholm	50,000	100

## 23 Related parties

Related parties	Transactions
Owners of the Parent	No related-party transactions took place with owners during the year. A presentation of owners can be found on page 44.
Board of Directors	For information on remuneration, see Note 5. No Board members were directly or indirectly involved in material business transactions with Neobo. A presentation of the Board of Directors can be found on page 42.
Management team	For information on remuneration, see Note 5. No senior executives were directly or indirectly involved in business transactions with Neobo. The Annual General Meeting on April 26, 2023 decided to issue warrants to four members of the management team. Following the redemption of 96,933 warrants in the first quarter, the program includes 630,067 warrants to three members of the management team that entitle the holder to subscribe for a corresponding number of shares in the company. The subscription price per share corresponds to 120 per cent of the average of the most recent volume-weighted price paid for the company's shares during the ten trading days immediately following May 10, 2023. Subscription of shares by exercise of warrants can take place during the period from May 1, 2026 to May 25, 2026. A presentation of the management team can be found on page 43.
Group companies	The companies are presented in Note 22, transactions in Note 24. Transactions between Group companies pertain primarily to invoicing for property management services performed and interest on Group dealings.

## Parent Company

**Parent Company accounting policies**

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The recommendation requires that the Parent Company, in the annual report for the legal entity, applies all IFRS approved by the EU and statements to the extent that this is possible within the framework of the Annual Accounts Act and with consideration to the relationship between accounting and taxation. The recommendation states the exceptions and additions to IFRS that apply. The indicated accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial statements.

**Classification and presentation formats**

The Parent Company income statement and balance sheet are presented in accordance with the stipulations of the Swedish Annual Accounts Act. The difference compared with IAS 1 Presentation of Financial Statements, which is applied in the presentation of the Group's financial statements, is primarily the recognition of earnings from operations being divested and equity.

**Income**

The Parent Company's net sales comprise property management services for subsidiaries. This income is recognized in the period to which it refers.

**Financial risks**

Credit risk refers to the risk that the counterparty cannot fulfill deliveries or payment obligations.

**Financial instruments**

Financial assets in the Parent Company consist of receivables from Group companies, accounts receivable and cash and cash equivalents and are measured at amortized cost less impairment. Financial liabilities in the Parent Company consist of accounts payable and other liabilities and are measured at amortized cost.

**Financial guarantees**

The Parent Company's financial guarantees primarily comprise guarantees on behalf of subsidiaries. A contingent liability is recognized when there is a possible obligation deriving from occurred events and whose existence is confirmed only by one or more uncertain event(s) in the future or when there is an obligation that has not been recognized as a liability or provision since it is not likely that an outflow of resources will be required.

## 24 Purchases and sales between Group companies

0 percent (0) of the Parent Company's purchases during the fiscal year pertain to purchases from Group companies. 100 percent (99) of the Parent Company's sales during the fiscal year pertain to sales to Group companies. Intra-Group income consists of costs for property management invoiced by the Parent Company to Group companies.

## 25 Result from shares in subsidiaries

SEK m	2024	2023
Gain on sales of participations in Group companies	0	0
Impairment of shares in subsidiaries	-227	-1,623
	-227	-1,623

## 26 Parent Company's receivables/liabilities from/to Group companies

SEK m	2024	2023
<b>Receivables</b>		
Opening balance	11,990	7,838
Additional receivables	-10,384	4,152
<b>Closing balance</b>	<b>1,606</b>	<b>11,990</b>
<b>Liabilities</b>		
Opening balance	5,751	0
Additional liabilities	-4,685	5,751
<b>Closing balance</b>	<b>1,066</b>	<b>5,751</b>



# 27

Proposed appropriation of profits

The following earnings are at the disposal of the Annual General Meeting:

Retained earnings	SEK 5,722,333,772
Net profit/loss for the year	SEK -201,141,126
Total	SEK 5,521,192,646

The Board of Directors proposes that earnings be distributed as follows:

To be carried forward	SEK 5,521,192,646
Total	SEK 5,521,192,646

# Signatures of the Board of Directors and the CEO

The Board of Directors and the CEO confirm that the consolidated financial statements and the annual accounts have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, with generally accepted accounting policies and provide a true and fair view of the Group's and the company's financial position and results of operations, and that the Directors' Report provides a true and fair overall account of the development of the Group's and the company's business, financial position and earnings and describes the significant risks and uncertainties facing the companies included in the Group.

