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TO THE
BASICS

ALM

EQUITY

SVENSKA
NYTTBOSTÄDER

Management presentation

April 2024

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Table of contents

Executive summary of merger

Market backdrop and outlook

SNB Business plan 2024-2029

Illustrative 2029 inherent value ALM Equity

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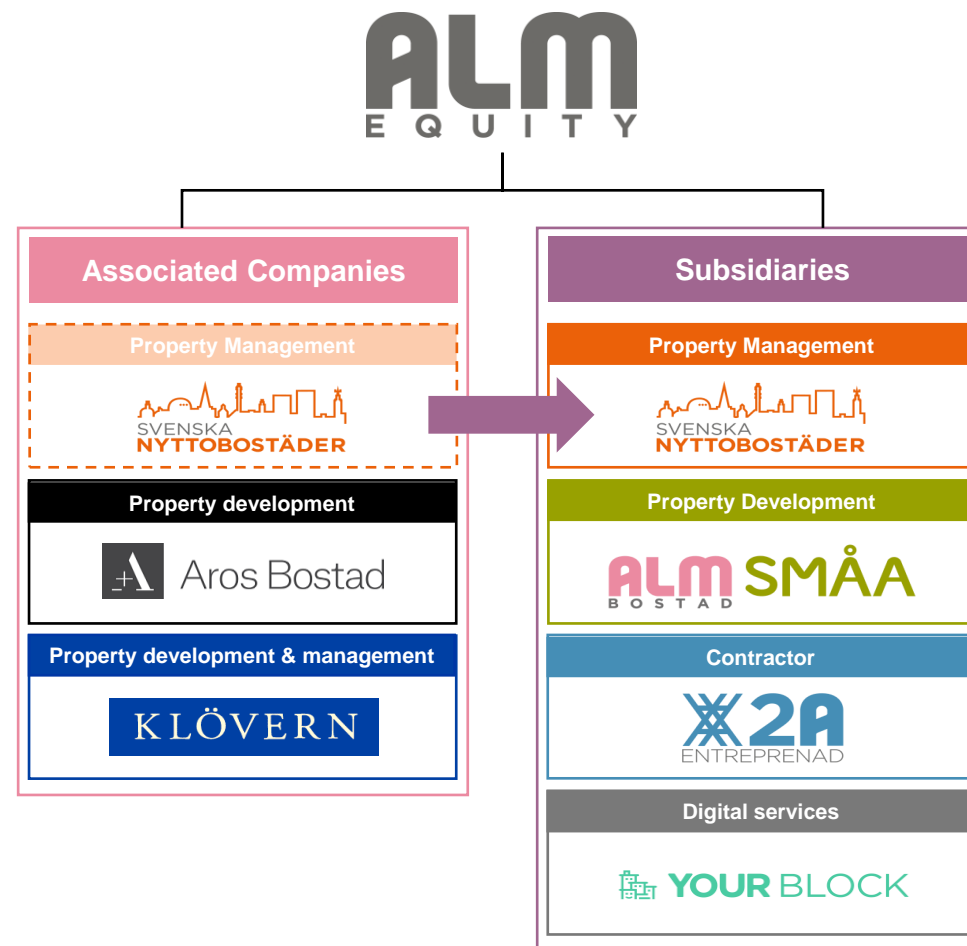
Merger between ALM Equity and Svenska Nyttobostäder – A “back-to-basics” transformation benefitting all parties

