

The background of the entire page is a photograph of a grand, classical-style building. The building features multiple stories with light-colored stone or plaster walls and numerous windows with dark frames. The most prominent feature is the roof, which is covered in green copper and has several ornate, multi-tiered spires or cupolas. The sky above is a vibrant blue with scattered, wispy white clouds. The overall composition is bright and clear, suggesting a sunny day.

neobo

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

Annual report

2022



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The Annual Report describes Neobo's operations and financial performance in 2022. The statutory Annual Report is presented on pages 25–58. The Annual Report also includes a voluntary report on sustainability. In addition, the Annual Report includes a Corporate Governance Report on pages 19–21. Cover caption: Frej 6, Oskarshamn



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Neobo – the residential housing company

Neobo is one of Sweden's largest dedicated residential property companies. With a long-term focus, Neobo manages and refines rental properties in Swedish regions where people want to live, work and spend time. The company has its head office in Stockholm and owned 268 properties valued at SEK 15.3 billion at year-end. Shares of Neobo are listed on the Nasdaq First North Premier Growth Market.

Property value

SEK **15.3** billion

Number of properties

268

Number of apartments

8,396

Percentage of residential properties

95%

Leasable area

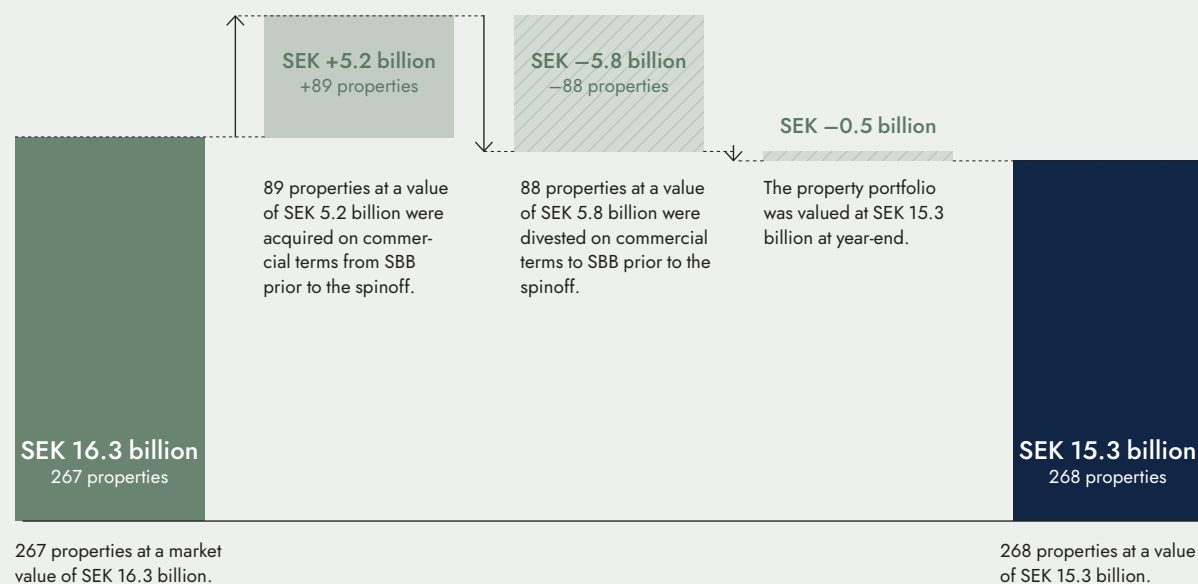
713,981 sq. m.

How we became Neobo

“Neobo was a subsidiary of SBB during the predominant part of 2022.”

Neobo's current Group structure was created during the fourth quarter of 2022. The foundation for Neobo's property portfolio was the properties that existed in SBB's subsidiary Amasten Fastighets AB at September 30, 2022. At the end of December, properties valued at SEK 5.2 billion were acquired from SBB and properties valued at SEK 5.8 billion were sold to SBB. At year-end, Neobo held properties valued at SEK 15.3 billion.

Neobo was spun off to SBB shareholders on December 28, 2022 and the company was then listed on the Nasdaq First North Premier Growth Market on February 10, 2023.



- Market value of Amasten's property portfolio, September 30, 2022
- Market value of Neobo's property portfolio, December 31, 2022

Strong financial position

Loan-to-value ratio

45%

Interest coverage ratio

2.0x

Average interest

2.8%

Equity/assets ratio

48%

Net asset value/share

SEK **56.96**

Key metrics	2022	2021
Property-related key metrics		
Market value of properties, SEK M	15,295	17,173
Number of properties	268	249
Number of sq. m., thousands	714	705
Surplus ratio, %	50	51
Investment yield, %	3.0	3.3
Economic occupancy rate, %	92.0	92.5
Financial key metrics		
Rental income, SEK M	839	694
Net operating income, SEK M	423	355
Net income for the period, SEK M	-1,355	3,226
Cash flow from operating activities before changes in working capital, SEK M	147	157
Return on equity, %	-16	45
Loan-to-value ratio, %	45	40
Equity/assets ratio, %	48	50
Interest coverage ratio, multiple	2.0	2.4
Share-related key metrics		
Net asset value, SEK M	8,282	10,103
Net asset value per ordinary share, SEK	56.96	73.09
Earnings per ordinary share, SEK	-9.32	23.34
Average number of ordinary shares	145,400,735	138,220,993

Well placed for long-term value creation

**Interview with Neobo's CEO Ylva Sarby Westman
in April 2023**

What is Neobo?

As the name implies in Swedish, Neobo is a new residential housing company focusing on rental properties in Swedish municipalities with favorable growth prospects. We manage and refine 268 properties with a market value of just over SEK 15 billion.

You were listed on the Nasdaq First North Premier Growth Market on February 10, 2023.

Yes, following a couple of intensive months of building an organization and securing long-term financing, we were finally ready to be listed as an independent company. Prior to the listing, we met numerous Swedish and foreign investors and noted considerable interest in our dedicated residential-focused business.

What distinguishes the Neobo of today from the Amasten that was acquired by SBB in late 2021?

About two-thirds of the portfolio comes from the former Amasten. Our focus is on long-term property management and refinement and, even though the portfolio includes some building rights, project development and new construction are not prioritized areas at present; instead, we will initially focus on developing existing properties. Eventually, we will naturally review the potential to optimize the portfolio to facilitate the best possible value growth.



The housing market has been characterized by unrest and uncertainty over the past year. How do you view the underlying long-term demand for your product – rental apartments?

We see strong underlying demand for rental apartments in those regions where we are currently active, with population growth and low vacancies in the market. Rising interest rates and cost inflation, combined with cautious consumers, have exerted pressure on housing prices and thus demand for newly produced residential properties, primarily tenant-owner apartments. Rental apartments stand strong in this macro environment and give people an opportunity to have a home without a high initial investment. Rental apartments contribute to faster moving chains, minimize lock-in effects and are often a very good alternative for young people to gain access to their first home. At present, there is a trend of continued population growth and a reduced rate of new production, which is leading to a growing housing deficit in many municipalities. This is adding to the long-term demand for rental apartments in the current portfolio.

Where does Neobo's property portfolio stand in this market?

We own properties in 40 municipalities – from Luleå in the north to Malmö in the south. Our properties are often found in central locations and predominantly consist of one and two-bedroom units, which is positive in the present climate of declining household incomes. The rental level in the portfolio is attractive to many people and there is favorable underlying demand in those towns we serve. In addition, the vacancy rates in our markets are very low for rental apartments, while the supply of newly produced residential properties is currently historically low. Quite simply, we have a solid portfolio of residential properties in places where people want to live.

What other competitive advantages would you like to highlight?

Although Neobo is a new company, we have a property management organization that has long experience of managing and refining the properties that we own. We have an in-house property management organization that works close to our customers,

thus providing good conditions for active and value-generating property management. Added to this, we have a management team in place with extensive experience of the property and stock markets, and is highly committed to further developing Neobo as a dedicated residential housing company. Neobo will focus intensely on both environmental and social sustainability, and will prioritize initiatives that reduce our climate impact, increase security and comfort for our customers and, not least, underscore the importance of rental apartments for the positive development of society. Our financial position is also strong, with a low loan-to-value ratio, long loan-to-maturity periods and outstanding bank financing, which is a strength in the current market situation.

The vacancy rate in the portfolio is relatively high. What will you do about it?

We will be working hard to reduce the vacancy rate in both our residential properties and commercial premises. This is all about implementing value-adding investments and marketing the vacant units in the right way. In respect of vacant retail premises and offices, which are often located on the ground floor of our residential properties, it is necessary to both further develop the customer offering and to intensify interaction with the municipalities, with the long-term aim of creating more vibrant city centers.

What more is needed to achieve your target of a return on equity of at least 10 percent over time?

The focus is initially on increasing the return on the existing portfolio by raising rental income, working actively to reduce costs, implementing value-generating investments and improving the occupancy rate. In the next stage, we will review the potential to optimize the portfolio to be able to add further value.

When it comes to sustainability, are there any other priorities you would like to highlight?

Properties account for a large share of the greenhouse gas emissions in society and this means that we have both a responsibility and an opportunity to play our part and make a difference.

Among other measures, we are working to reduce our energy consumption and to environmentally certify our properties to be able to offer green and secure homes. As a large owner of residential properties in Sweden, we also have a unique opportunity to contribute to positive social development by working to increase the attractiveness and security of our residential areas and to reduce segregation and social exclusion.

What else is important in the dialogue with your customers – the more than 8,000 households in your properties?

In the short term, we are working to increase awareness of Neobo and that we are here for their sake. It involves listening to them on a daily basis to be able to identify their preferences and requirements. We also interact through the AktivBo customer survey, through which we identify the issues that enable us to increase the overall sense of satisfaction and security and all the other factors that make people want to continue to live in our apartments. Dialogue and follow-up are crucial to our ability to achieve our goal of increased customer satisfaction.

As you have said, it has been an intensive few months since taking office as CEO. What are you looking forward to now?

Now, when we have a structure in place, we will take the next important step – developing the operations. There is a lot we can do to create additional value in the portfolio and I am looking forward to meeting all of our employees and visiting our properties in order to arrive at a business plan that makes Neobo an even better residential housing company. Together, we will build a strong culture that will generate value for customers and shareholders and where our sustainable homes will contribute to positive development in the locations we serve.

Demand for rental apartments remains strong

During 2022, market conditions changed drastically, with rapidly increasing inflation — in the wake of the war in Ukraine and a European energy crisis — leading to a tightening of financial markets. The combination of rising interest rates and weaker growth prospects resulted in lower housing prices, increased caution and a slowdown in the transaction market. Turnover in the Swedish property market almost halved, with residential properties as the most traded segment, followed by public sector properties.

Rising interest rates, cost inflation and declining housing prices also contributed to a deterioration in conditions for residential construction. According to Boverket (the National Board of Housing, Building and Planning), construction started on some 59,000 new residential properties in 2022, down 18 percent on 2021, and it is estimated that construction will start on only about 23,000 residential properties in 2023. However, reduced supply is only one side of the problem. The other is that although there is a distinct need for residential properties, demand is being impacted by the weaker purchasing power of households.

The Swedish rental housing market

There were just over 5.1 million residential properties in the country as per December 31, 2022. In apartment blocks, rental apartments represent the predominant form of tenure accounting for 58 percent (just over 1.5 million residential units) of the housing stock, while tenant-owner apartments account for 42 percent. Of the country's 290 municipalities, rental apartments dominate in 257 and in 11 of these rental apartments are the sole form of tenure. It is also the form of tenure that most municipalities state that they need, according to Boverket.

Demand for rental apartments is expected to remain high for many years. This trend is being driven primarily by population growth, although the actual growth rate is expected to diminish somewhat. In the counties included in Neobo's property portfolio, the average annual growth in the number of inhabitants during the period 2010–2021 was 1.0 percent compared with 0.8 percent for other counties. To meet the needs of a growing number of households and also to cover the need resulting from the prevailing housing deficit, Boverket estimates that Sweden will have an

annual need for 63,400 new residential properties up to 2030. In 2022, slightly more than 60,000 new residential properties were completed, of which some 30,000 were rental apartments.

Due to cost inflation and increasing interest rates, many projects involving new apartments have been postponed. According to Boverket's most recent forecast, it is now estimated that only approximately 23,000 apartments will be started in 2023, almost half of the level in 2022. This means that the housing deficit will ultimately increase, and in a situation where nearly three quarters of Sweden's municipalities already state that they have a shortage of residential properties. A major and growing challenge is to be able to offer households with limited payment resources, primarily young people, residential properties that they can afford.

At the same time, there is a considerable difference in the proportion of vacant apartments among Sweden's municipalities. The largest proportion is found primarily in locations with fewer than 75,000 inhabitants. In major cities and many midsize and fast-growing cities, the proportion is significantly lower. Viewed as a whole, the proportion of unrented apartments is 0.8 percent.



63,400

is the annual requirement of new residential properties up to 2030 according to Boverket



73%

of municipalities in Sweden had a housing deficit in 2021



0.8%

of all rental apartments in Sweden were vacant in 2021

The number of available apartments has declined gradually in pace with an increasing population but increased slightly during the period 2017–2021 when new production was at a high level.

Rental market and rent regulation

In contrast to other countries in the Nordic region, rents in Sweden are not market based, instead they are determined through the so-called utility value system. This means that rents are linked to comparable properties and thus are not set on the basis of supply and demand. Rent is regarded as fair when it is the same as for another similar apartment with the same standard and in the same location. This rent setting means that the rental level can be both above and below the payment willingness in the market.

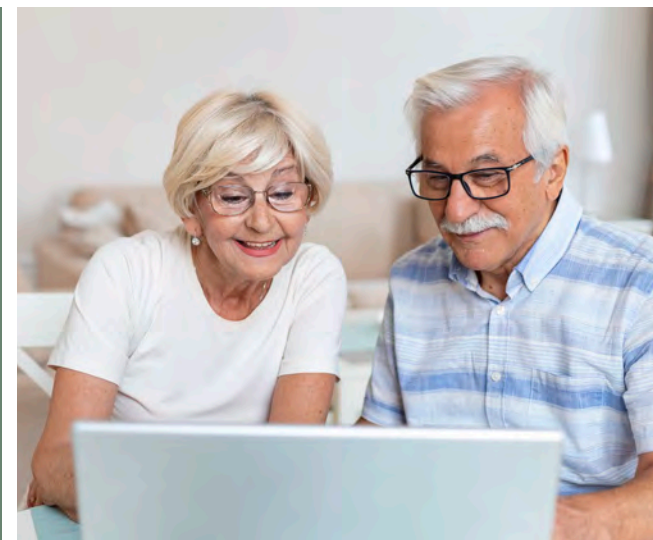
For tenants of residential apartments, rents in Sweden are predominantly negotiated by Hyresgästföreningen (Swedish Union of Tenants). The assignment to collectively negotiate rents is granted by the government and the right to negotiate rents is established in the Rent Negotiation Act. In connection with renovation or conversion conducted by the landlord, the same principle is applied, although the comparison is made with other renovated apartments. In connection with reconstruction or renovation, the rent always has to be negotiated. Rents for tenants in properties and premises that are not residential properties are usually subject to indexation, which is linked to the consumer price index (CPI).

The Swedish market for rental apartments is characterized by stable, increasing rents that exceed inflation over the long term. Over the past ten years, the average annual rent per square meter in Sweden has increased by 2.5 percent, compared with 1.7 percent for the CPI. In 2022, the rate of inflation exceeded the increase in rents. The assessment is that Neobo's rents will increase between 3.5 and 5.0 percent in 2023.

Competitors

Neobo owns and manages rental apartments but is also exposed to competition from other parts of the property sector. In addition to rental apartments, Neobo competes with tenant-owner apartments, single-family houses and with the other supply of residential properties in the locations served by the company. The competition includes both newly produced residential properties and the supply that derives from the succession market.

Neobo's competitors are public, private and municipal players and include Balder, Brinova, Heba, Heimstaden, K-properties, KlaraBo, Rikshem, SBB, Trianon, Victoriahem and municipal housing companies in the municipalities where Neobo is active.