Stockholm, March 25, 2025

Jan-Erik Höjvall  
Chairman of the Board

Mona Finnström  
Board member

Anneli Lindblom  
Board member

Ulf Nilsson  
Board member

Jakob Pettersson  
Board member

Ylva Sarby Westman  
CEO

Our Auditor's Report was submitted on March 25, 2025.  
Ernst & Young AB

Gabriel Novella  
Authorized Public Accountant

# Auditor’s Report

To the general meeting of the shareholders of Neobo Fastigheter AB, corporate identity number 556580-2526

**REPORT ON THE ANNUAL ACCOUNTS  
AND CONSOLIDATED ACCOUNTS.**

**Opinions**

We have audited the annual accounts and consolidated accounts of Neobo Fastigheter AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 45–81 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

**Basis for Opinions**

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

**Key Audit Matters**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the

audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material

misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Investment properties	
Description	How our audit addressed this key audit matter
The reported fair value of the Group’s investment properties amounted to SEK 13,701 million as of December 31, 2024, and the year’s value changes in the Group’s income statement were SEK -296 million. As of the balance sheet date, December 31, 2024, the entire property portfolio has been valued by an external appraiser. Investment properties are the most significant item in terms of value in the group’s balance sheet.	In our audit, we have evaluated the company’s process for property valuation, including assessing the applied valuation method and conducting sample reviews of the input data in the valuations.
The valuations are partly based on the income approach in accordance with the cash flow model and partly prepared in accordance with the market price method for building rights. The cash flow model involves forecasting future cash flows. The required return on the properties is assessed based on each property’s unique risk and transactions made in the market. The market price method means that the assessment of value is based on comparisons of prices for similar building rights.	We have evaluated the competence and objectivity of the externally hired valuation experts.
Valuation at fair value is inherently subject to subjective judgment, where a small change in the assumptions underlying the valuations can have a significant effect on the reported values. Due to the many and significant assumptions and judgments made in connection with the valuation of investment properties, we consider this area to be a key audit matter.	With the support of valuation specialists within the audit team, we have reviewed the company’s model for property valuation, the reasonableness of the assumptions made for a selection of properties such as yield, rental income, operating costs, investments, discount rate, and vacancy rate against known market information, and discussed key assumptions and judgments with key personnel responsible for valuations and management.
A description of the valuation of the property investments is provided in note 11.	<ul style="list-style-type: none"><li>• We have also recalculated a selection of valuations.</li><li>• We have reviewed the notes provided in the annual report.</li></ul>

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–36, 42–45 and 85–88. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the

preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. A further description of our responsibilities for the audit of the annual accounts and the consolidated accounts is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Report on the audit of the administration and the proposed appropriations of the company's profit or loss

##### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Neobo Fastigheter AB (publ) for the year and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

##### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of opera-

tions, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the administration is located at the Swedish Inspectorate of Auditors website. This description forms part of our auditor's report.

### **The auditor's examination of the ESEF report Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Neobo Fastigheter AB for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### **Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Neobo Fastigheter AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or

Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, Box 7850, 103 99 Stockholm was appointed auditor of Neobo Fastigheter AB by the general meeting of the shareholders on the 23 April 2024 and has been the company's auditor since the 28 September 2016.

Stockholm March 25, 2025  
Ernst & Young AB

Gabriel Novella  
Authorized Public Accountant



# OTHER

Definitions

Derivation of alternative  
performance measures

Information for shareholders

Stairwell in Bacchus 12  
in Sundsvall





# 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

#### Average interest rate, %

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

#### Average number of shares

The number of shares outstanding weighted over the period.

#### 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.

#### Equity/assets ratio, %

Equity in relation to total assets.

#### Hedge ratio

Liabilities to credit institutions, including derivative instruments, at a fixed rate as a percentage of total liabilities to credit institutions.

#### Interest-bearing liabilities

Financial obligations that give rise to an obligation to pay interest.

#### 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.

#### Items affecting comparability

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

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

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

#### Net asset value, EPRA NRV, SEK

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

#### Net debt

Liabilities to credit institutions less cash and cash equivalents.

#### Number of shares outstanding

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

#### Profit from property management

Profit before changes in value and tax.