Proposed merger and prerequisites

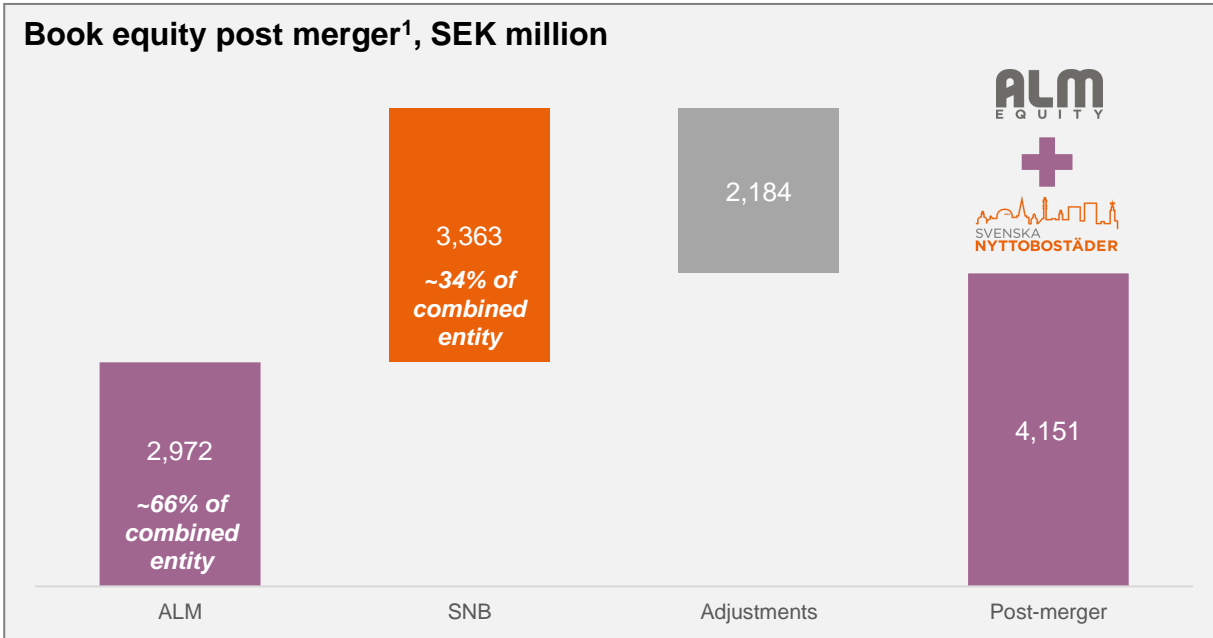
- ALM Equity AB (publ) (“**ALM**” or “**ALM Equity**”) and Svenska Nyttobostäder AB (publ) (“**SNB**”) has proposed a merger
- Transaction to be settled in kind with new shares where ALM Equity will be the surviving entity
- Prior to the merger, ALM is the largest shareholder in SNB, controlling 39% of votes
- Merger is expected to be completed during Q3 2024

Preliminary and simplified timeline

✓	Collection of voting commitments from major shareholders
✓	Mutual due diligence and dialogue between Board of Directors
✓	Preapproval of transaction from senior banks and creditors
✓	Public announcement of transaction
✓	Merger plan registered with the Swedish Companies Registration Office ¹
7 May	Publication of merger documents
10 Jun	AGM, ALM Equity and SNB
21 Aug	Approval from the Swedish Companies Registration Office to execute merger
2 Sep	Merger completed



Equity and shareholding following merger – Broadening of investor base and additional measures initiated to improve liquidity further






Exchange ratio (SNB:ALM shares)	14:1	1.26:1²
	Common shares	Preference shares
SNB shareholders' share of combined entity / Dilution ALM shareholders	34%³	10%³
	Common shares	Preference shares
Number of shares, combined entity	16,680,601³	15,908,923³

- SEK 1.2 billion / +40% in additional book equity in the combined company
- Broader shareholder base benefitting both shareholders and credit investors

- Looking over the possibility to carry out a list change to Nasdaq Stockholm (main market) during 2025 to additionally improve liquidity in the shares

Combined shareholder list following merger

Shareholders		Ownership (%)	Votes (%)
Joakim Alm, including related parties ⁽¹⁾		20.7	33.9
Bengtssons Tidnings Aktiebolag		4.3	7.6
Dooba Investments Ltd		3.5	5.5
Batten AB		2.4	4.3
Resona Holding AB		6.0	3.2
Johan Wachtmeister, including related parties ⁽¹⁾		2.1	3.5
Dammskogen Förvaltning AB		1.3	2.3
Aeternum Capital AS		1.2	2.1
John Rosén		1.2	1.9
Kopparnäset Kapitalförvaltning		1.0	1.8
10 largest shareholders		43.8	66.1
<i>Other shareholders</i>		56.2	33.9
Total		100.0	100.0