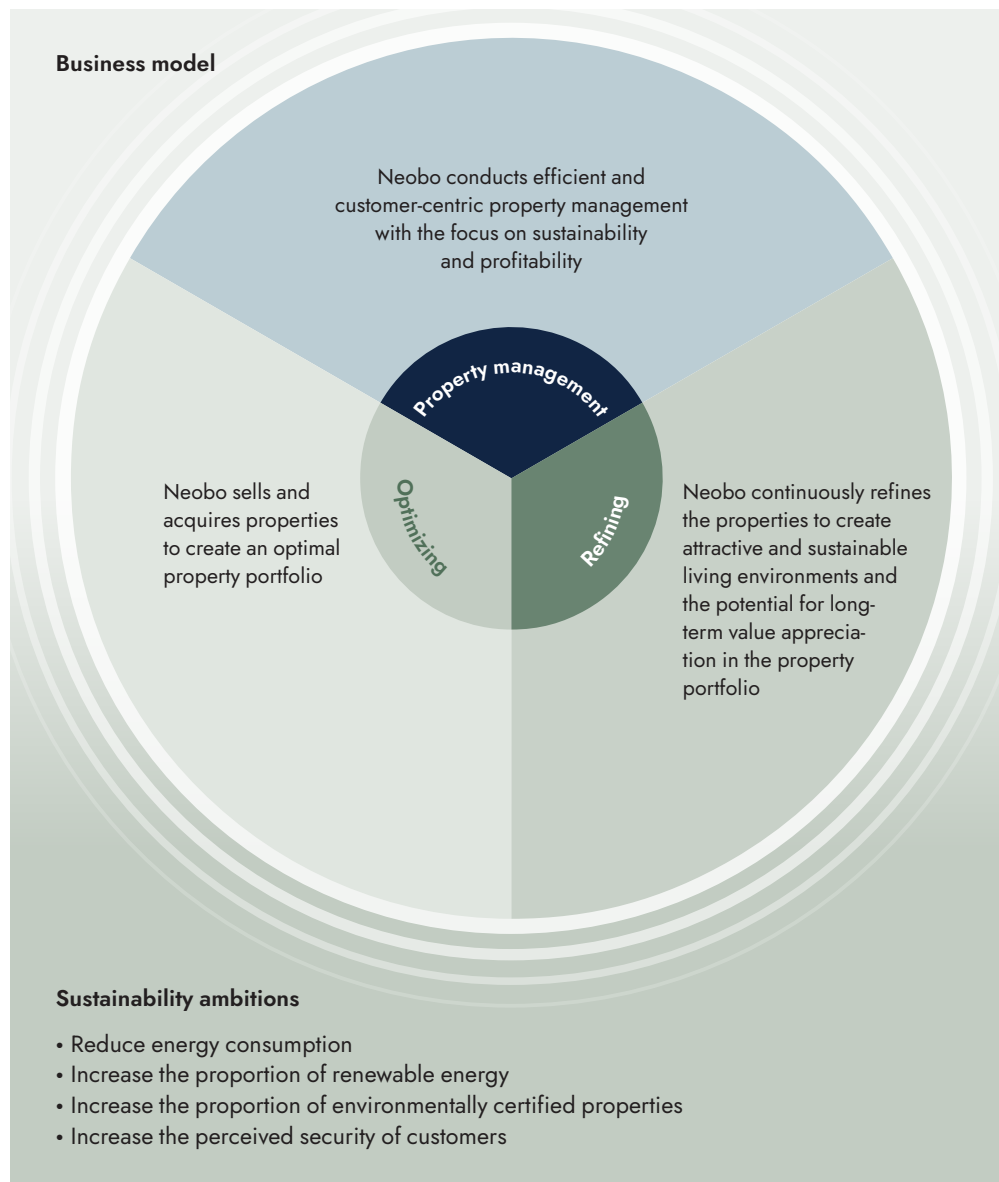
Focus on energy and security

Due to rising energy prices and greater climate-impact awareness, property owners are increasingly investing in measures to reduce energy consumption and increase the proportion of renewable energy. The investments include solar cells, smart ventilation, more efficient heating and energy-efficient lighting. According to Boverket, the construction and property sector accounts for slightly more than 20 percent of Sweden's total greenhouse gas emissions. To be able to achieve Sweden's climate targets, the actions required include comprehensive energy upgrading of the country's current property portfolio. There is also a clear trend of greater demand for sustainable properties and sustainable housing, whereby sustainability certifications contribute to increased transparency concerning the property companies' sustainability efforts.

Another strong trend is for more solutions and measures for increasing tenant security and safety, and which are often based on tenant satisfaction surveys carried out in residential areas. More efficient locks, security doors and good lighting are a few of the measures demanded but others include guard services, neighborhood watch patrols and regular visits by property managers.



Strategic focus and targets



Vision

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

Business concept

Neobo manages and refines residential properties in Swedish municipalities experiencing population growth and good demand for residential properties

Strategy

- Long-term ownership, management and refinement of residential properties with inflation-protected cash flows that generate an attractive total yield.
- Proactive sustainability approach through energy optimization, sustainability certifications and social sustainability initiatives.
- Local property management with a focus on leasing and value-generating refinement.
- Geographically well-diversified property portfolio in municipalities with population growth and a housing deficit.

Financial targets and dividend policy

Return on equity over time to exceed **10%**

The interest coverage ratio shall exceed **1.5x**

The loan-to-value ratio shall not exceed **65%**

The equity/assets ratio shall exceed **30%**

of the properties' market value

Neobo will distribute

50% of profit from property management after tax as dividends

Neobo's properties

At year-end, Neobo's property portfolio consisted of 268 properties with 8,396 residential apartments and a leasable area of about 714,000 square meters. Residential properties accounted for 95 percent of the properties, with the remainder consisting of public sector properties in the schools and healthcare segments.

Changes in the value of Neobo's properties in 2022 amounted to SEK -2,238 M (3,887), of which SEK -1,087 M (9) were realized value changes that mainly arose in connection with transactions when creating the Neobo Group. The unrealized changes in value during the year amounted to SEK -1,151 M (3,878) and mainly derived from increased yield requirements for residential properties.

All properties were valued at year-end by external, authorized property valuers. An average estimated yield requirement of 4.1 percent was used in the valuations.

Rental value and occupancy rate

The annual rental value of the property portfolio amounted to SEK 924 M. Residential properties account for 76 percent of the rental value and commercial premises for 22 percent. Neobo's tenants are mainly private individuals, and a number of corporate customers who lease stores, restaurants and offices on the ground floors of the residential properties, as well as customers in one of the company's public sector properties. At the end of 2022, the

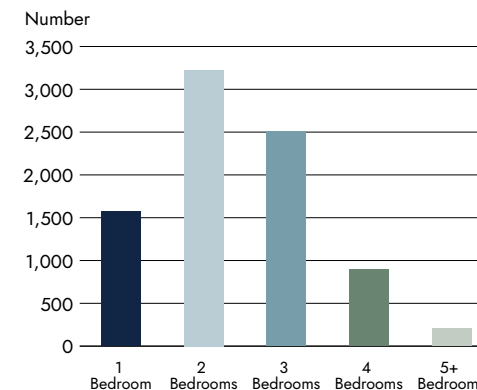
total number of rental contracts was 8,367. Residential properties comprised 7,855 rental contracts, representing combined annual rents of SEK 654 M, and rental income from commercial premises was distributed across 503 leases with annual rents of SEK 177 M. No single tenant accounted for more than 1.2 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 92.0 percent for the entire portfolio.

Rental income and vacancy rate

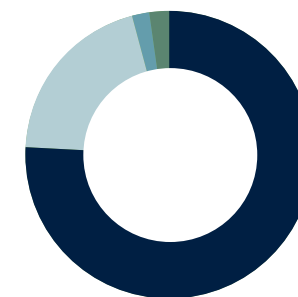
Rental income increased to SEK 839 M (694) during 2022. For a like-for-like portfolio, rental income increased 3.6 percent. The increase in rental income is attributable to annual rent negotiations, completed projects and upgrades of apartments. Income from properties acquired in 2021 and 2022 also contributed, which was partly offset by a loss of income from properties sold during the final quarter of 2022.

At year-end, the economic vacancy rate amounted to 6.6 percent for the residential portfolio and 11.3 percent for the commercial premises. The average rent for Neobo's residential properties increased in 2022 and amounted to SEK 1,279 per square meter. Rent negotiations for residential properties in 2023 are under way and the agreements concluded to date entail a rent increase of 3.5–5 percent.

Breakdown by type of apartment



Rental value



SEK 924 M

- Residential properties, 76%
- Commercial premises, 20%
- Public sector properties, 2%
- Parking and garages, 2%

Change in property portfolio, 2022

Opening fair value, Jan 1, 2022	17,173	Opening fair value, Jan 1, 2021	9,966
Acquisitions	6,064	Acquisitions	2,338
Investments	727	Investments	778
Divestments	-7,602	Divestments	-125
Unrealized changes in value	-1,151	Unrealized changes in value	3,878
Reclassifications	85	Reclassifications	338
Fair value, Dec 31, 2022	15,295	Fair value, Dec 31, 2021	17,173

Geographic breakdown of the portfolio

Neobo's 268 properties are located in 40 municipalities. In terms of property value, Sundsvall, Nynäshamn, Helsingborg, Växjö and Norrköping were the largest municipalities at year-end.

The property portfolio is divided into two regions: South and North. In the South Region, which comprises nine counties and accounts for most of the properties, with Västra Götaland representing the largest property value, while Stockholm County is the largest in the North Region, which comprises a total of ten counties.

Region	Number of properties	Number of apartments	Floor area, thousand sq. m.	Property value		Rental value	
				SEK M	SEK/sq. m.	SEK m	SEK/sq. m.
North	100	2,837	262	6,533	24,906	381	1,453
South	168	5,559	452	8,762	19,404	543	1,203
Total	268	8,396	714	15,295	21,425	924	1,295

Breakdown by municipality, 15 largest

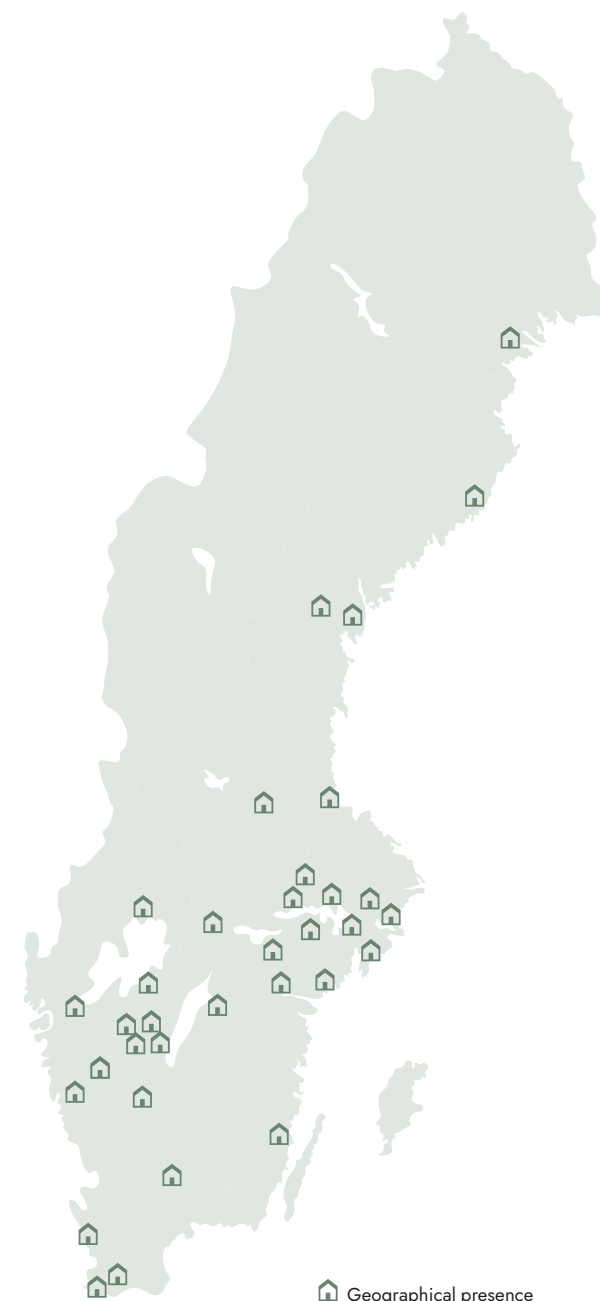
Municipality	Floor area, sq. m.	Number of apartments	Market value, SEK M
Sundsvall	48,625	560	1,253
Nynäshamn	40,616	513	979
Helsingborg	29,528	456	858
Växjö	28,631	452	797
Norrköping	31,708	347	731
Sollentuna	17,859	80	720
Motala	36,534	477	717
Tranås	48,368	517	644
Oskarshamn	42,834	516	620
Enköping	27,184	259	572
Staffanstorps	21,817	218	542
Karlstad	18,382	244	486
Eskilstuna	22,896	266	479
Alingsås	22,813	206	477
Nyköping	16,379	244	457

Geographic distribution



714 thousand sq. m.
leasable area

- Västra Götaland, 20%
- Stockholm, 10%
- Västernorrland, 10%
- Östergötland, 10%
- Södermanland, 9%
- Skåne, 7%
- Other, 35%



Value-creating and sustainable property management

Neobo conducts long-term sustainable property management with an in-house property management organization with a local presence. The property management organization is divided into two geographic areas, South Region and North Region.

A local property management presence with customer-centric relationships is a key feature of the strategy. Through geographical proximity and regular dialogue with the tenants, Neobo ensures that suitable value-adding improvements are prioritized in the properties, which in turn results in increased customer satisfaction and contributes to the development of the residential areas. 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.

Apartment upgrades

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 concerning leasing or refurbishment.

If the apartment only requires minor measures, a basic renovation is conducted focusing on sustainability and security. If more comprehensive measures are required, a complete upgrade of the apartment's standard is implemented, which in turn results in new rent negotiations and contributes to a higher rental value in

the property portfolio. In 2022, 240 apartments underwent total upgrades.

Structured and active dialogue

In order to identify customer requirements and opinions in a structured manner, Neobo conducts an annual customer survey, AktivBo. On the basis of the results, each property manager formulates an action plan covering the principal improvement measures for their particular area. AktivBo is one of the most widely used customer tools in the property sector and facilitates benchmarking against other property companies. Responses from Neobo's 2022 survey showed, for example, that more than 83 percent of the tenants were satisfied with the comfort in their residential area, and that they receive help when it is needed.

Anna-Carin Skoglund, manager of North Region, tell us a little about the portfolio in the North Region and about your interaction with customers?

Our portfolio is diversified geographically, with 960 kilometers between our southernmost and northernmost properties, and we are established in many towns along the coast of Norrland. Our largest holdings are in Sundsvall, Nynäshamn and Eskilstuna. We have a considerable mix of properties – both a considerable number of newly built properties as well as older properties. As a new region, we are in the process of learning about the new properties and we are formulating a plan for how to reduce vacancies.

We have implemented a CSI survey and, on the basis of the results, we are devising action plans for each property. We also have the objective, for example in the form of various courtyard activities, to create positive meeting places where people can get to know each other and create security. In addition, we are making preparations for publishing a newsletter per property manager a couple of times a year, in which we will describe what is happening in the area and at Neobo. The CSI survey and newsletters will primarily be communicated digitally via our app – AVY. Using this app, we can also send targeted messages to the tenants and they can use it to pay their rent, report a fault and order optional products.

Per Sundequist, manager of South Region, tell us a little about the portfolio in the South Region and what you are doing to reduce its environmental impact?

Our portfolio consists of 168 properties, with the largest holdings in Helsingborg, Norrköping and Växjö. The properties vary in terms of appearance, design and condition. In the properties we have worked with over a number of years, we have implemented a number of measures – we have both renovated and made them energy efficient.

Each month, we monitor tariff-based costs in each property, such as for electricity, heat and water. This gives us a solid base for deciding on the right measure in the right property. In recent years, we have worked with everything from major projects, such as solar cell installations and new ventilation systems to somewhat smaller measures such as water conservation and the installation of substations. A key feature is the continuous work that our technicians carry out in connection with their rounds in the buildings. I dare say that we are skillful at analyzing the needs that exist and also at formulating plans for resolving them. We are doing a good deed for the climate, while reducing our consumption and thereby also our operating costs.

Meet our
property manager
Emma



Tell us a little about yourself and your background.
I'm an exuberant mother and I'm passionate about my children and Hammarby, the three biggest loves of my life. Before I started working with properties, I worked in the Swedish Prison and Probation Service. I have worked in the property sector since 2015, both with public utility housing and with private operators. I have had such roles as customer advisor, project manager and letting officer and am now a newly employed property manager at Neobo.

What are your duties and what does a normal day look like?

I am responsible for Neobo's properties in Motala and Tranås. These are two separate locations that have some things in common but also many differences. My role as property manager is to take care of our properties and tenants while helping to develop our areas. A normal day begins at 7 a.m., when I read through my mail and talk to my colleagues about the

day. However, the days do not always go according to plan so it's necessary to be flexible because a lot of different things can happen. A day can include everything from meetings, property-related matters, renovations and collaboration with others.

As a landlord, what is most important and what do you like best?

The tenants are definitely the most important thing. Without them, I wouldn't be needed. That's the thought I take to work every day. Then again, it's not possible to make everyone happy and satisfied but my attitude is to always give an answer and explain my reasoning. For me, the most important thing is that there is good communication between us as the landlord and the tenants. They see and experience things that we don't see, but that we want to know about. Then I'm passionate about developing the residential area together with tenants, so that the people enjoy living there.

How did you come into contact with Neobo?

I heard about Neobo through a friend and that you had nice homes, so I decided to visit your office to apply for an apartment, and it was there that I met Emma. I hoped to be able to find an apartment quickly and, to my great joy, that wish was fulfilled without any problems. Shortly thereafter, I was able to move into a newly renovated one-roomer.

What are the most important demands you place on your landlord?

Above all, good interaction. For me, it is important to be able to meet face to face, and to get help quickly when problems arise. Now when I've lived in my apartment for a while, I can see that Neobo is good in terms of service and response

time. The times that I've needed help, I have had a quick response and I've always received very good service from the office. If I were to describe Neobo with three words, they would be "first-rate, service-minded and straightforward."

What's the best thing about your apartment and the area?

My apartment is warm, modern and the light is very good. I have all the mod cons I need, but I prefer to use the laundry room, even though I have my own washing machine and tumble dryer. The area has lots of green spaces and is very close to shops, bus stops and a dentist, as well as to water and beaches.

Meet our tenant
Birgitta



Sustainable living environments

Neobo actively pursues sustainability as an integral part of its operations through systematic environmental, social and economic 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 contributes to increased stability, security and long-term sustainable environments and attractive residential areas. Neobo's sustainability work is primarily pursued in the following areas:

- Reduced climate impact and energy consumption.
- Secure and pleasant living environments.
- Strengthen the importance of rental apartments in society.

Reduced climate impact

One of the most important contributions we can make to achieving Sweden's climate goals is to make our existing properties sustainable, because properties account for a considerable share of the country's greenhouse gas emissions.

With 268 properties, a number of which were built 50 to 60 years ago, Neobo has an opportunity to participate actively and make a difference. Neobo has implemented 31 energy saving projects that have led to annual energy savings of about one million kWh and has 35 ongoing projects that are expected to lead to annual energy savings of about three million kWh. The projects consist of energy-improvement measures, such as installation of solar panels, ground source heating pumps, heat recovery systems and more efficient ventilation. In addition to lower energy consumption, the investments also contribute to a healthier indoor climate in the apartments.