#### Return on equity, %

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

### PROPERTY-RELATED DEFINITIONS

#### 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 according to earnings capacity 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.

#### Like-for-like portfolio

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

#### Market value of properties, SEK

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

#### Net operating income, SEK

Rental income less property management costs.

#### 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.

#### Rental income, SEK

Charges for the period with deductions for rental losses.

#### Surplus ratio, %

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

# DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES

RETURN ON EQUITY	2024	2023
Net profit/loss for the period	-193	-1,373
Equity, average	6,309	7,091
<b>Return on equity, %</b>	<b>-3.1</b>	<b>-19.4</b>

LOAN-TO-VALUE RATIO	2024	2023
Total assets	13,978	14,497
Interest-bearing liabilities	7,115	7,278
<b>Loan-to-value ratio, %</b>	<b>50.9</b>	<b>50.2</b>

INVESTMENT YIELD	2024	2023
Net operating income according to earnings capacity	520	482
Investment properties	13,701	14,018
Building rights	98	131
<b>Property value, excluding building rights</b>	<b>13,603</b>	<b>13,887</b>
<b>Investment yield, %</b>	<b>3.8</b>	<b>3.5</b>

ECONOMIC OCCUPANCY RATE	2024	2023
Rental income according to earnings capacity	944	896
Rental value according to earnings capacity	1,017	969
<b>Economic occupancy rate, %</b>	<b>92.8</b>	<b>92.5</b>

EARNINGS PER SHARE	2024	2023
Net profit/loss for the period	-193	-1,373
Average number of ordinary shares	145,400,737	145,400,737
<b>SEK/share</b>	<b>-1.33</b>	<b>-9.44</b>

HEDGE RATIO	2024	2023
Liabilities to credit institutions, including derivative instruments, at fixed rate	5,409	5,406
Liabilities to credit institutions	7,115	7,278
<b>Hedge ratio, %</b>	<b>76.0</b>	<b>74.3</b>

INTEREST COVERAGE RATIO	2024	2023
Profit from property management	152	148
Add back, net interest	244	224
<b>Total</b>	<b>397</b>	<b>372</b>
Net interest income	244	224
<b>Interest coverage ratio, multiple</b>	<b>1.6</b>	<b>1.7</b>

EQUITY/ASSETS RATIO	2024	2023
Equity	6,213	6,405
Total assets	13,978	14,497
<b>Equity/assets ratio, %</b>	<b>44.5</b>	<b>44.2</b>

NET ASSET VALUE, EPRA NRV, SEK	2024	2023
Number of shares outstanding, thousands	145,401	145,401
Equity	6,213	6,405
Add back of deferred tax	347	430
Add back of derivatives	-63	-171
<b>Net asset value, EPRA NRV, SEK</b>	<b>6,497</b>	<b>6,664</b>
<b>Net asset value, EPRA NRV, SEK/share</b>	<b>44.68</b>	<b>45.83</b>

SURPLUS RATIO	2024	2023
Net operating income	473	460
Rental income	908	888
<b>Surplus ratio, %</b>	<b>52</b>	<b>52</b>

# INFORMATION FOR SHAREHOLDERS

## Annual General Meeting

The 2025 Annual General Meeting will be held at 2:00 p.m. CEST on April 24, 2025 at Sergelkonferensen, Mäster Samuelsgatan 42, Stockholm, Sweden. Registration at the Annual General Meeting will start at 1:30 p.m. CEST.

For further information about notification, read the official notice of the Annual General Meeting. The Annual General Meeting notice is available on Neobo's website: [neobo.se/en/annual-general-meeting-2025](https://neobo.se/en/annual-general-meeting-2025), and was published in Post och Inrikes Tidningar on March 19, 2025. That notification had occurred was advertised in Dagens Nyheter the same day.

## Financial calendar

Interim report January–March 2025	April 24, 2025
Interim report January–June 2025	July 9, 2025
Interim report January–September 2025	October 22, 2025
Year-end report 2025	February 12, 2026
Annual Report 2025	March 2026

## Contact

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Apartment in Svetsaren 8  
in Nyköping

Production: Neobo in collaboration with Addira

Photo: Christoffer Edling, Toa Heftiba (Unsplash),

Maskot Bildbyrå (Johnér), Erik Svensson, Lisa Öberg (Johnér)



# neobo

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