 Indicates Shareholder is an insider

Pro forma balance sheet (illustrative)

SEKm	ALM Equity	Sv. Nyttobostäder	Adjustments (+/-)	Pro forma
Investment properties	84	4,370	0	4,454
Investment properties under construction	0	0	1,670	1,670
Ongoing residential projects and inventory	1,933	364	-1,385	912
Shares in associated companies	2,683	0	-1,838	845
Non-current financial assets	1,267	0	0	1,267
Development properties	258	1,319	0	1,577
Other assets	993	978	-1,390	581
Cash and cash equivalents	444	50	-10	484
Total assets	7,662	7,081	-2,953	11,790
Equity	2,972	3,363	-2,184	4,151
Bond liabilities	1,600	400	0	2,000
Liabilities to credit institutions	1,760	3,122	0	4,901
Other liabilities	1,330	196	-731	738
Total equity and liabilities	7,662	7,081	-2,915	11,790
Equity ratio (%)	39%	47%		35%
Interest-bearing debt	3,379	3,522	0	6,901
Cash	-444	-50	10	-484
Net interest-bearing debt	2,935	3,472	10	6,417

- The merger of Svenska Nyttobostäder and ALM Equity will result in a combined business with three core pillars; construction management, property development and property management
- As a consequence of the merger, several intra-group assets and liabilities are eliminated including ALM Equity's shareholding in SNB, and in addition properties intended for delivery to SNB are reclassified as investment properties under construction

Merger rationale



Leverage combined organisational expertise and complete toolbox –
The new group will be able to leverage the specialised know-how of both organisations to realize the full potential of 3,300+ units under production or management and 2,100+ building rights currently controlled by SNB



Economies of scale in capital markets and financing
Merging the two entities makes for a combined company with total assets more than 1.5x the size of the current ALM Equity, leading to estimated easier access to financing at improved terms, and in addition a more dispersed ownership base suggesting overall improved liquidity in ALM Equity's shares



Operational cost synergies
The proposed merger will allow ALM and SNB to reduce operating costs relating to dual listings, reportings etc., enabling projected cost savings of up to SEK 20 million p.a.



Key management and organisation – Experienced management team in the combined entity

Key management



JOAKIM ALM
CEO & Founder

- Founder of ALM Equity
- Founder and President of: Free-advertising newspapers: Bargain Pages Ltd in England (1989-1995), Admag Holding in India and Admag Holding in Australia (1997-1999)



FREDRIK ARPE
Deputy CEO and Business area manager
Property management

- Economic studies at Uppsala University
- Board member, CEO of SNB with long experience in property management and development



JOHN SJÖLUND
CFO

- Broad financial background with 15 years in Corporate Banking in various positions at Swedbank, among them project financing of real estate projects
- Previous CFO at Serafim Fastigheter



MATHILDA WAHLBERG
Business area manager
Property development

- Engineer from Chalmers University of Technology
- Experience within the real estate industry since 2012
- Employed by ALM Equity since 2014



THOMAS CARLSSON
Business area manager
Construction management

- Construction engineer at Nackademin
- Experience in construction & contracting and consultancy in several companies (e.g. Andersson Bygg)

The combined group cover competencies throughout the value-chain



Project development

- Long and successful experience of project developments in Stockholm
- Competence and experience from planning processes, redevelopment of building rights, newbuild/greenfield projects and redevelopments/refurbishments (Sw. Rot)
- + 4,500 apartments completed since 2006



Construction management

- ALM Equity owns 80% of general contractor 2xA Entreprenad
- The company traces its origins in part to the construction management business conducted by Småa since 1927, and in part to the construction project management, procurement and calculation business built up by ALM Equity & partners