Neobo is also working to certify the portfolio to be able to offer its customers green residential properties, in line with Neobo's strategy of being a sustainable property manager. The Sweden Green Building Council's Miljöbyggnad iDrift certification system has been devised and developed specifically to be able to efficiently adapt and sustainably customize large, existing properties. Through the seal of quality provided by Miljöbyggnad iDrift certification, Neobo contributes to the

Sustainability ambitions

- Reduce energy consumption
- Increase the proportion of renewable energy
- Increase the proportion of environmentally certified properties
- Increase the perceived security of customers



Rapid payback for energy investment in Tidaholm

In Tidaholm, Neobo has invested heavily in energy savings in one of its properties, Stensiken 1, which comprises four buildings built in the late 1960s. In 2019, a new ventilation unit with exhaust air recycling was installed, which helps to reduce heating costs, since warm air from the properties is utilized by being returned to the properties' heating system. This was followed in 2021 by the large-scale installation of solar cells on the buildings' roofs, generating a total output of 194 kWp. The expected annual production amounts to 145,000 kWh, of which 60 percent is estimated to be used to cover parts of the properties' own consumption of some 300,000 kWh with the remainder sold to the energy grid. The solar cell installation was deployed in early March 2023.

Together with other actions such as adjustments of flows and temperatures, it is estimated that the investments will reduce energy consumption by at least 40 percent, enabling the property to qualify for SGBC iDrift environmental certification. Similar energy-saving investments were also implemented in the Valhall 5 and Yggdrasil 1&2 properties in Skara.



climate transition and simultaneously raises the value of its properties, while making it easier to attract tenants. Neobo's portfolio also includes a newly built property in Timrå that is certified and a property in Gävle that will be environmentally certified in 2023 by Sweden Green Building Council to a Miljöbyggnad Silver level, which is adapted for newly produced buildings.

Secure and pleasant living environments

Neobo is working to increase the attractiveness of its residential areas in order to generate value for its customers, while being able to contribute to reduced segregation and social exclusion. To strengthen dialogue with residents and get their views on their living environments, customer surveys are continuously implemented through AktivBo. The questions include whether the respondents are happy with their home, how they perceive the area and their views on their landlord. To create increased security

and comfort, Neobo is working, for example, to improve lighting, install new entry systems and build more meeting places. A local presence is important in efforts to increase security and safety. Generally speaking, Neobo has offices in its residential areas and offers an on-call security service that tenants can contact around the clock. In certain municipalities, there is close dialogue with various players to improve security in particularly exposed areas.

Strengthening the importance of rental apartments in society

Rental apartments are an important feature of a dynamic society since they give people an opportunity to enter the housing market quickly and without having to make a capital investment. With good access to rental apartments, the right conditions are also created to address challenges facing the Swedish labor market and, ultimately, Sweden's long-term growth. At the end of 2022, there were about 1.5 million rental apartments in Sweden in

apartment buildings. Of the country's 290 municipalities, rental apartments dominate in 257 and of the ten largest municipalities, tenant-ownership is only larger in Uppsala and Stockholm. As the owner of a total of 268 rental properties in 40 municipalities in Sweden, Neobo will work to strengthen the importance of rental apartments for a positive development of society. A substantial majority of the Swedish municipalities that are currently experiencing a housing shortage state that rental apartments are the form of tenure that should be prioritized. Neobo intends to engage in an active dialogue with various players in the municipalities where the company has rental properties in order to improve the conditions for residents in rental apartments and thereby contribute to a more dynamic labor market and long-term sustainable growth.



Neobo main partner of Sveriges Stadsmissioner charity

The Sveriges Stadsmissioner charity conducts excellent work to create more secure communities, which is fully in line with Neobo's vision — to create attractive and sustainable living environments where people can thrive and feel secure. As the first residential housing company in Sweden, Neobo has therefore entered into an agreement to be a main partner of Sveriges Stadsmissioner to play its part in reducing homelessness. The agreement is valid until the end of 2024 and comprises both a financial contribution of SEK 3 M and volunteer work.

Sveriges
Stadsmissioner

Market-oriented organization

Neobo has a market-oriented organization with short decision-making paths and well-established processes. Many of the company's employees come from prior roles at SBB and Amasten with long experience of value-adding property management and Neobo's 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.

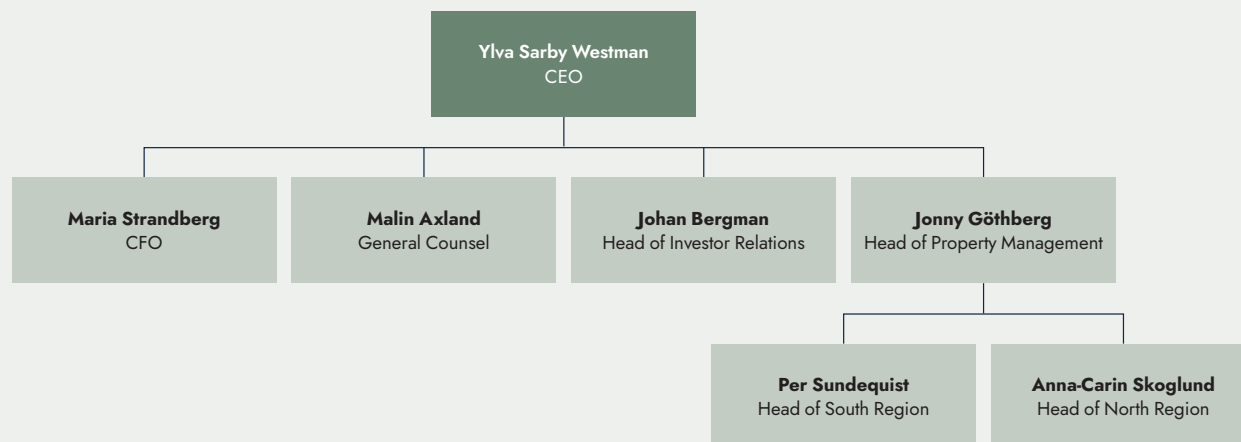
Considerable development potential

As a new company focusing on long-term property management of residential properties in Sweden, Neobo's employees have the chance to be part of building a new brand and a strong culture

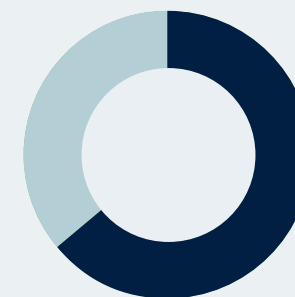
from the bottom up. This means establishing procedures, finding structures and creating networks within and outside the organization. The employees have good opportunities to impact the operations given that the company has a flat organization with short decision-making paths and has an atmosphere characterized by personal commitment at all levels.

At year-end, Neobo had a total of 66 employees. Of these, 24 were women and 42 were men. The management team consisted of five members: three women and two men. 61 of the employees belong to Neobo's property management organization, which is divided into two regions.

Organization



Employees 2022 Average number



50 employees

- Men, 64%
- Woman, 36%

Current earnings capacity

The table shows Neobo's current earnings capacity on a 12-month basis, based on the Group's property portfolio at January 1, 2023. Current earnings capacity is not a forecast of the coming 12 months; it is a hypothetical instantaneous impression intended to illustrate annualized income and expenses based on the property portfolio, financial expenses, capital structure and organization at a given point in time. The current earnings capacity does not include an assessment of the future trends in rents, vacancy rates, property costs, interest rates, value changes, purchases or sales of properties or other factors. The Group's earnings capacity does not include the earnings effect of unrealized and realized changes in value.

Basis for calculating earnings capacity

The current earnings capacity has been based on annualized contractual rental income (including supplements and rent discounts), plus other property-related income based on current

rental contracts as per January 1, 2023. All vacancies as per January 1, 2023, 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 at January 1, 2023. Central administration costs have been calculated on the basis of Neobo's organization being an independent unit. Net financial items are defined as interest costs, which have been calculated by applying, on top of Neobo's indebtedness, financing terms and conditions subject to the variable market conditions applying as per January 1, 2023, including the effects of derivatives. Any interest income on cash and short-term deposits and non-recurring costs related to the spinoff and the listing of Neobo shares have not been taken into account.

Neobo's earnings capacity at January 1, 2023, SEK M

Rental value	924
Vacancy	-74
Rental income	850
Property costs	-365
Property tax	-23
Net operating income	462
Central administration	-50
Net financial items	-190
Income from property management	222



Corporate governance



Corporate Governance Report

Neobo Fastigheter AB (publ) (“Neobo” or “the company”) is a Swedish public limited company headquartered in Stockholm, Sweden. The current Group structure, in which Neobo is the Parent Company, was created during the fourth quarter of 2022. At the end of 2022, Samhällsbyggnadsbolaget i Norden AB (“SBB”) spun off Neobo to holders of Class A and B shares of SBB. Since February 10, 2023, the company’s shares have been listed on the Nasdaq First North Premier Growth Market (“First North”). The company has applied the Swedish Corporate Governance Code (“the Code”) since February 10, 2023.

At the beginning of 2022, Neobo, then named Amasten Fastighets AB (“Amasten”), was an independent public company listed on First North.

On December 20, 2021, SBB made a mandatory public offer to the shareholders of Amasten. On January 19, 2022, SBB announced that its holding in Amasten amounted to about 97.5 percent of the shares. SBB then called for the compulsory redemption of the remaining shares in the company. Amasten was delisted from First North on February 4, 2022. Accordingly, Amasten was a wholly owned subsidiary of the SBB Group for the majority of 2022. Amasten applied the Code up to its delisting on February 4, 2022 but not thereafter.

In October 2022, the Board of Directors of SBB decided to investigate the feasibility of forming a new independent company focused on residential properties. A new Board of Directors for the company was elected in November 2022 and in December an Extraordinary General Meeting (EGM) of SBB resolved that all of the shares in the company would be distributed to SBB shareholders, with December 28, 2022 as the record date. Neobo then became Parent Company of the new Neobo Group.

Period January 1–26, 2022

During the first weeks of 2022, Amasten’s Board of Directors consisted of Bengt Kjell (Chairman), Magnus Bakke, Annelie Lindblom, Jakob Pettersson, Kristina Sawjani and Peter Wågström. Mikael Rånes was the company’s CEO and Mattias Lundgren was Deputy CEO.

Period, January 26 – November 10, 2022

An Extraordinary General Meeting was held on January 26, 2022 at the request of SBB. At the Extraordinary General Meeting, a new Board was elected comprising Ilija Batljan, Eva-Lotta Stridh and Oscar Lekander. Ilija Batljan was elected Chairman of the Board.

The incumbent Board of Directors decided the same day to change the CEO, whereby Lars Thagesson succeeded Mikael Rånes as CEO with immediate effect. The Board decided to relieve Mattias Lundgren of his duties as deputy CEO.

Shares of Amasten were delisted from First North on February 4, 2022.

During the period up to November 10, 2022, the corporate governance of the company was managed in the same way as for other wholly owned subsidiaries of the SBB Group.

Period, November 10 – December 31, 2022

On November 10, Ylva Sarby Westman took office as CEO of the company.

At an Extraordinary General Meeting on November 21, 2022, it was resolved to appoint a new Board of Directors of the company comprising Jan-Erik Höjvall, Mona Finnström, Ulf Nilsson, Eva Swartz Grimaldi and Peter Wågström. Jan-Erik Höjvall was elected Chairman of the Board.

During the period November 21 through December 31, the Board held a statutory meeting, two Board meetings, and several Board meetings by correspondence mainly in connection with decisions concerning refinancing bank loans. All Board members

attended all meetings. The Board of Directors did not form any committees from within its ranks; instead the duties of the Audit Committee and the Remuneration Committee were performed by the Board as a whole. In December 2022, the Board adopted rules of procedure for the Board, CEO instructions and relevant policy documents to ensure effective governance of the company.

At an Extraordinary General Meeting on December 21, 2022, it was resolved to adopt new Articles of Association, to rename the company Neobo Fastigheter AB (publ), to issue new instructions for the appointment of the Nomination Committee and to adjust the company’s share structure.

Since the company was not listed on December 31, 2022, as it was a wholly owned subsidiary of SBB for most of 2022 and because the company is listed on First North, the company has not prepared a remuneration report or a sustainability report.

Neobo has applied the Swedish Corporate Governance Code (“the Code”) since February 10, 2023. In forthcoming corporate governance reports, the company will report any deviations from the Code and the reasons for them.

Corporate governance 2023

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 recommen-

datations pursuant to the listing of the company's shares on First North, such as the Nasdaq First North Growth Market Rulebook for Issuers of Shares.

Shareholders

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 largest shareholders at the end of 2022 were Ilija Batljan, 9.3 percent, Dragfast AB, 5.4 percent and Länsförsäkringar Fonder, 4.9 percent.

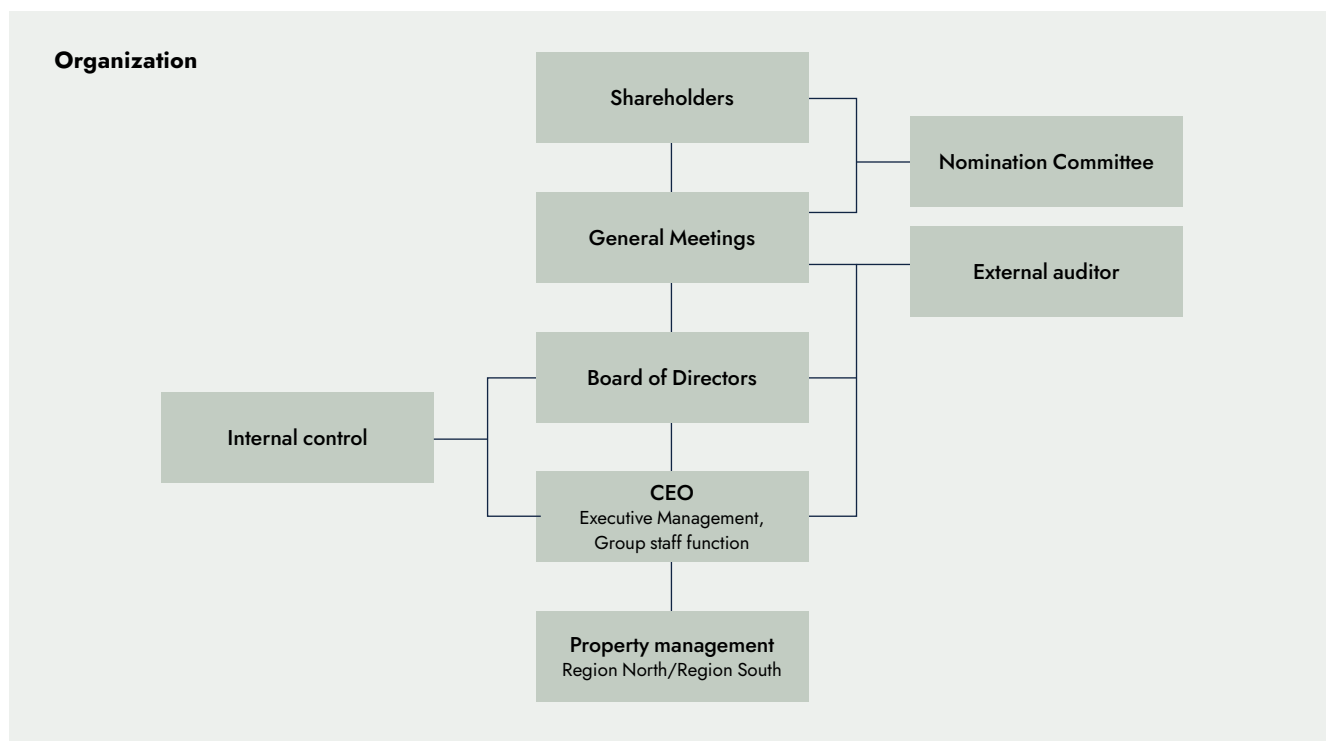
Annual General Meeting

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. 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.

The 2023 Annual General Meeting will be held on April 26, 2023. The notice and complete motions are available on the company's website neobo.se/en/annual-general-meeting-2023/.

Nomination Committee

The members of the Nomination Committee shall consist of representatives for the three largest shareholders plus the Chairman of the Board. The members are normally appointed based on ownership at September 30. Ahead of the 2023 Annual General Meeting, the members have instead been appointed based on



their shareholdings as per February 28, 2023, which has meant that the Nomination Committee has not had much time to process proposals prior to the Annual General Meeting. The member representing the largest shareholder shall serve as the chairman of the Nomination Committee, unless the members of the Nomination Committee agree otherwise.

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 2023 Annual General Meeting consists of Ilija Batljan, appointed by Ilija Batljan, Johannes Wingborg, appointed by Länsförsäkringar Fondförvaltning, Sven-Olof Johansson, appointed by Sven-Olof Johansson, and Jan-Erik Höjvall in the capacity as Chairman of the Neobo Board. As per February 28, 2023, the shareholders who had appointed members of the Nomination Committee jointly represented about 17.4 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, business 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 and in relation to the work of the CEO. 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 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. During 2022, no evaluation of the Board of Directors was implemented because the company did not apply the Swedish Corporate Governance Code prior to the listing and because the current Board was only active for two months in 2022.

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.

Neobo's Board of Directors consists of Jan-Erik Höjvall, Chairman of the Board, Mona Finnström, Ulf Nilsson, Eva Swartz Grimaldi and Peter Wågström. For a closer presentation of the members, refer to page 22 and the company's website, www.neobo.se. The CEO is not a member of the Board.

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. Ylva Sarby Westman has been CEO of the company since November 10, 2022.

Remuneration of senior executives

Neobo's senior executives are Ylva Sarby Westman, CEO, Maria Strandberg, CFO, Malin Axland, General Counsel, Jonny Göthberg, Head of Property Management, and Johan Bergman, Head of Investor Relations. For a closer presentation of the senior executives, refer to page 23 and the company's website, www.neobo.se.

At present, the company has not adopted any guidelines concerning remuneration of senior executives. The Board has concluded that certain senior executives should be offered an opportunity to acquire at market value warrants in the company and has therefore made a proposal to the Annual General Meeting that the company issue warrants; see the complete proposal on the company's website: www.neobo.se/en/annual-general-meeting-2023/.

For information on the remuneration of the Board of Directors and senior executives in 2022, see Note 5.

Internal control

In 2022, Neobo was a wholly owned subsidiary of SBB and was thus subject to SBB's internal control structure. As an independent company as of 2023, the internal control structure is under development.

Internal control is important for ensuring that the decided targets and strategies lead to the requisite results, that laws and

regulations are adhered to and that errors in financial reporting are minimized. The point of departure for Neobo's internal control is the division of duties between the Board of Directors and the CEO, as expressed in the rules of procedure for the Board and the instructions for the CEO. To this should be added the decision-making paths, authorizations and spheres of responsibility that have been communicated in the organization.

A significant component of the internal control is having a clear picture of the risks that may arise in external reporting and that an organization and processes are in place to be able to manage these risks. Neobo is working actively to build an internal reporting structure and processes containing controls designed to detect and correct errors and deviations.

In view of the company's size, internal reporting and follow-up systems, the Board and Executive Management have concluded that there is currently no need to form a separate internal audit function. The matter of any need for a special internal audit will be followed up during 2023.

Audit

Neobo's Annual Report and 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 part in a report to the Board of Directors and in part in an auditor's report that is issued to the Annual General Meeting. At the 2022 Annual General Meeting, the auditing firm Ernst & Young AB was appointed as auditor for the period until the 2023 Annual General Meeting. For most of 2022, Mikael Ikonen was auditor in charge. Ahead of the spinoff from SBB, Gabriel Novella was appointed auditor in charge.

Board of Directors



JAN-ERIK HÖJVALL

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.

Shareholding in the company¹⁾: —
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 the board of Sveriges Förvaltarforum AB. Board member of Mona Finnström utveckling AB. Deputy board member of Stockholms Kooperativa Bostadsforening, a housing cooperative.

Previous experience includes:
Board member of Fastigo Aktiebolag, HR Huset, Fastighetsbranschens och Arbetsgivarpartner Aktiebolag. CEO of Fastigo Aktiebolag.

Shareholding in the company¹⁾:
5,000 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 the board 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, Oscar Properties Holding AB and Sigfride Fastigheter AB. Deputy board member in Ballstaudde Bostadsutveckling AB.

Previous experience includes:
Board member of Amasten Fastighets AB, and Kungsleden AB. CEO D. Carnegie & CO.

Shareholding in the company¹⁾:
55,000 shares.

Independent in relation to major shareholders. Yes.



EVA SWARTZ GRIMALDI

Board member since 2022.
Born 1956.

Education: Bachelor's Degree in Languages — Italian, Spanish and French — as well as in Cultural studies.

Other current positions:
Chairman of the board Apotea AB, Apolea holding AB, Efevevmimanisa AB and Eva Swartz Grimaldi Consulting AB. Board member of Richard Swartz AB, Samhällsbyggnadsbolaget i Norden AB (publ) and Unobo AB.

Previous experience includes:
Chairman of the board of New Group Stockholm AB and Norstedts Förlagsgrupp AB. Board member of Storytel AB. CEO of the TV-production company Meter Film & Television, program director at TV4 and CEO of the Natur & Kultur book publisher and foundation.

Shareholding in the company¹⁾:
19,678 shares.

Independent in relation to major shareholders. Yes.



PETER WÅGSTRÖM

Board member since 2022.
Born 1964.

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

Other current positions:
Chairman of the board of Arlandastad Group AB (publ), Arrecta AB and Brunkeberg Systems AB. Board member of Eastnine AB (publ), Maria Ludvigsson Invest AB, Tredje AP-fonden, Niam AB and MVB Bygg AB.

Previous experience includes:
Board member of Amasten Fastighets AB. President and CEO, NCC AB.

Shareholding in the company¹⁾:
50,300 shares.

Independent in relation to major shareholders. Yes.

¹⁾ Refers to own holdings and holdings of related persons and legal entities as per March 31, 2023.

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.
Board member of Ikano Bostad AB.

Shareholding in the company¹⁾:

71,246 shares.



MARIA STRANDBERG

CFO, since 2023.

Born 1983.

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

Previous experience includes:

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

Shareholding in the company¹⁾:

15,000 shares.



JOHAN BERGMAN

Head of Investor Relations since 2022.

Born 1966.

Education: LL.M. from Stockholm University, DIHR.

Other current positions:

Board member of NJP Kommunikation AB.

Previous experience includes:

Head of Investor Relations at NCC AB.
IR consultant at NJP Kommunikation AB.

Shareholding in the company¹⁾: –



JONNY GÖTHBERG

Head of Property Management since 2022.

Born 1962.

Education: Technical upper secondary school. Ericsson trainee program, 4 years.

Other current positions:

Board member of Förvaltningsaktiebolaget JTH Göthberg, Seglora Invest AB, Solviken Fastighets AB and ViBoGård AB. Deputy board member in Göthberg Specialisttandvård AB, ViBoGård projekt Strängnäs AB and ViBoGård projekt Vadstena AB.

Previous experience includes:

Head of Public Investments and Property Manager at SBB.

Shareholding in the company¹⁾:

32,500 shares.



MALIN AXLAND

General Counsel since 2022.

Born 1974.

Education: LL.M. from Stockholm University.

Other current positions:

Board member of MAXland AB.

Previous experience includes:

General Counsel Kungsleden AB (publ). Advokat Mannheimer Swartling Advokatbyrå. Own business as interim lawyer.

Shareholding in the company¹⁾:

23,300 shares.

¹⁾ Refers to own holdings and holdings of related persons and legal entities as per March 31, 2023.

Financial reporting



Directors' Report

The Board of Directors and the CEO of Neobo Fastigheter AB (publ) ("Neobo" or "the company") Corp. Reg. No. 556580-2526, hereby present the Annual Report and the consolidated financial statements for the 2022 financial year. The registered office of the company is in Stockholm, Sweden. It is proposed that the Annual Report and the consolidated financial statements be adopted at the Annual General Meeting on April 26, 2023.

Operations

The basis of the company's business is to 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. Neobo's current Group structure was created during the fourth quarter of 2022 and the company was spun off to SBB's shareholders at year-end. Shares of Neobo were listed on the Nasdaq First North Premier Growth Market on February 10, 2023.

The foundation of Neobo's property portfolio was the properties that existed in Amasten Fastighets AB at September 30, 2022. At an Extraordinary General Meeting on December 21, 2022, it was resolved to rename the company from Amasten Fastighets AB to Neobo Fastigheter AB. At the end of December, properties valued at SEK 5.8 billion were sold to SBB and properties valued at SEK 5.2 billion were acquired from SBB. The division of the properties was made with the aim of best capitalizing on the potential of the different parts of the companies, to contribute to the efficiency within the organization and create greater financial flexibility. At the end of 2022, Neobo's portfolio consisted of 268 properties with a book value of SEK 15.3 billion. Leasable area totaled 714,000 square meters. The 2022 results for Neobo are based on the property portfolio that existed in the Group at September 30, 2022.

Net operating income

Net operating income increased by SEK 68 M to SEK 423 M (355) during the year. For the like-for-like portfolio, the corresponding increase was 5.2 percent.

Rental income increased to SEK 839 M (694) during 2022. For the like-for-like portfolio of properties, rental income increased 3.6 percent. The increase in rental income is attributable to annual rent negotiations, completed projects and upgrades of apartments. In addition, income from properties acquired in 2021 and 2022 also contributed, which was partly offset by a loss of income from sold properties in Finspång during the final quarter of 2022. The economic occupancy rate was 92.0 percent (92.5).

Property costs amounted to SEK -416 M (-338). Property costs consist primarily of tariff-based costs, operating and maintenance costs and property administration. The increase compared with the preceding year was due to both an expanded property portfolio, meaning newly acquired properties and completed projects, and to increased electricity and heating costs during the final quarter.

Income from property management

Income from property management increased 10.2 percent to SEK 172 M (156) during the year due to a larger property portfolio and reduced central costs. Non-recurring costs were charged to the fourth quarter of 2022 resulting from the separation from SBB and Neobo's listing on Nasdaq First North Premier Growth Market.

Central administrative costs declined to SEK -79 M (-85) during the year mainly attributable to reduced personnel costs. Net financial items in 2022 amounted to SEK -172 M (-113). The change was mainly due to rising variable market rates.

Net income for the year

Net income for the year after tax amounted to SEK -1,355 M (3,226), equal to earnings per share of SEK -9.32 (23.34).

Changes in value

Neobo's properties had a value of SEK 15.3 billion at the end of the year. The value of the property portfolio has been established based on valuations conducted by external, authorized property valuers. The valuations were based on analyses of future cash flows for the respective properties, whereby current rental contract terms, the market's yield requirement, rental levels, operating and maintenance expenses and the properties' investment requirements have been taken into account. An average yield requirement of 4.1 percent was used in the valuation. The value of the properties includes SEK 80 M (314) for building rights that were valued by applying the location-price method, which means that the value was assessed on the basis of comparisons of prices for similar building rights. Accordingly, fair value was measured according to IFRS 13, Level 3.

Change in property portfolio

Opening fair value, Jan 1, 2022	17,173
Acquisitions	6,064
Investments	727
Divestments	-7,602
Unrealized changes in value	-1,151
Reclassifications	85
Fair value, Dec 31, 2022	15,295
Opening fair value, Jan 1, 2021	9,966
Acquisitions	2,338
Investments	778
Divestments	-125
Unrealized changes in value	3,878
Reclassifications	338
Fair value, Dec 31, 2021	17,173

Sensitivity analysis

The property valuations were performed according to generally accepted principles based on market-aligned assumptions. The table below shows how the value is impacted by a change in certain parameters assumed for the valuation.

The table provides a simplified impression since a single parameter would probably not change in isolation.

	Change	Value impact
Rental value	+/-5%	+1,140/-1,141
Operating and maintenance	+/-5%	-413/+411
Required investment yield	+/-0.25% unit	-929/+1,067
Long-term vacancy rate	+/-0.25% unit	-52/+46

Cash and short-term deposits

Cash and short-term deposits at December 31, 2022 amounted to SEK 231 M (344).

Equity

Equity at December 31, 2022 amounted to SEK 7,777 M (9,132).

Deferred tax

Deferred tax is calculated based on a nominal tax rate of 20.6 percent on the difference between carrying amounts and the tax-assessment values of assets and liabilities, and taking tax loss carry forwards into account. The deferred tax liability at December 31, 2022 was SEK 505 M (1,171) and was largely attributable to investment properties.

Interest-bearing liabilities

Interest-bearing liabilities in the Group amounted to SEK 7,494 M (7,709) on December 31, of which liabilities to credit institutions accounted for SEK 7,494 M (7,489) and other liabilities of SEK 2 M (206) (previously comprised debt to the SBB Group).

Sustainability

Neobo actively pursues sustainability as an integral 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.

Neobo has implemented 31 energy saving projects that have resulted in energy savings of approximately 1,000,000 kWh and has 35 ongoing energy saving projects in the property portfolio, which are expected to lead to annual energy savings of about 3,000,000 kWh. The projects comprise energy improvement measures, such as solar cells and more efficient heating systems. In addition, Neobo is working to environmentally certify the property portfolio to be able to offer green residential properties, in line with Neobo's strategy of being a sustainable property manager. Neobo has 16 ongoing and planned applications to secure Miljöbyggnad iDrift certification.

Organization

The average number of employees during the year was 50 (102). The year-end proportion of women was 36 percent (34). Neobo's property management organization is divided into two regions – South and North – in order to strengthen its local presence and ensure proximity to tenants. Customer-centric property management supports a high occupancy rate and is a prerequisite for being able to conduct active and value-creating property management. At the head office, there are functions including accounting, finance, legal affairs, IR, analysis and HR. These functions focus on Group-wide development and on supporting property management by providing functional expertise. The head office is in Stockholm, Sweden.

When it comes to the remuneration of senior executives, this 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.

Proposed appropriation of profits

The following funds are at the disposal of the Annual General Meeting

SEK	2022	2021
Funds available for appropriation	3,733,228,360	3,039,104,130
New share issue	-	655,373,589
Dividend	-	-16,000,000
Net income for the year	3,595,000,000	54,750,641
	7,328,228,360	3,733,228,360
Proposed appropriation:		
To be carried forward	7,328,228,360	3,733,228,360
Dividend to shareholders	-	-

The Board proposes that no dividend be paid for the 2022 fiscal year and that the company's earnings be carried forward.

Risks and risk management

Neobo was a wholly owned subsidiary of SBB during 2022 and was thus subject to SBB's internal control structure. As of 2023, Neobo is an independent company that is working actively to build an internal control and risk-management structure.

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 serious negative consequences in the form

of lower income, higher costs and reduced credibility. Work to identify, analyze, manage and follow up both strategic and operational 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 the management team, which work on these matters as part of a structured process.

Business environment risks

Macroeconomic risk

Weak economic conditions in the form of high unemployment and low growth could result in payment problems among tenants, reduced demand for residential properties and commercial premises, higher vacancies and more expensive financing costs.

Management

To ensure resilience to changing market conditions, Neobo works to ensure that it has a strong balance sheet and a low loan-to-value ratio. Through active asset management, the risk of an increased cost of capital is mitigated. In the operational activities, macroeconomic risks are managed and evaluated continuously by Executive Management and the Board to ensure that the tenant portfolio is well composed and in the right geographic locations.

Crisis management

For Neobo, a crisis is an unforeseen event that threatens to seriously harm the operations or the brand and is something that the normal organization cannot manage.

Management

This type of risk is managed on an overall basis in several ways. Among other measures, Neobo has started to devise a crisis management plan to be able to manage extreme events of this kind. At Neobo, a fundamental requirement is that all properties are covered by full value insurance to minimize the risk of large-scale financial consequences caused by unforeseen damage to property.

Operational risks

Rental income and rent trend

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, which also includes presumptive rents, 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.

Operating and maintenance costs

Neobo's operating costs consist primarily of tariff-based costs such as costs for electricity, heating, water and sanitation. Changes in operating and maintenance costs could have a negative impact on the Group's operations, financial position and earnings.

Property value

Neobo recognizes its properties at their estimated market value, which has a direct impact on earnings and financial position. The value of the properties is affected by a number of factors including property-specific circumstances, such as the occupancy rate, rental level and operating costs, as well as market-specific circumstances such as the required investment yield and the cost of capital, which are derived from comparable transactions in the property market.

Organizational risk

Employees are one of Neobo's principal assets. Failing to recruit, develop and retain employees and managers with the right expertise is the major risk.

Management

Demand for residential properties is considerable in all of the municipalities in which Neobo is active. 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' need for premises, we engage in a continuous dialogue at a local level through our in-house property management organization.

Management

Neobo continuously implements preventive measures, investments and efficiency work in order to improve the cost structure, not least in the energy area. Optimizing operations is one of the principal environmental improvements that Neobo can make in its capacity as a property owner. In addition, the company gradually reduces the interior maintenance requirements of properties by renovating apartments as the need arises.

Management

Neobo actively implements property-specific measures, which include reducing vacancies, raising rental levels and reducing operating costs in order to increase property values. However, the company cannot influence changes in market conditions. Neobo's property values are assessed quarterly by authorized property valuers.

Management

Neobo's property management organization comes from SBB and has long experience of the property portfolio. The company's management team has solid experience of the property and stock markets. Work to develop Neobo's corporate values is under way. These core values describe how we as a company meet and act in our daily work. The organizational risk is managed through such measures as a continuous build-up of leadership development and through employee satisfaction surveys.

Financial risk**Interest rate 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

According to the financial policy, Neobo works with periods of fixed interest based on the estimated interest rate trend, cash flow and capital structure. The company's hedge ratio as per December 31, 2022 was 80 percent and the average fixed rate period was 1.8 years. The interest coverage ratio was a multiple of 2.0.

Refinancing 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. The loan-to-value ratio must be lower than 65 percent and, at the end of 2022, it was 45 percent.

Credit risk

Credit risk is defined as the risk that a counterparty will not be able to honor all or parts of its financial obligations to Neobo. The company's existing or potential customers could find themselves in such a financial situation that they are no longer able to pay contractual rents in time or, for some other reason, fail to fulfill their obligations.

Management

Residential properties account for 95 percent of Neobo's current property portfolio, with the remainder consisting of commercial and public sector properties. Rent losses have historically been low. The counterparty's credit rating is checked by means of a credit assessment.

Legal risks**Environmental risk**

According to the Swedish Environmental Code, the party that operates a business that has contributed to contamination is also responsible for remediation. If the business's proprietor is unable to perform or pay for the necessary remediation of a contaminated property, the responsible party is the party that acquired the property, and who at the time of the acquisition was aware of or should have discovered the contamination.

Changes in tax regulations

Changes in the rules and regulations that govern corporate and property tax can impact the prerequisites for Neobo's operations either positively or negatively.

Management

In connection with acquisitions, Neobo implements technical inspections of the properties in collaboration with external technical consultants, in order to minimize the risks of any environmental impact. In addition, the property management unit continuously conducts fire inspections, safety rounds and other inspections to satisfy statutory regulatory requirements at predetermined and regulated intervals.

Management

Tax risks are managed primarily through proactive work in respect of new taxation measures. Tax risks and complex tax issues are analyzed together with external advisors.

Sensitivity analysis

The table shows the theoretical impact on income from property management according to Neobo's annual earnings capacity.

	Change	Impact on profit from property management, SEK M
Rental income	+/-1%	+8.5/-8.5
Vacancy rate	unit +/-1%	-9.2/+9.2
Property costs	+/-1%	-3.7/+3.7
Interest rate for interest-bearing liabilities	unit +/-0.5%	-7.8/+7.0

Financing

Neobo's operations are financed with equity and bank loans. Neobo pursues a strategy of having a low financial risk. The loan-to-value ratio shall be less than 65 percent, the interest coverage ratio shall exceed a multiple of 1.5 and the equity/assets ratio shall exceed 30 percent.