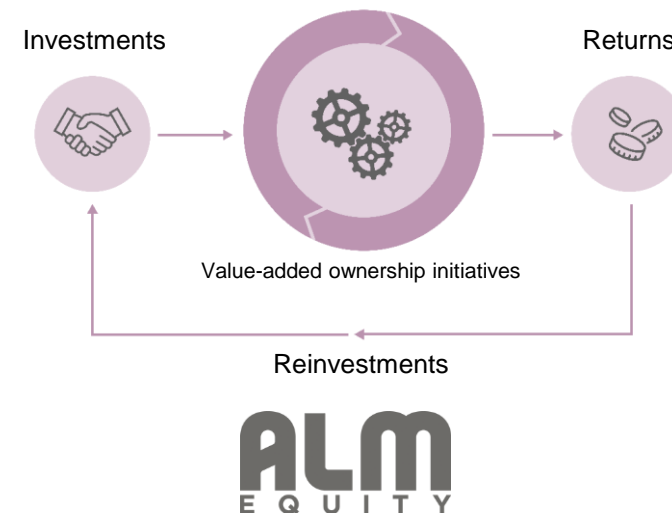


Property management

- ALM Equity has extensive property management experience in-house
- ALM Equity founded residential property manager Svenska Nyttobostäder

Value-added business model

ALM Equity's business model in brief



ALM Equity's organisation & platform is set to acquire and develop high quality residential projects when and where opportunities may arise

Table of contents

Executive summary of merger

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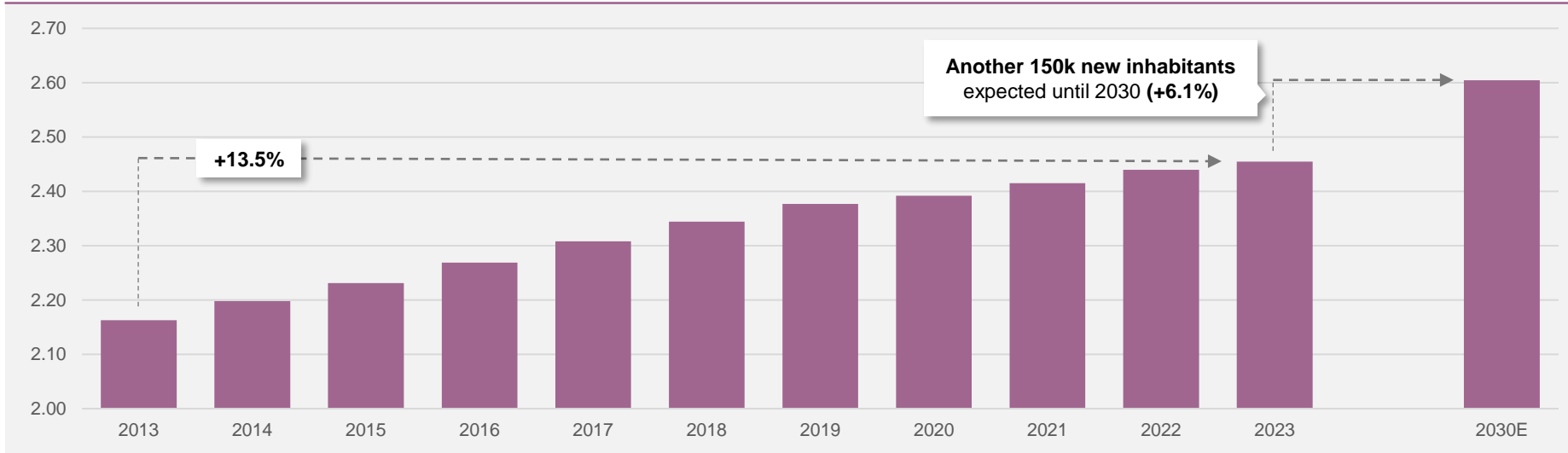
SNB Business plan 2024-2029