In connection with the distribution of Neobo to SBB's shareholders, Neobo assumed liabilities that were partly short and long-term. Before the end of the year, parts of the debt portfolio were refinanced with varying maturities of 3–5 years and agreements pertaining to other parts of the credit portfolio were signed in connection with the stock exchange listing in February. The size of the debt that was refinanced after the end of the year was approximately SEK 2 billion and was restructured to durations of between 3.5 and 5 years, thereby securing Neobo's short and long-term financing needs

Interest-bearing liabilities

Interest-bearing liabilities in the Group amounted to SEK 7,494 M (7,709) on December 31, of which liabilities to credit institutions accounted for SEK 7,494 M (7,489) and other liabilities of SEK 2 M (206) (previously comprised debt to the SBB Group).

The average debt duration was 3.9 years (2.5). The loan-to-value ratio was 45 percent (40) and the equity/assets ratio 48 percent (50). The year-end interest hedge ratio was 80 percent (44) and the average fixed rate period was 1.8 years (0.9). The interest coverage ratio was a multiple of 2.0 (2.4).

Neobo has continued to work actively to keep interest on interest-bearing liabilities at low levels. The average interest rate for interest-bearing liabilities at the end of the year was 2.8 percent (1.7).

Change in values on derivatives

In order to limit the interest rate risk associated with liabilities to credit institutions at a floating interest rate and to increase the predictability of income from property management, interest rate derivatives are used. At year-end, the aggregated nominal value of interest rate derivatives was SEK 5,893 M (3,273) with maturities of between one and three years.

In accordance with the accounting rules in IFRS 9, derivatives are recognized at market value. If the agreed interest rate deviates from the market interest rate, a surplus or deficit value arises for the interest rate derivatives, and this non-cash change in value is recognized in profit or loss. At the end of the year, interest rate derivatives had a fair value of SEK 393 M (11)

Loan-to-maturity structure, Dec 31, 2022

Year of maturity	Nominal amount, SEK M	Percentage
<1	819	11%
1–2	0	–
2–3	3,614	48%
3–4	1,333	18%
4–5	1,133	15%
>5	583	8%
Total	7,482	100%

Loan-to-maturity structure, Dec 31, 2021

Year of maturity	Nominal amount, SEK M	Percentage
<1	2,782	37%
1–2	1,783	24%
2–3	2,600	35%
3–4	137	2%
4–5	194	3%
>5	0	0%
Total	7,496	100%

Loan-to-maturity structure, Dec 31, 2022

Year of maturity	Nominal amount, SEK M	Percentage
<1	2,599	35%
1–2	1,433	19%
2–3	2,500	33%
3–4	950	13%
4–5	0	–
>5	0	–
Total	7,482	100%

Loan-to-maturity structure, Dec 31, 2021

Year of maturity	Nominal amount, SEK M	Percentage
<1	5,063	64%
1–2	800	12%
2–3	933	14%
3–4	500	7%
4–5	200	3%
>5	0	0%
Total	7,496	100%

Consolidated financial statements

Consolidated income statement

SEK M	Note	2022	2021
Net sales	3, 4	839	694
Operating costs	4, 7	-298	-242
Maintenance		-58	-53
Property administration	7	-37	-25
Property tax		-23	-18
Net operating income		423	355
Central administration	4, 5, 6, 7	-79	-85
Results from associated companies/joint ventures		0	0
Profit before financial items		344	270
Profit from financial items			
Interest income and similar income items	9	16	1
Interest costs and similar items	10	-188	-114
Ground rent	8	1	0
Income from property management		172	156
Change in values on properties	14	-2,238	3,887
Results from production of residential properties		-17	9
Changes in the value of financial instruments		100	36
Profit/loss before tax		-1,983	4,089
Current tax	11	-38	-12
Deferred tax	11	666	-851
NET INCOME FOR THE PERIOD		-1,355	3,226
Earnings per ordinary share (SEK)	12	-9.32	23.34

Consolidated statement of comprehensive income

SEK M	2022	2021
Net income for the period	-1,355	3,226
Other comprehensive income	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-1,355	3,226

Consolidated balance sheet

SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Intangible assets	13	3	–
Total intangible assets		3	
Property, plant and equipment			
Investment properties	14	15,295	17,173
Right-of-use assets, leaseholds	8	–	14
Equipment, machinery and installations	15	4	6
Total property, plant and equipment		15,299	17,193
Financial assets			
Participations in associated companies/joint ventures	16	–	10
Receivables from associated companies/joint ventures		–	16
Derivatives	17	393	11
Financial assets at fair value		–	50
Other long-term receivables		–	16
Total financial assets		393	103
Total non-current assets		15,696	17,296
Current assets			
Properties held for sale		–	245
Current receivables			
Accounts receivable	18	16	122
Other receivables	19	51	210
Prepaid expenses and accrued income	20	60	37
Total current receivables		127	369
Cash and short-term deposits	22	231	344
Total current assets		358	958
TOTAL ASSETS		16,054	18,254

SEK M	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	23	752	752
Other contributed capital		5,141	5,141
Retained earnings, including comprehensive income for the year		1,884	3,238
Total equity		7,777	9,132
Non-current liabilities			
Liabilities to credit institutions	21	6,571	3,228
Deferred tax liabilities	11	505	1,171
Lease liabilities, leaseholds		–	14
Other non-current liabilities		2	206
Total non-current liabilities		7,078	4,619
Current liabilities			
Liabilities to credit institutions	21	923	4,261
Accounts payable		56	48
Current tax liabilities		32	33
Other liabilities	25	14	16
Accrued expenses and prepaid income	26	173	144
Total current liabilities		1,198	4,502
TOTAL EQUITY AND LIABILITIES		16,054	18,254

Consolidated statement of changes in equity

SEK M	Share capital	Other contributed capital	Retained earnings	Total	Non-controlling interests	Total equity
Opening equity, Jan 1, 2021	679	4,486	28	5,193	13	5,206
Net income for the period	–	–	3,226	3,226	–	3,226
New share issue	70	636	–	706	–	706
Non-cash issue	3	19	–	22	–13	9
Dividend on preference shares	–	–	–16	–16	–	–16
Closing equity, Dec 31, 2021	752	5,141	3,238	9,132	0	9,132
Opening equity, Jan 1, 2022	752	5,141	3,238	9,132	–	9,132
Net income for the period	–	–	–1,355	–1,355	–	–1,355
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the period	–	–	–1,355	–1,355	–	–1,355
Closing equity, Dec 31, 2022	752	5,141	1,885	7,777	–	7,777

Consolidated cash flow statement

SEK M	Note	2022	2021
Operating activities			
Income from property management		172	156
<i>Adjustment for non-cash flow items</i>			
Depreciation		1	2
Net interest income		172	112
Interest paid		-192	-97
Interest received		16	1
Tax paid		-22	-17
Cash flow from operating activities before changes in working capital		147	157
Cash flow from changes in working capital			
Increase (-)/Decrease (+) of operating receivables		224	-44
Increase (+)/Decrease (-) of operating liabilities		172	-184
Cash flow from operating activities		542	-71
Investing activities			
Investments in properties	14	-722	-616
Property sales	14	-	11
Acquisitions of subsidiaries less acquired cash and short-term deposits	14	-3,084	-1,488
Disposals of subsidiaries less cash and short-term deposits	14	5,451	58
Investments/divestments in equipment, machinery and installations	15	0	-4
Investments/divestments, associated companies/joint ventures	16	0	-34
Cash flow from financial assets	17	-318	268
Change in other long-term receivables		0	0
Cash flow from investing activities		1,327	-1,805

SEK M	Note	2022	2021
Financing activities			
New share issue		-	653
Dividend paid		-	-12
Borrowings		4,143	3,398
Repayment of loans		-5,919	-2,503
Change in other non-current liabilities		-206	9
Cash flow from financing activities		-1,982	1,545
Cash flow for the period		-112	-331
Cash and short-term deposits at the beginning of the period		344	674
Cash and short-term deposits at the end of the period	22	231	344

Parent Company financial statements

Parent Company income statement

SEK M	Note	2022	2021
Net sales	3	82	76
Personnel costs	5	-48	-82
Other operating expenses	6	-94	-63
EBIT		-60	-69
Profit from financial items			
Profit from participations in Group companies	16	3,587	4
Interest income and similar income items	9	113	63
Interest costs and similar items	10	-40	-22
Profit/loss after financial items		3,600	-24
Appropriations		-	79
Profit/loss before tax		3,600	55
Tax	11	-5	-
NET INCOME FOR THE PERIOD		3,595	55

Parent Company statement of comprehensive income

SEK M	2022	2021
Net income for the period	3,595	55
Other comprehensive income	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	3,595	55

Parent Company balance sheet

SEK M	Note	Dec 31, 2022	Dec 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment			
Plant and equipment	15	0	0
Financial assets			
Participations in Group companies	16	0	1,923
Participations in associated companies/joint ventures		0	9
Receivables from Group companies	24	0	3,033
Receivables from associated companies/joint ventures	24		–
Other non-current receivables	16	0	12
Total financial assets		0	4,977
Total non-current assets		0	4,977
Current assets			
Current receivables			
Current receivables from Group companies	24	7,838	791
Other receivables	19	27	50
Prepaid expenses and accrued income	20	27	9
Total current receivables		7,891	851
Cash at bank balances	22	224	18
Total current assets		8,116	869
TOTAL ASSETS		8,116	5,846

SEK M	Note	Dec 31, 2022	Dec 31, 2021
EQUITY AND LIABILITIES			
Restricted equity	23	756	756
Non-restricted equity		7,329	3,733
Total equity		8,085	4,490
Non-current liabilities			
Liabilities to credit institutions		0	16
Liabilities to Group companies	24	0	678
Total non-current liabilities		0	694
Current liabilities			
Accounts payable		8	4
Current tax liabilities		0	4
Current liabilities to Group companies	24	0	618
Other liabilities	25	3	16
Accrued expenses and prepaid income	26	20	20
Total current liabilities		31	662
TOTAL EQUITY AND LIABILITIES		8,116	5,846

Parent Company statement of changes in equity

SEK M	Share capital	Statutory reserves	Share premium reserve	Retained earnings	Total
Opening equity, Jan 1, 2021	679	4	4,234	-1,195	3,722
Net income for the year	-	-	-	55	55
New share issue	70	-	636	-	706
Non-cash issue	3	.	20	-	23
Dividend	-	-	-	-16	-16
Closing equity, Dec 31, 2021	752	4	4,890	-1,156	4,489
Opening equity, Jan 1, 2022	752	4	4,890	-1,156	4,489
Net income for the year	-	-	-	3,595	3,595
Other comprehensive income	-	-	-	-	-
New share issue	-	-	-	-	-
Non-cash issue	-	-	-	-	-
Closing equity, Dec 31, 2022	752	4	4,890	2,440	8,085

Parent Company cash flow statement

SEK M	Note	2022	2021
Operating activities			
Profit/loss after financial items		3,600	-24
<i>Adjustment for non-cash flow items</i>			
Depreciation		473	0
Capital gain/loss		-4,064	
Tax paid		-8	-1
Cash flow from operating activities before changes in working capital		1	-25
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		1,081	-29
Increase (+)/Decrease (-) in operating liabilities		-1,085	-20
Cash flow from operating activities		-3	-73
Investing activities			
Investments in properties		0	0
Property sales		-	0
Acquisitions of subsidiaries less acquired cash and short-term deposits		0	-6
Disposals of subsidiaries less cash and short-term deposits	14	224	9
Investments/divestments in equipment, machinery and installations		0	0
Investments/divestments, associated companies/joint ventures		0	0
Cash flow from financial assets			0
Change in other long-term receivables		12	0
Cash flow from investing activities		236	3

SEK M	Note	2022	2021
Financing activities			
New share issue		-	706
Dividend paid		-8	-16
Borrowings		-	6
Repayment of loans		-19	-400
Change in other non-current liabilities		0	-208
Cash flow from financing activities		-27	87
Cash flow for the period		206	17
Cash and short-term deposits at the beginning of the period		18	1
Cash and short-term deposits at the end of the period	22	224	18

Specification of interest paid and received		2022	2021
Interest paid		113	-22
Interest received		-40	63
		72	41

Notes

1

Significant accounting policies

Neobo's consolidated financial statements have been prepared in accordance with the IFRS standards adopted by the EU. Additionally, the Annual Accounts Act and the RFR 1 Supplementary Accounting Rules for Corporate Groups were applied. The most recent consolidated annual report prepared and published in accordance with IFRS was for 2020, though this report was prepared as if IFRS had always been applied according to IFRS 1 item 1.4A. The Parent Company applies the same accounting policies as the Group with the exceptions and supplements stipulated in the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities.

Principles for the consolidated financial statements

Unless otherwise indicated, the following accounting policies have been applied consistently in all periods that are presented in the consolidated financial statements. The Group's accounting policies were applied consistently by the Group's companies. Assets and liabilities are recognized at acquisition cost with the exception of investment properties and certain financial instruments that are measured and recognized at fair value.

Subsidiaries

Subsidiaries are all the companies where the Group is exposed or entitled to variable returns from its commitments and can also affect the returns by means of its influence over the company. Initial recognition of subsidiaries in the consolidated financial statements complies with the acquisition method. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group, and they are deconsolidated from the date that control ceases. Intra-Group transactions and balance sheet items as well as unrealized gains or losses on transactions between Group companies are eliminated in the consolidated financial statements.

Currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Parent Company and the Group. All amounts are stated in SEK million (SEK M) unless otherwise stated.

Revenue in the income statement

The Group's revenue consists primarily of rental income. Income is recognized less any discounts.

Rental contracts are classified in their entirety as operating leases. Rental income including surcharges 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. Surrender premia paid by tenants in conjunction with vacating leases prior to lease expiry are recognized as income when the agreement with the tenant expires and no commitments remain, which generally arises when the premises are vacated.

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.

Leases

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

Costs

Property costs that are part of the Group's net operating income include operating and maintenance expenses, costs for property administration and property tax. Operating costs include tariff-based costs, such as electricity, water, heating and sanitation, insurance and property upkeep. Maintenance expenses refer to costs for measures to maintain the standard and technical condition of the property. Property administration includes costs for property management and leasing and some parts of financial management. 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.

Central administration

The Group's administration costs are allocated to the property administration, which is part of the Group's net operating income and central administration. Costs at a Group-wide level that are not directly related to property management, such as costs for Executive Management, business development, property development and financing, are classified as central administration.

Remuneration of employees

Remuneration of employees comprises salaries, paid holiday, paid sick leave and other benefits as well as pensions. The Group only has 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.

Financial income and expenses

Calculations of interest income on receivables and interest costs on liabilities are based on the effective interest method. The effective interest rate is the rate that exactly discounts future cash payments or receipts throughout the fixed interest term to the car-

► **Note 1, cont.**

rying amount of the financial asset or financial liability. Financial income and expenses are recognized in the period to which the amounts pertain.

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 changes in value are 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 changes in property values are calculated as price less selling expenses less book value including the year's unrealized changes in value.

Taxes

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.

Earnings per share

Earnings per ordinary share is determined by dividing net income attributable to Parent Company shareholders by the weighted average number of ordinary shares outstanding during the year.

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 reconstructions, the interest cost during the production period is capitalized.

Equipment, machinery and installations

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. 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.

Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. Financial instruments recognized in the balance sheet include on the asset side shares and participations in companies where the Group has a non-controlling interest (financial assets at fair value), derivative instruments, receivables from associated companies/joint ventures, other long-term receivables, accounts receivable, other current receivables as well as cash and short-term deposits. Liabilities include liabilities to credit institutions, other non-current liabilities, derivative instruments, accounts payable, accrued expenses and other current liabilities. Recognition depends on how the financial instruments have been classified.

Recognition and derecognition

A financial asset or a financial liability is recognized in the balance sheet when the company becomes a party under the contractual terms and conditions for the instrument. Accounts receivable are recognized in the balance sheet when the invoice has been sent. Liabilities are recognized when the counterparty has executed its part of the agreement and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognized when the invoice has been received. A financial asset and a financial liability are offset and recognized net in the balance sheet only when a legal right exists to offset the amounts and the intention is either to settle the item in a net amount or simultaneously realize the asset and settle the liability. A financial asset is normally derecognized from the balance sheet when the contractual rights to the cash flows from the financial asset cease. For example, when rent payment has been received. The same applies for part of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the contract is met or extinguished in another manner. The same applies for part of a financial liability.

Classification and measurement of financial instruments

The Group's financial assets comprise debt instruments and derivatives.

Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the character of the asset's contractual cash flows. The Group's debt instruments are classified at amortized cost and include: non-current receivables, accounts receivables, other current receivables, accrued income as well as cash and short-term deposits. Financial assets are classified at amortized cost and are initially measured at fair value plus any transaction costs. Accounts receivable are initially recognized at invoiced value. Following initial recognition, the assets are measured according to the effective interest method. Assets classified at amortized cost are held according to the business model of collecting contractual cash flows that only comprise payments of principal and interest payments on the principal outstanding. The assets are covered by a loss allowance for expected credit losses.

Derivatives: classified at fair value through profit or loss.

► Note 1, cont.

Classification and measurement of financial liabilities

Financial liabilities, with the exception of derivatives, are classified at amortized cost. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. Following initial recognition, they are measured at amortized cost using the effective interest method.

Fair value measurement

Fair value is the price at the measurement date that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The different levels are defined as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — Other observable inputs for the asset or liability other than quoted prices included within Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 — Inputs for the asset or liability that are not based on observable market data

Impairment of financial assets

The Group's financial assets that are recognized at amortized cost, are subject to impairment for expected credit losses. Impairment of loan losses is forward looking and a reserve for losses is posted already on initial recognition when there is exposure to credit risk.

Accounts receivable: The modified retrospective approach is applied for the Group's accounts receivable. Using the modified retrospective approach, a loss allowance is recognized for the expected remaining maturity of the receivable. The Group bases the valuation of expected credit losses on the historical rate of loan losses combined with forward-looking factors.

Other financial assets recognized at amortized cost: A three-stage impairment model is applied for receivables from associated companies/joint ventures and other current receivables. Initially, and at every balance sheet date, a loss allowance is recognized for the forthcoming 12 months, alternatively for a shorter period depending on remaining maturity (stage 1). If there has been a material increase in credit risk since initial recognition, a loss allowance is recognized for the asset's remaining maturity (stage 2). For assets regarded as credit impaired, reserves continue to be posted for expected credit losses for the remaining maturity

(stage 3). For credit-impaired assets and receivables, the calculation is based on interest income on the asset's carrying amount, net of loss allowances, in contrast to the gross amount used in the preceding stages.

When valuing expected credit losses, the Group applies a method based on external credit rating. Expected credit losses are measured in terms of the probability of default, loss given default and exposure at default. The Group has defined default as when payment of amounts owed is 15 or more days late, or if other factors indicate that the payment default is present. A material increase in credit risk is based on when payment is 31 or more days late.

Credit-impaired assets and receivables are assessed individually, whereby historical, current and forward-looking information is taken into account. The valuation of expected credit losses takes into account any collateral and other credit enhancement in the form of guarantees. Financial assets are recognized in the balance sheet net of gross value and loss allowances. Changes in the loss allowance are recognized in profit or loss.

Cash and short-term deposits

Cash and short-term deposits consist of cash and immediately available balances at banks and equivalent institutions. Cash and short-term deposits are covered by a loss allowance requirement for expected credit losses.

Deferred tax

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 is recognized in accordance with the so-called balance sheet liability method. 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.

Cash flow

The cash flow statement is prepared in accordance with the indirect method as per IAS 7. This means that profit is adjusted for non-cash transactions as well as any income or expenses associated with investing and/or financing activities. If cash outflows in the form of debt repayments in an acquired subsidiary are considered part of the company's investment cost, they are reported among the investing activities. If debt repayments in the acquired subsidiary do not form an integral part of the investment cost for the company or are made voluntarily, they are reported among the financing activities.

Segment reporting

The Group's business is organized, governed and reported in geographic areas. The operating segments are consolidated according to the same policies as for the Group as a whole. Income and expenses recognized for each operating segment are actual costs. No allocation of joint costs has therefore taken place.

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 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.

2 Significant estimates and assessments

The preparation of financial statements 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 experience 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. The following assessments are those deemed most significant in preparing the company's financial statements.

The financial statements are particularly sensitive to assessments that provide the basis for the valuation of the investment properties. Investment properties are recognized at fair value, which is determined by executive management based on market assessments. Significant estimates have thus been made concerning such items as the cost of capital and the required yield, which are based on the property assessor's experience-based assessments of market yield requirements for comparable properties. Cash flow projections for operating, maintenance and administration costs are based on actual costs but also on experience of comparable properties. Future investments have been assessed based on actual requirements.

In connection with company acquisitions, an assessment is made of whether the acquisition should be classified as an asset acquisition or a business combination. A transaction qualifies as an asset acquisition if it pertains to properties, but excludes an organization, personnel and the administrative processes required for property management. Other acquisitions are business combinations.

In conjunction with property transactions, a balanced assessment is performed of relevant facts and circumstances based on contractual conditions with the aim of establishing when risks, benefits and control are considered to transfer, in order to establish the time of initial recognition of the asset. An investment property shall be recognized as an asset when it is probable that the future financial benefits will accrue to the company and the acquisition cost can be calculated reliably. The financial benefits that are attributable to an investment property consist of both net operating income and the change in the asset's value. Based on the contractual conditions, the point

in time when the future financial benefits will accrue to Neobo is established, as well as the point in time when Neobo can exercise control of the use of the asset, which is considered to be the date of initial recognition.

In connection with acquisitions, an assessment is made of whether the acquisition is a business combination or an asset acquisition. A transaction qualifies as an asset acquisition if it pertains to properties, but excludes an organization and the administrative processes required for property management. Other acquisitions are business combinations. All of Neobo's acquisitions of subsidiaries have been classified as asset acquisitions since the acquisition pertains to investment properties. For asset acquisitions, the purchase consideration, including acquisition costs for the individually acquired assets and liabilities, is based on the fair value at the acquisition date. Deferred tax is not recognized on initial temporary differences. Full deferred tax is recognized based on temporary differences arising after the acquisition. Acquired investment properties are recognized at the following balance-sheet date at fair value, which can deviate from acquisition cost.

Disclosures on forthcoming standards

The new or amended standards that take effect on January 1, 2023 or later are assessed as having no impact on Neobo's financial statements.

3 Net sales

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Rental income	839	691	–	–
Other income	0	3	0	1
Management fee	–	–	82	75
Total	839	694	82	76

Maturity structure of contracts

Commercial, duration	Number of contracts	Contract value, SEK M	Share of value
2023	148	27	3%
2024	130	28.6	3%
2025	116	36.5	4%
2026	68	38.1	4%
2027–	41	44.9	5%
Total premises	503	175.1	19%

Wault: 3.77

4 Segment

SEK M	North		South		Total	
	2022	2021	2022	2021	2022	2021
Rental income	399	313	440	381	839	694
Property costs	–204	–158	–211	–180	–415	–338
Net operating income	195	155	230	201	424	356
Undistributed items						
Central administration					–79	–85
Profit/loss from associated companies					0	0
Results, production of residentials					–17	9
Other operating income					0	0
Net financial items					–173	–114
Change in values on properties					–2,238	3,887
Change in the value of financial instruments					100	36
Tax					628	–863
Net income for the year					–1,355	3,226

5 Employees and personnel costs

	Group		Parent Company	
	2022	2021	2022	2021
Avg. no. of employees (all in Sweden)	50	102	47	87
of whom, women	18	35	17	30

As per December 31, 2022, the Board of Directors had five members: two women and three men.
Other senior executives comprise five individuals, including the CEO.

Salaries, fees and benefits, SEK M	Group		Parent Company	
	2022	2021	2022	2021
Board of Directors and senior executives				
Salaries and other remuneration	9	12	9	12
Other employees				
Salaries and other remuneration	24	61	21	44
Total	33	73	30	56

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Statutory social security costs				
Board of Directors and senior executives	3	4	3	4
Other employees	7	20	6	14
Contractual pension costs incl. payroll tax				
Board of Directors and senior executives	1	2	1	2
Other employees	6	9	5	4
Total	17	35	15	24
Total salaries, incl. social security costs	50	108	45	80

Remuneration and other benefits for senior executives during the year, SEK 000s		2022			
		Director fees/ salaries	Benefits	Pension costs	Total
Bengt Kjell	Chairman of the Board (Jan 1–Jan 26)	197			197
Jakob Pettersson	Board Member (Jan 1–Jan 26)	96			96
Anneli Lindblom	Board Member (Jan 1–Jan 26)	142			142
Kristina Sawjani	Board Member (Jan 1–Jan 26)	129			129
Peter Wågström	Board Member (Jan 1–Jan 26)	121			121
Magnus Bakke	Board Member (Jan 1–Jan 26)	129			129
Mikael Rånes	CEO (Jan 1–Jan 26)	5,233	55	631	5,919
Ylva Sarby Westman	CEO (Nov 10–Dec 31)	549			549
Other senior executives (1 individual)	Deputy CEO (Jan 1–Jan 26)	2,686			2,686
Total		9,282	55	631	9,968

In the event of dismissal initiated by the company, the notice period will not exceed six months. Severance pay, including salary during the notice period may not exceed 12 monthly salaries.

Remuneration and other benefits for senior executives during the year, SEK 000s		2021			
		Director fees/ salaries	Benefits	Pension costs	Total
Bengt Kjell	Chairman of the Board	439			439
Jakob Pettersson	Board member	198			198
Anneli Lindblom	Board member	250			250
Kristina Sawjani	Board member	225			225
Peter Wågström	Board member	198			198
Magnus Bakke	Board member	225			225
Mikael Rånes	CEO	2,461	83	949	3,493
Other senior executives (5 individuals)		7,200	222	1,514	8,936
Total		11,196	305	2,463	13,964

The remunerated Board of Directors and CEO were replaced on January 26, 2022 by a Board of Directors from SBB, which was not remunerated. The replaced Board of Directors received fees for the entire term of office. The CEO received a salary during the notice of dismissal period, in addition to severance pay. All paid benefits paid are included in the recognized amounts. The new CEO did not receive any remuneration from the company.

6 Auditors' fees

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Auditing assignment, EY	4.1	5.3	4.1	3.9
Audit services in addition to audit assignment	3.0	0	3.0	0
Other	0.3	0	0.3	0
Total	7.4	5.3	7.4	3.9

7 Operating costs

Breakdown by type of cost, SEK M

Operating costs	Group	
	2022	2021
Tariff-based costs	180	142
Personnel costs	32	19
Other	86	29
Total operating costs	298	190
Property administration		
Personnel costs	34	23
Office-related costs	3	2
Total property administration	37	25
Central administration		
Personnel costs	16	17
Other	63	68
Total central administration	79	85

8 Site leaseholds

Letting cost/ground rent

Ground rent is the annual fee that an owner of a building on municipal land pays 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 ten to 20 years.

At the end of 2022, Neobo had five properties for which it paid ground rent. Ground rent, including leasehold fees, amounted to SEK 930,000 (464,000).

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.

9 Financial income

Interest income is recognized in the period to which it refers. Interest income on receivables is calculated using the effective interest method. The effective interest rate is the rate that exactly discounts future cash payments or receipts throughout the fixed interest term to the carrying amount of the financial asset. Financial income is recognized in the period to which it pertains.

Assets measured at amortized cost, SEK M	Group		Parent Company	
	2022	2021	2022	2021
Interest income, other financial instruments	13	1	2	0
Interest income, Group companies			83	63
Other	2		28	0
Total interest income according to effective interest method	16	1	113	63

10

Financial expenses

Derivatives are used in order to achieve the desired fixed-rate term. Income and expenses pertaining to derivatives are recognized on a current account basis in profit or loss in the items "unrealized changes in value financial instruments" and among interest costs. Costs for redeeming and renegotiating derivatives, as well as redemption charges, are recognized as they arise. Interest costs on financial instruments are recognized according to the effective interest method. The effective interest rate is the interest rate that discounts the estimated future receipts and disbursements over the expected term of a financial instrument.

Liabilities measured at fair value through profit or loss, SEK M	Group		Parent Company	
	2022	2021	2022	2021
Interest costs	-87	-113	0	-9
Exchange rate differences, derivatives				
Total recognized in profit or loss (financial items)	-87	-113	0	-9
Liabilities measured at amortized cost				
Interest costs, other financial instruments	-98		-40	-14
Other financial expenses	-4	-1	0	0
Total interest costs	-102	-1	-40	-14
Total interest costs and similar items	-188	-114	-40	-22

11

Taxes

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Reconciliation of effective tax rate				
Profit/loss before tax	-1,983	4,089	3,600	55
Tax according to current tax rate	408	-842	-742	-11
<i>Tax effect of:</i>				
Other tax rates in the Group				
Tax attributable to preceding years	1	2		
Non-taxable income from sales of shares in subsidiaries including consolidated change in value in profit before tax	-463	746	739	
Other non-taxable income	0	13		1
Non-deductible costs	0	-12	-2	0
Unrecognized expenses to be deducted	0	74		10
Utilization of previously unutilized tax loss carry forwards	0	-11		
Other tax adjustments	1	0		
Tax depreciation	15	18		
Temporary differences, untaxed reserves	-7	0		
Temporary differences, derivatives	-17	-4		
Temporary differences, properties	690	-847		
Recognized tax	628	-863	-5	0
<i>Effective tax rate</i>	<i>-31.7%</i>	<i>-21.1%</i>	<i>-0.1%</i>	<i>-0.6%</i>
Current tax	-38	-12	-5	0
Deferred tax	666	-851	0	0
Recognized tax	628	-863	-5	0

Deferred tax

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Deferred tax, properties	479	1,170	0	0
Deferred tax, untaxed reserves	8	1	0	0
Deferred tax, tax loss carry forwards	0	0	0	0
Deferred tax, derivatives	17	0	0	0
Deferred tax, other	1	0	0	0
Recognized deferred tax liability	505	1,171	0	0

12 Earnings per share

SEK M	2022	2021
Net income for the period	-1,355	3,226
Profit/loss attributable to share	-1,355	3,226
Average number of shares	145,400,735	138,220,993
Earnings per share	-9.32	23.34

13 Intangible assets

SEK M	Dec 31, 2022	Dec 31, 2021
Opening balance	0	0
Acquisitions	3	0
Closing balance	3	0

14 Investment properties

The fair value of investment properties declined during the year by SEK 1,878 M to SEK 15,295 M (17,173). The decrease in value reflects the change that has occurred in the properties' cash flows and in the required investment yield. The Parent Company does not own any properties.

SEK M	
Opening fair value, Jan 1, 2022	17,173
Acquisitions	6,064
Investments	727
Divestments	-7,602
Unrealized changes in value	-1,151
Reclassifications	85
Fair value, Dec 31, 2022	15,295

SEK M	
Opening fair value, Jan 1, 2021	9,666
Acquisitions	2,338
Investments	778
Divestments	-125
Unrealized changes in value	3,878
Reclassifications	338
Fair value, Dec 31, 2021	17,173

Property valuation

Investment properties are recognized at fair value in the consolidated statement of financial position and changes in value are recognized in the consolidated statement of comprehensive income. All investment properties have been assessed as being in level 3 of the valuation hierarchy under IFRS 13 Fair Value Measurement.

Fair value is the estimated amount that would be recovered in a transaction on the valuation date between knowledgeable, independent parties that have an interest in completing the transaction after customary marketing, where both parties are assumed to have acted discerningly, wisely and without compulsion. On the balance sheet date, all properties had been valued externally by Newsec Advice AB and Savills Sweden AB, which are well-established property valuers authorized by the Samhällsbyggarna association, which is responsible for the authorization of property valuers in Sweden.

The property portfolio's value is calculated in a 5–15-year cash-flow model. The value is calculated as the present value of net operating income less remaining investments in ongoing projects during the calculation period of 5–15 years and the present value of the estimated residual value after the cash flow period.

► Note 14, cont.

The residual value consists of the present value of all future net operating income after the cash flow period. Added to this is the estimated market value of undeveloped land and building rights. Accordingly, the valuation was performed in accordance with IFRS 13, Level 3.

Key assumptions in the valuation of investment properties

Rental income, property costs, economic vacancy and required investment yield are allocated as follows:

Region	Rental value, SEK M	Property costs, SEK M	Economic vacancy, %	Required investment yield, interval, %	Required investment yield, weighted average, %
North	410	-196	8.1	2.7-6.7	4.18
<i>Of which, residential</i>	352	-160	7.4	2.7-4.5	3.55
<i>Of which, commercial</i>	51	-33	8.5	3.1-6.7	5.5
<i>Of which, other</i>	8	-3	24.7	2.7-6.7	4.29
South	494	-220	7.9	1.9-7.6	4.08
<i>Of which, residential</i>	435	-196	6.1	2.6-5.2	3.77
<i>Of which, commercial</i>	54	-22	16.5	2.7-7.6	6.28
<i>Of which, other</i>	5	-1	22.0	1.9-6.7	4.71
	904	-415	8.0	1.9-7.6	4.12

Sensitivity analysis

The property valuations were performed according to generally accepted principles based on market-aligned assumptions. The table below shows how the value is impacted by a change in certain parameters assumed for the valuation.

The table provides a simplified impression since a single parameter would probably not change in isolation.

	Change	Value impact, SEK M
Rental value	+/-5%	+1,140/-1,141
Operating and maintenance	+/-5%	-413/+411
Required investment yield	+/-0.25% unit	-929/+1,067
Long-term vacancy rate	+/-0.25% unit	-52/+46

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Equipment, machinery and installations

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Opening balance, acquisition cost	27	17	0	0
Acquisitions during the year	0	4	0	0
Disposals during the year	0	0	0	0
Equipment, machinery and installations in acquired/ divested companies	-14	6	0	0
Closing balance, accumulated acquisition cost	13	27	0	0
Depreciation				
Opening balance, accumulated depreciation	-21	-14	0	0
Sales and disposals	0	0	0	0
Depreciation for the year incl. acquired depreciation and depreciation in divested companies	12	-7	0	0
Closing balance, accumulated depreciation	-9	-21	0	0
Closing carrying amount	4	6	0	0

16 Profit/loss and participations in Group companies

The principles for consolidation of Group companies are presented in the accounting policies.

During the fourth quarter, eight newly formed companies were acquired, as was Neobo Service AB, as a pure company acquisition. At the beginning of the year, participations in associated companies amounted to SEK 1,923 M, which were sold in the final quarter of 2022.

The Neobo Group comprises a total of 156 wholly owned subsidiaries.

SEK M	Parent Company		Profit from participations in Group companies		2022	2021
	2022	2021				
Opening balance, acquisition cost	1,923	1,926	Gain on sales of participations in Group companies		4,060	4
Shareholders' contributions	–	16	Impairment of shares in subsidiaries		–473	–
Acquisitions	0	–9			3,587	4
Sales	–1,923	–9				
Closing balance, acquisition cost	0	1,923				
Closing carrying amount	0	1,923				

Specification of Parent Company's direct holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of participations	Share, %	Carrying amount	
					2022	2021
Amasten Bostäder AB	556902-4598	Helsingborg	1,000	100	–	408
Amasten Ledning AB	559124-9015	Stockholm	50,000	100	–	2
Urbano AB	556720-3608	Stockholm	1,000	100	–	978
SSM Holding AB	556533-3902	Stockholm	58,878,313	100	–	536
Neobo Service AB	559395-8167	Stockholm	25,000	100	0	–
Neobo Holdco 1 AB	559408-9673	Stockholm	25,000	100	0	–
Neobo Holdco 2 AB	559408-9681	Stockholm	25,000	100	0	–
Neobo Holdco 3 AB	559408-9699	Stockholm	25,000	100	0	–
Neobo Holdco 4 AB	559408-9707	Stockholm	25,000	100	0	–
Neobo Holdco 5 AB	559408-9715	Stockholm	25,000	100	0	–
Neobo Holdco 6 AB	559408-9723	Stockholm	25,000	100	0	–
Neobo Holdco 7 AB	559408-9749	Stockholm	25,000	100	0	–
Neobo Holdco 8 AB	559408-9756	Stockholm	25,000	100	0	–
Total					0	1,923

► Note 16, cont.

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of shares	Share capital	Share, %
Neobo Oscarsbo AB	556173-2636	Stockholm	200	200,000	100
Neobo Brågarp AB	556212-1912	Stockholm	40,000	4,000,000	100
Neobo Tegelborgen AB	556446-1787	Helsingborg	100	100,000	100
Neobo Panirab AB	556520-8856	Stockholm	1000	100,000	100
Neobo Fenja Agne AB	556551-6522	Stockholm	5,000	500,000	100
Neobo Pinjen 4 AB	556604-9564	Stockholm	1,000	100,000	100
Neobo Nyckelpigan 24 AB	556605-0893	Stockholm	1,000	100,000	100
Neobo Tranås Västermalm AB	556649-4273	Stockholm	1,000	100,000	100
Neobo Träkolet AB	556652-7049	Stockholm	1,000	100,000	100
Neobo Valfisken AB	556673-2243	Stockholm	1,000	100,000	100
Neobo Falun AB	556676-4394	Stockholm	1,000	100,000	100
Neobo Kristinegatan AB	556677-6331	Stockholm	1,000	100,000	100
Neobo Fjärilsvingen AB	556679-8202	Stockholm	1,000	100,000	100
Neobo Motala AB	556680-9363	Stockholm	1,000	100,000	100
Neobo Falun Timrå AB	556684-8999	Stockholm	1,000	100,000	100
Neobo East AB	556691-9543	Stockholm	800,000	8,000,000	100
Neobo Vipan 15 AB	556692-8569	Stockholm	1,000	100,000	100
Neobo SamSkara Gräshoppan 6 AB	556695-3633	Stockholm	100,000	10,000,000	100
Neobo Helsingborg 5 AB	556704-6767	Stockholm	1,000	100,000	100
Neobo Vänersborg 5 AB	556705-7798	Malmö	1,000	100,000	100
Neobo Tranås AB	556707-6616	Stockholm	100,000	100,000	100
Neobo Nyköping 2 AB	556707-9362	Stockholm	100,000	100,000	100
Neobo i Enköping AB	556710-5902	Stockholm	1,000	100,000	100
Neobo Timrå 4 AB	556730-3101	Stockholm	1,000	100,000	100
Neobo Timrå 3 AB	556730-3374	Stockholm	1,000	100,000	100
Neobo Timrå 2 AB	556730-5775	Stockholm	1,000	100,000	100
Neobo Nilhåsten AB	556736-4194	Stockholm	1,000	100,000	100
Neobo Köping 2 AB	556748-9660	Helsingborg	1,000	100,000	100
Neobo Vkn 13 i Helsingborg AB	556751-3063	Stockholm	1,000	100,000	100
Neobo Viola Fastighet i Karlskoga AB	556786-2486	Helsingborg	1,000	100,000	100
Neobo Stenfastigheter i Karlskoga AB	556798-6269	Helsingborg	15,000	1,500,000	100
Neobo SamTidaholm Stensiken 1 AB	556810-8293	Stockholm	50,000	50,000	100
Neobo Navigatören AB	556832-5004	Stockholm	500	50,000	100
Neobo Anna och Hummern i Helsingborg AB	556847-1451	Stockholm	500	50,000	100
Neobo Örnholmen 3 AB	556882-0830	Stockholm	500	50,000	100
Neobo Mjården AB	556883-4989	Stockholm	500	50,000	100
Neobo Spitoula Fastighets AB	556893-6677	Helsingborg	1,000	50,000	100
Neobo Vänersborg 1 AB	556895-7871	Malmö	500	50,000	100

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of shares	Share capital	Share, %
Neobo Isaksdal AB	556897-8257	Stockholm	500	50,000	100
Neobo Nynäshman AB	556919-3773	Stockholm	500	50,000	100
Neobo Fagotten AB	556936-9621	Stockholm	500	50,000	100
Neobo Notstället AB	556944-8789	Stockholm	500	50,000	100
Neobo Köping 3 AB	556950-8400	Helsingborg	50,000	50,000	100
Neobo Sala AB	556975-6504	Stockholm	1,000	50,000	100
Neobo Strängnäs AB	556975-6520	Stockholm	1,000	50,000	100
Neobo Järna AB	556976-6925	Stockholm	1,000	50,000	100
Neobo Stenstan AB	556981-7892	Härnösand	500	50,000	100
Neobo Vänersborg 2 AB	556997-7670	Malmö	1,000	100,000	100
Neobo Gävle 2 AB	559003-8617	Helsingborg	500	50,000	100
Neobo Ulricehamn 5 AB	559007-5189	Malmö	500	50,000	100
Neobo Ulricehamn 1 AB	559007-5197	Malmö	500	50,000	100
Neobo Ulricehamn 8 AB	559007-5205	Malmö	500	50,000	100
Neobo Ulricehamn 4 AB	559007-5213	Malmö	500	50,000	100
Neobo Ulricehamn 2 AB	559007-5221	Malmö	500	50,000	100
Neobo Ulricehamn 7 AB	559007-5239	Malmö	500	50,000	100
Neobo Ulricehamn 11 AB	559007-5247	Malmö	500	50,000	100
Neobo Ulricehamn 9 AB	559007-5254	Malmö	500	50,000	100
Neobo Ulricehamn 3 AB	559007-5270	Malmö	500	50,000	100
Neobo Ulricehamn 10 AB	559007-5411	Malmö	500	50,000	100
Neobo Ulricehamn 6 AB	559007-5429	Malmö	500	50,000	100
Neobo Nordmannen AB	559008-4751	Stockholm	50,000	50,000	100
Neobo Falun Timrå Holding AB	559018-1219	Stockholm	50,000	50,000	100
Neobo Köping 1 AB	559026-6036	Helsingborg	500	50,000	100
Neobo Skövde Holding AB	559036-3676	Stockholm	100,000	100,000	100
Neobo Bostad Oskarshamn AB	559043-2216	Stockholm	50,000	50,000	100
Neobo Köping Saga & Ale AB	559059-5426	Stockholm	500	50,000	100
Neobo Continental Apartments AB	559062-6122	Stockholm	50,000	50,000	100
Neobo Bostad 3 AB	559062-6254	Stockholm	50,000	50,000	100
Neobo Vänersborg 4 AB	559065-7929	Malmö	500	50,000	100
Neobo Bostad 23 AB	559070-4531	Stockholm	50,000	50,000	100
Neobo Bostad 22 AB	559070-4663	Stockholm	50,000	50,000	100
Neobo Umeå 2 AB	559074-2630	Helsingborg	50,000	50,000	100
Neobo Mariestad AB	559081-0734	Helsingborg	500	50,000	100
Neobo i Märsta AB	559082-2622	Stockholm	50,000	50,000	100
Neobo Stettfast AB	559084-1366	Stockholm	500	50,000	100
Neobo Vänersborg 3 AB	559093-6356	Malmö	500	50,000	100

► Note 16, cont.

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of shares	Share capital	Share, %
Neobo Köping Innerstaden 1:38 AB	559113-0405	Stockholm	1000	50,000	100
Neobo Umeå 3 AB	559118-8395	Helsingborg	50,000	50,000	100
Neobo Sundsvall AB	559127-1431	Stockholm	500	50,000	100
Neobo Köping Stadsanten AB	559157-4362	Stockholm	500	50,000	100
Neobo VR Bostad Norr 1 AB	559158-1052	Stockholm	50	50,000	100
Neobo Dubbelkrut AB	559159-3156	Stockholm	500	50,000	100
Neobo Nevisborg AB	559163-6138	Stockholm	500	50,000	100
Neobo Sollentuna Sjöstjärnan 2 AB	559185-5720	Stockholm	50,000	50,000	100
Neobo Sundsvall Granlodarakar AB	559200-5580	Stockholm	500	50,000	100
Neobo Fastighets AB Prästragen 5	559208-2241	Helsingborg	50,000	50,000	100
Neobo Knivsta Gredelby AB	559218-2215	Stockholm	500	50,000	100
Neobo Mitt Holding AB	559222-2995	Stockholm	50,000	50,000	100
Neobo Samhäll 93 AB	559224-4023	Stockholm	50,000	50,000	100
Neobo Parken AB	559227-6314	Stockholm	50,000	50,000	100
Neobo Alingsås Lerum AB	559248-6681	Malmö	250	25,000	100
Neobo Biografen AB	559248-6699	Malmö	250	25,000	100
Neobo Lerum AB	559248-6707	Malmö	250	25,000	100
Neobo Lerum Holding AB	559273-6325	Malmö	50,000	50,000	100
Neobo Luleå AB	559273-6341	Malmö	50,000	50,000	100
Neobo Övik AB	559273-6358	Malmö	50,000	50,000	100
Neobo Fjärilen 17 AB	559317-1357	Stockholm	50,000	500	100
Neobo Falköping Holding AB	559319-6883	Helsingborg	25,000	25,000	100
Neobo Skövde Holding 1 AB	559323-5723	Malmö	25,000	25,000	100
Neobo Sundsvall Holding 4 AB	559323-5731	Malmö	25,000	25,000	100
Neobo Norrköping AB	559323-5749	Malmö	25,000	25,000	100
Neobo Eskilstuna 4 Holding AB	559323-5756	Malmö	25,000	25,000	100
Neobo Eskilstuna 6 Holding AB	559323-5947	Helsingborg	25,000	25,000	100
Neobo Ulricehamn 1 Holding AB	559326-6322	Helsingborg	25,000	25,000	100
Neobo Vänersborg 1 Holding AB	559326-6330	Helsingborg	25,000	25,000	100
Neobo Köping Holding AB	559333-2462	Malmö	25,000	25,000	100
Neobo Katrineholm Holding AB	559337-1718	Malmö	25,000	25,000	100
Neobo Bostad 103 AB	559347-1963	Stockholm	25,000	25,000	100
Neobo AB Propco 2.1.2.2	559408-9558	Stockholm	25,000	25,000	100
Neobo AB Propco 2.1.2.3	559408-9566	Stockholm	25,000	25,000	100
Neobo AB Propco 2.1.2.4	559408-9574	Stockholm	25,000	25,000	100
Neobo AB Holdco 3.1	559408-9582	Stockholm	25,000	25,000	100
Neobo AB Holdco 3.1.1	559408-9590	Stockholm	25,000	25,000	100

Specification of Parent Company's indirect holdings of shares in subsidiaries	Corp. Reg. No.	Registered HQ	No. of shares	Share capital	Share, %
Neobo AB Holdco 4.1	559408-9608	Stockholm	25,000	25,000	100
Neobo Propco 2.1.2.4.1 AB	559408-9624	Stockholm	25,000	25,000	100
Neobo Propco 2.1.2.3.1 AB	559408-9632	Stockholm	25,000	25,000	100
Neobo Propco 2.1.2.2.1 AB	559408-9640	Stockholm	25,000	25,000	100
Neobo Propco 2.1.2.1.1 AB	559408-9657	Stockholm	25,000	25,000	100
Neobo AB Holdco 1.1.4	559408-9665	Stockholm	25,000	25,000	100
Neobo AB Holdco 2.1	559408-9764	Stockholm	25,000	25,000	100
Neobo AB Holdco 2.1.1	559408-9772	Stockholm	25,000	25,000	100
Neobo AB Holdco 2.1.2	559408-9780	Stockholm	25,000	25,000	100
Neobo AB Holdco 2.1.3	559408-9798	Stockholm	25,000	25,000	100
Neobo AB Propco 2.1.2.1	559408-9806	Stockholm	25,000	25,000	100
Neobo AB Holdco 1.1.3	559408-9814	Stockholm	25,000	25,000	100
Neobo AB Holdco 1.1.2	559408-9822	Stockholm	25,000	25,000	100
Neobo AB Holdco 1.1.1	559408-9830	Stockholm	25,000	25,000	100
Neobo AB Propco 8.2	559408-9855	Stockholm	25,000	25,000	100
Neobo AB Propco 8.1	559408-9863	Stockholm	25,000	25,000	100
Neobo AB Holdco 7.1	559408-9871	Stockholm	25,000	25,000	100
Neobo AB Holdco 7.1.2	559408-9889	Stockholm	25,000	25,000	100
Neobo AB Holdco 7.1.1	559408-9897	Stockholm	25,000	25,000	100
Neobo AB Holdco 6.1	559408-9905	Stockholm	25,000	25,000	100
Neobo AB Holdco 5.1	559408-9913	Stockholm	25,000	25,000	100
Neobo AB Holdco 4.1.1	559408-9988	Stockholm	25,000	25,000	100
Neobo AB Holdco 4.1.2	559408-9996	Stockholm	25,000	25,000	100
Amasten Enigheten HB	916831-9763				100
Amasten Tjuren HB	916896-7686				100
Amasten Liljan HB	916896-8452				100
Amasten Falköping 3 KB	967800-2842				100
Amasten Karlstad KB	969664-8386				100
Amasten Färgaren HB	969671-1093				100
Amasten Solen 13 HB	969673-4202				100
Amasten Pärnan HB	969673-4210				100
Amasten Solen 9 HB	969673-5407				100
Amasten Gustaf HB	969673-5423				100
Amasten Falköping 1 KB	969691-5009				100
Amasten Falköping 2 KB	969691-7625				100

17 Derivatives

SEK M	Group	
	2022	2021
Opening balance	11	0
Unrealized change in value	72	11
Acquisitions	310	0
Closing balance	393	11

All derivatives pertain to interest rate derivatives.

18 Accounts receivable

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Receivables from tenants	14	7	0	0
Other accounts receivable	11	126	0	0
Reserve for potential credit losses	-10	-10	0	0
	16	122	0	0

The reserve for potential credit losses is based on historical statistics, plus a risk assessment of accounts and rent receivables.

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Not past-due accounts receivable	6	106	0	0
Past-due, < 30 days	0	0	0	0
Past-due, 31-90 days	2	7	0	0
More than 90 days	16	19	0	0
	25	132	0	0

19 Other receivables

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Receivables, property transactions	34	152	27	50
Receivables, promissory notes	0	49	0	0
Tax account	5	3	0	0
Other current receivables	12	6	0	0
Total	51	210	27	50

20 Prepaid expenses and accrued income

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Interest income	10	1	1	0
Accrued income	14	11	8	1
Interim receivables, Group	0	0	16	5
Other interim receivables	37	25	1	2
Total	60	37	27	9

21 Financial risks and financial policies

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 liquidity risk, financing 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

Reserve for expected credit losses

The Group uses various methods for expected credit losses depending on the financial instrument. The Group defines default as when it is highly probable that the debtor will be unable to pay amounts owed. The Group writes off receivables when it is no longer adjudged possible that any funds will be obtained from debt-collection attempts. The financial assets reserved by the Group for expected credit losses are shown below. In addition to the assets below, the Group also monitors provision requirements for other financial instruments, such as cash and short-term deposits. Should amounts not be regarded as immaterial, a reserve is also posted for expected credit losses for these financial instruments.

Rent receivables and accounts receivable

Expected credit losses for rent receivables and accounts receivable are calculated in accordance with the simplified approach. The Group uses due dates to assess whether the credit risk associated with rent receivables and accounts receivable has increased significantly since initial recognition. Receivables that are more than 90 days past due are regarded as credit impaired, and reserves for expected credit losses are posted following individual assessment. For other receivables, expected credit losses are based on the historical rate of loan losses combined with forward-looking factors. Expected credit losses for rent receivables and accounts receivable are calculated in accordance with the simplified approach, and using a loss percentage model. Input data used is financial data for the preceding year. The forward-looking perspective also takes into account information regarding macroeconomic development. Finally, an individual assessment is made of whether receivables are considered to be credit impaired.

Financial risk	Group
Credit risk, SEK M	2022
Not past-due accounts receivable	6
Past-due accounts receivable 1–30 days	0
Past-due accounts receivable 31–90 days	2
More than 90 days	16
Total accounts receivable	25
Reserve for accounts receivable	
Opening carrying amount	–10
Recovery of previously written off amounts	0
Reserves for the year	–3
Realized credit losses	3
Total reserves for doubtful accounts receivable	–10
Closing carrying amount	16

Analysis of tenors	<1 year	1–3 years	3–5 years	>5 years	TOTAL
Other non-current liabilities	832	3,614	2,465	583	7,494
Accounts payable	56				56
Other current liabilities	14	2			16
Total	902	3,616	2,465	583	7,566

Loan-to-maturity structure, Dec 31, 2022

Year	Credit maturity	Interest on bank loans	Interest on derivatives	Total
2023	831	323	–118	1,036
2024	0	291	–99	192
2025	3,614	126	–67	3,673
2026	1,333	63	–21	1,375
2027	1,133	15	0	1,148
2028-	583	6	0	589
	7,494	824	–304	8,014

When measuring interest on credits, the STIBOR interest rate was assumed to remain unchanged during the credit period. Liquidity flows for interest rate derivatives comprise a fixed payment portion less a variable paid/received portion. When measuring the variable portion, the STIBOR rate at year-end was used for the duration of the derivatives.

► Note 21, cont.

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 5,893 M. The subscribed interest rate derivatives and market value on December 31 are presented in the table below.

The interest rate derivatives are measured at fair value in the statement of financial position. Fair value was measured on the basis of official market quotations and using accepted measurement methods and derivatives are classified as Level 2 in accordance with IFRS 13. The offset for all derivatives is included in agreements that gives the right to offset receivables against liabilities to the same counterparty. The swap agreements taken out mean floating interest on underlying loans has been replaced with fixed interest. Hedge accounting is not applied and change in value is recognized on a current account basis in the statement of comprehensive income.

Derivative, SEK M

Duration	Nominal amount	Market value
Oct 4, 2023	500,000	13,722
Nov 2, 2023	210,000	6,355
Nov 23, 2023	300,000	9,530
May 14, 2024	500,000	20,843
Jul 15, 2024	196,500	10,363
Sep 1, 2024	97,695	5,321
Sep 1, 2024	138,905	7,566
Sep 27, 2024	500,000	27,350
Jul 14, 2025	1,000,000	76,165
Aug 8, 2025	1,000,000	86,204
Aug 25, 2025	500,000	43,982
Jan 18, 2026	200,000	14,942
Sep 30, 2026	750,000	82,439
	5,893,100	404,783

Sensitivity analysis	Change	Impact on income from property management, SEK M
Interest rate for interest-bearing liabilities	Unit +/-0.5%	-7.8/+7.0

Credit exposure

The maximum credit risk of the assets comprises the net amount of the carrying amounts in the table below.

The Group did not receive any pledged assets for the financial net assets.

Financial assets	Financial assets/liabilities measured at fair value through profit or loss		Financial assets/liabilities measured at amortized cost	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Receivables from associated companies/joint ventures	–	–	–	16
Derivatives	393	11	–	–
Financial assets at fair value	–	–	–	50
Other long-term receivables	–	–	–	16
Accounts receivable	–	–	16	122
Other receivables	–	–	51	210
Cash and short-term deposits	–	–	231	344
Total	393	11	298	742
Financial liabilities				
Liabilities to credit institutions	–	–	7,494	7,489
Other non-current liabilities	–	–	2	206
Accounts payable	–	–	56	48
Other liabilities	–	–	14	16
Total	–	–	7,566	7,759

The carrying amounts for financial assets and liabilities measured at amortized cost are considered reasonable approximations of their fair value.

► Note 21, cont.

	Dec 31, 2022			Dec 31, 2021		
	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)
Assets measured at fair value						
Financial assets measured at fair value	–	–	–	–	–	50
Derivative instruments	–	393	–	–	11	–
Assets for which fair value disclosures were provided						
Receivables from associated companies/joint ventures	–	–	–	–	–	16
Liabilities for which fair value disclosures were provided						
Liabilities to credit institutions	–	–	7,494	–	–	7,486
Other non-current liabilities	–	–	14	–	–	16

No transfers have taken place between the levels of the hierarchy for fair value in 2022 or 2021.

Neobo's credit agreements include established threshold values, known as covenants, for equity/assets ratio, interest coverage ratio and loan-to-value ratio. Checks are carried out and reports submitted on a quarterly basis to ensure the covenants have not been broken. At year-end 2022, the company fulfilled all covenant requirements.

22 Cash and short-term deposits

SEK M	Group		Parent Company	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Bank balances and cash assets	231	344	224	18
	231	344	224	18

23 Share capital trend

On the balance sheet date, the share capital amounted to SEK 752,027,538 represented by 145,700,737 shares. Each share has a quotient value of SEK 5.17 and entitles the holder to one vote. Shares carry equal rights to dividends.

Point in time ¹⁾	Event	Change in no. of ordinary shares	Share capital (SEK)	Total no. of ordinary shares	Change in no. of preference shares	Average number of preference shares	Total no. of shares	Change in share capital (SEK)	Share capital (SEK)
Mar 19, 2020	Exchange of convertibles ²⁾	95,238	456,922,608	456,122,608		800,000	456,922,608	95,238	456,922,608
May 18, 2020	New share issue ³⁾	90,000,000	546,922,608	546,122,608		800,000	546,922,608	90,000,000	546,922,608
Sep 14, 2020	New share issue ⁴⁾	68,493,151	615,415,759	614,615,759		800,000	615,415,759	68,493,151	615,415,759
Oct 5, 2020	Offset issue ⁵⁾	972,200	616,387,959	615,587,959		800,000	616,387,959	972,200	616,387,959
Nov 5, 2020	Exercise of warrants ⁶⁾	15,000,000	631,387,959	630,587,959		800,000	631,387,959	15,000,000	631,387,959
Dec 10, 2020	Non-cash issue ⁷⁾	47,988,640	679,376,599	678,576,599		800,000	679,376,599	47,988,640	679,376,599
Jan 20, 2021	Non-cash issue ⁸⁾	1,272,891	680,649,490	679,849,490		800,000	680,649,490	1,272,891	680,649,490
May 3, 2021	Offset issue ⁹⁾	1,500,000	682,149,490	681,349,490		800,000	682,149,490	1,500,000	682,149,490
Jul 2, 2021	New share issue ¹⁰⁾	65,000,000	747,149,490	746,349,490		800,000	747,149,490	65,000,000	747,149,490
Nov 5, 2021	New share issue ¹¹⁾	4,878,048	752,027,538	751,227,538		800,000	752,027,538	4,878,048	752,027,538
Dec 22, 2022	Share merge	-751,227,537	752,027,538	1	-800,000		1	-	752,027,538
Dec 22, 2022	Share split	145,400,736	752,027,538	145,400,737			145,400,737	-	752,027,538

¹⁾ The point in time refers to the date of registration at the Swedish Companies Registration Office

²⁾ Twelve convertibles at a price of SEK 50,000 each were converted to ordinary shares at a conversion rate of SEK 6.30 per ordinary share in the company.

³⁾ The new issue amount paid in cash totaled SEK 648,000,000, corresponding to SEK 7.20 per ordinary share in the company.

⁴⁾ The new issue amount paid in cash totaled SEK 68,493,151, corresponding to the quotient value of SEK 1 per ordinary share in the company.

⁵⁾ The offset amount totaled SEK 7,272,056, corresponding to SEK 7.48 per ordinary share in the company.

⁶⁾ 15,000,000 warrants were exercised to issue 15,000,000 ordinary shares at an issue price of SEK 5.25 per ordinary share in the company.

⁷⁾ Non-cash issue of payment-in-kind shares, ordinary shares in the company, to the shareholders of SSM Holding AB (publ) within the framework of the company's takeover offer for SSM. The payment-in-kind consisted of ordinary shares at a total value of SEK 360,701,813.70, corresponding to SEK 7.52 per ordinary share.

⁸⁾ Non-cash issue of payment-in-kind shares, ordinary shares in the company, to the shareholders of SSM Holding AB (publ) within the framework of the company's takeover offer for SSM. The payment-in-kind consisted of ordinary shares at a total value of SEK 9,976,410.50, corresponding to SEK 7.52 per ordinary share.

⁹⁾ The offset amount totaled SEK 12,525,000, corresponding to SEK 8.35 per ordinary share in the company. The share issue was divided into two separate issues each of 750,000 ordinary shares (a total of 1,500,000 ordinary shares).

¹⁰⁾ The new issue amount paid in cash totaled SEK 666,250,000, corresponding to SEK 10.25 per ordinary share in the company.

¹¹⁾ The offset amount totaled SEK 50,000,000, corresponding to SEK 10.25 per ordinary share in the company.

24 Parent Company's receivables/liabilities from/to Group companies

SEK M	2022	2021
Receivables		
Opening balance	3,824	2,980
Additional receivables	4,014	844
Closing balance	7,838	3,824
Liabilities		
Opening balance	1,296	752
Additional liabilities		544
Settled liabilities	-1,296	
Closing balance	0	1,296

25 Other liabilities

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Liability, property transactions	6			
VAT liability	3	5	0	2
Liability, personnel costs	1	2	1	3
Dividend	0	8	0	8
Other current liabilities	4	1	2	3
Total	14	16	3	16

26 Accrued expenses and prepaid income

SEK M	Group		Parent Company	
	2022	2021	2022	2021
Personnel costs	3	14	0	13
Interest costs	11	4	-	-
Prepaid rents	82	68	-	-
Property costs	47	50	7	6
Other expenses	31	9	13	1
Total	173	144	20	20

27 Pledged assets

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 000s	Group		Parent Company	
	2022	2021	2022	2021
Pledged shares	1,623,036	1,892,390	25	978,094
Pledged mortgages	8,791,753	7,684,112	-	-
Closing balance, acquisition cost	10,414,789	9,576,502	25	978,094
Contingent liabilities				
Guarantee commitments	-	-	7,256,301	9,358,020
Closing balance, net value	-	-	7,256,301	9,358,020

28 Significant transactions with related parties

Neobo belonged to the SBB Group during the period. During the period, Neobo purchased services from other companies within the SBB Group amounting to SEK 53.9 M (0). In addition, Neobo was included in the group-wide borrowing of the SBB Group, whereby, at the end of the period, the Neobo Group had interest-bearing liabilities to other companies in the SBB Group of SEK 0 M (206). Interest costs to other SBB companies during the period amounted to SEK 30.8 M (0). In the preceding year, when Neobo was not part of the SBB Group and following a resolution passed at an Extraordinary General Meeting on March 23, 2021, properties in Mariestad and Skövde were acquired from the then CEO for a property value of SEK 93.5 M. At the end of December 2022, properties valued at SEK 5.8 billion were sold to SBB and properties valued at SEK 5.2 billion were acquired from SBB. The transactions were conducted on market terms based on external valuations.

At the end of 2021, when the SBB Group held a majority interest in the Neobo Group, the SBB Group granted a loan of SEK 206 M to the Neobo Group. The loan plus interest was repaid in May 2022.

29 Significant events after the end of the year

- Shares of Neobo were listed on the Nasdaq First North Premier Growth Market on February 10, 2023.
- At the start of the year, Neobo finalized the refinancing of existing external financing of SEK 2 billion.
- 2023 is Neobo's first financial year as an independent company. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2022 financial year.

SEK	2022	2021
Funds available for appropriation	3,733,228,360	3,039,104,130
New share issue	-	655,373,589
Dividend	-	-16,000,000
Net income for the year	3,595,000,000	54,750,641
	7,328,228,360	3,733,228,360
Proposed appropriation:		
To be carried forward	7,328,228,360	3,733,228,360
Dividend to shareholders	-	-16,000,000

30 Information on Parent Company

Neobo Fastigheter AB (publ) Corp. Reg. No: 556580-2526, is a Swedish public limited company headquartered in Stockholm, Sweden. Shares of the Parent Company are listed on the Nasdaq First North Premier Growth Market. The address of the Head Office is Kungsgatan 9, SE-111 43 Stockholm, Sweden.

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, April 4, 2023

Jan-Erik Höjvall
Chairman of the Board

Ylva Sarby Westman
CEO

Mona Finnström
Board member

Ulf Nilsson
Board member

Eva Swartz Grimaldi
Board member

Peter Wågström
Board member

Our Auditor's Report was submitted on April 4, 2023.
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

Fastigheter AB for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 25–58 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 December 31, 2022 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 December 31, 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), 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.

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.

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

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 1–24 and 59–65. 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 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 intend 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

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 for the year 2022 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 operations, 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm April 4, 2023
Ernst & Young AB

Gabriel Novella
Authorized Public Accountant

Other



Definitions

FINANCIAL DEFINITIONS

Average interest rate, %

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

The key metric is used to illustrate Neobo's financial risk.

Average number of ordinary shares

The number of ordinary 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.

Equity/assets ratio, %

Equity as a percentage of total assets.

The key metric is used to illustrate Neobo's financial stability.

Earnings per ordinary share, SEK

Net income for the period in relation to the average number of shares for the period.

Income from property management

Profit before changes in value and tax.

The key metric provides a measurement of the operations' profit generation regardless of changes in value.

Interest coverage ratio, multiple

Income from property management (past 12 months) after reversal of financial expenses in relation to financial expenses.

The key metric is used to illustrate Neobo's financial risk.

Loan-to-value ratio, %

Net debt in relation to total assets.

The key metric is used to illustrate Neobo's financial risk.

Net asset value, SEK

Recognized equity attributable to ordinary shares, excl. equity associated with preference shares, with the reversal of recognized deferred tax liabilities, interest rate derivatives.

The key metric is used to illustrate Neobo's value.

Number of ordinary shares outstanding

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

Return on equity, %

Net income for the period in relation to average equity for the period.

The key metric shows Neobo's return on equity during the period.

PROPERTY-RELATED DEFINITIONS

Economic occupancy rate, %

Rental income as a percentage of rental value.

The key metric is used to facilitate the assessment of rental income in relation to the total value of the potential leasable area.

Economic vacancy rate, %

Rental value for vacant rental objects as a percentage of rental value.

The key metric is used to facilitate the assessment of rental value for vacant rental objects in relation to the total value of the potential leasable area.

Investment yield, %

Net operating income (rolling 12-month basis) 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.

The key metric is used to illustrate the yield level for net operating income in relation to the value of the 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 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.

The key metric shows how much of the rental income remains after direct property costs.

Calculation of alternative performance measures

RETURN ON EQUITY SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Net income for the period	-1,355	3,226
Opening balance, Equity	9,132	5,206
Closing balance, Equity	7,777	9,132
Average equity	8,455	7,169
Return on equity	-16%	45%

LOAN-TO-VALUE RATIO SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Liabilities to credit institutions	7,494	7,489
Liabilities to other Group companies	2	206
Interest-bearing liabilities	7,496	7,695
Cash and short-term deposits	231	344
Net debt	7,265	7,351
Total assets	16,054	18,254
Loan-to-value ratio	45%	40%

INVESTMENT YIELD SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Net operating income according to earnings capacity	462	511
Investment properties	15,295	17,173
Buildings rights/development properties		-1,830
Property value, excl. buildings rights/development properties	15,295	15,343
Investment yield	3.0%	3.3%

ECONOMIC OCCUPANCY RATE SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Rental income according to earnings capacity	850	806
Rental value according to earnings capacity	924	871
Economic occupancy rate	92.0%	92.5%

EARNINGS PER ORDINARY SHARE SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Net income for the period	-1,355	3,226
Profit/loss attributable to ordinary share	-1,355	3,226
Average number of ordinary shares	145,400,735	138,220,993
Earnings per Class A and B ordinary share	-9.32	23.34

INTEREST COVERAGE RATIO SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Income from property management (rolling 12 months)	172	156
Add back, net financial items		
Interest income and similar income items	-16	-1
Interest costs and similar items (rolling 12 months)	188	114
Total add back, net financial items	172	113
Income from property management (rolling 12 months) excl. net financial items	344	269
Net interest income		
Interest income and similar income items	16	1
Interest costs and similar items (rolling 12 months)	-188	-114
Total net interest income	-172	-113
Interest coverage ratio (multiple)	2.0	2.4

EQUITY/ASSETS RATIO SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Equity	7,777	9,132
Total assets	16,054	18,254
Equity/assets ratio	48%	50%

NET ASSET VALUE SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Equity	7,777	9,132
Preference share capital	0	-200
Add back of deferred tax	505	1,171
Net asset value	8,282	10,103
Number of ordinary shares	145,400,735	138,220,993
Net asset value per ordinary share	56.96	73.09

SURPLUS RATIO SEK M	Jan 1, 2022 Dec 31, 2022	Jan 1, 2021 Dec 31, 2021
Net operating income	423	355
Rental income	839	694
Surplus ratio	50%	51%

The share

Neobo was spun off to SBB shareholders on December 28, 2022. Since February 10, 2023, the company's shares have been listed on Nasdaq First North Premier Growth Market.

Shareholder and ownership structure

The ten largest shareholders controlled 40.5 percent of the share capital and voting rights at December 31, 2022. Swedish companies, funds and private individuals owned 76.4 percent of the share capital while foreign share ownership amounted to 23.6 percent. The number of shareholders was 216,740.

Share capital

In order to implement the spinoff to SBB shareholders, a merger of the shares followed by a split of the shares was completed. The number of shares outstanding at year-end was 145,400,737 and the share capital amounted to SEK 752,027,538.

Dividend policy

Neobo will distribute 50 percent of income from property management after tax. The Board of Directors will propose to the Annual General Meeting that no dividend be paid for the 2022 financial year.

Share information

Ticker	NEOBO
ISIN Code	SE0005034550
LEI Code	213800QBPS3L89U9TZ44

Shareholder structure at December 31, 2022

Largest shareholders	No. of shares	Percentage of share capital and voting rights
Ilija Batljan	13,474,578	9.3%
Dragfast AB	7,916,346	5.4%
Länsförsäkringar Fonder	7,108,655	4.9%
Arvid Svensson Invest	6,664,412	4.6%
Sven-Olof Johansson	5,500,000	3.8%
BlackRock	4,180,274	2.9%
Vanguard	4,093,762	2.8%
Futur Pension	3,800,717	2.6%
Swedbank Robur Fonder	3,614,399	2.5%
Avanza Pension	2,559,209	1.8%
Total 10 largest	58,912,352	40.5%
Other	86,488,385	59.5%
Total	145,400,737	100%

Annual General Meeting, financial calendar and contacts

2023 Annual General Meeting

The 2023 Annual General Meeting will be held at 1:00 p.m. CET on April 26, 2023 at Advokatfirman Vinge's premises, Smålandsgatan 20, Stockholm, Sweden. Registration at the Annual General Meeting will start at 12:30 p.m. CET.

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-2023, and was published in Post och Inrikes Tidningar on March 27, 2023. That notification had occurred was advertised in Dagens Nyheter the same day.

Financial calendar

2023 Annual General Meeting
April 26, 2023

Interim report for the period Jan–Mar 2023, Q1
May 10, 2023

Interim report for the period Jan–June 2023, Q2
July 12, 2023

Interim report for the period Jan–Sep 2023, Q3
November 16, 2023

Year-end report for the period Jan–Dec 2023, Q4
February 14, 2024



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