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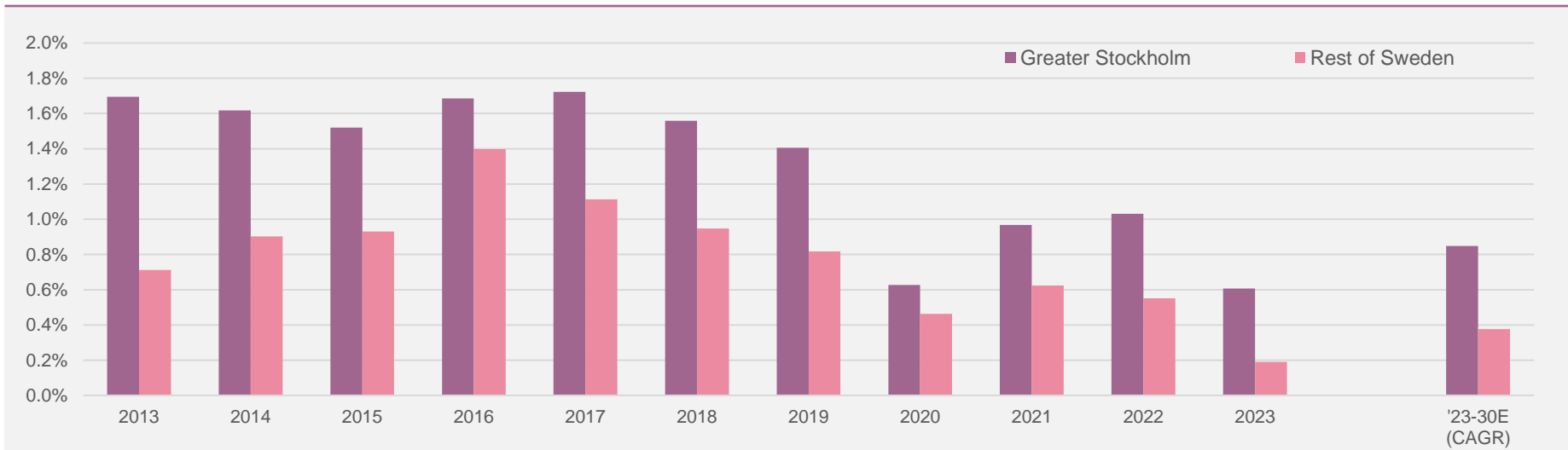


Housing market – Steady population growth in the Stockholm region, outpacing rest of Sweden



Population Greater Stockholm Area

- Population growth in the Greater Stockholm area of 292,000 inhabitants last decade, corresponding to a growth of 13.5%
- Population in Stockholm is expected to continue to grow with an additional 150,000 inhabitants until 2030 (additional 6.1% growth)

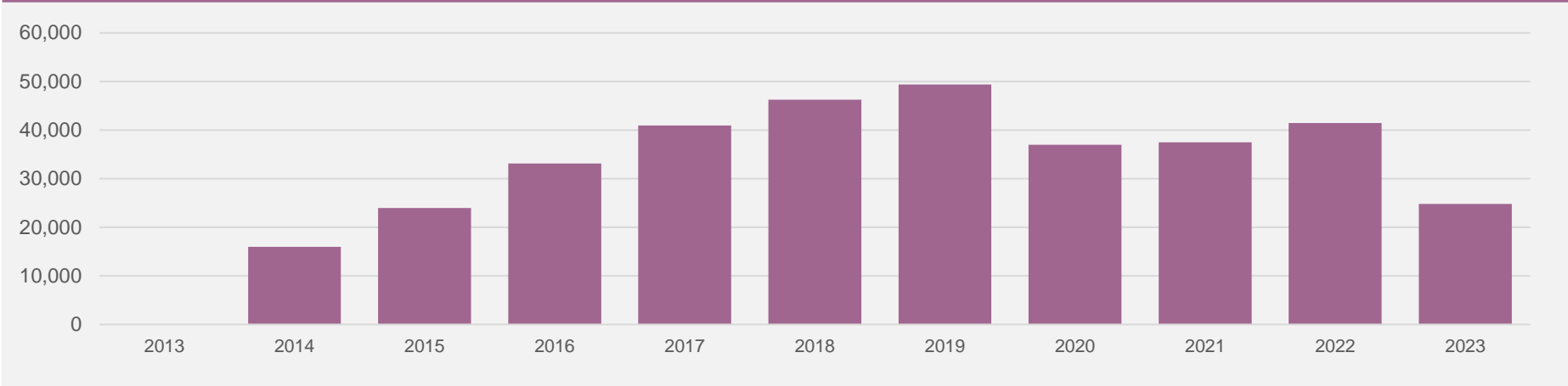


Population growth (y/y)

- Population growth in Stockholm has consistently outpaced the rest of Sweden
- Stockholm is estimated to grow at twice the pace of the rest of Sweden until 2030

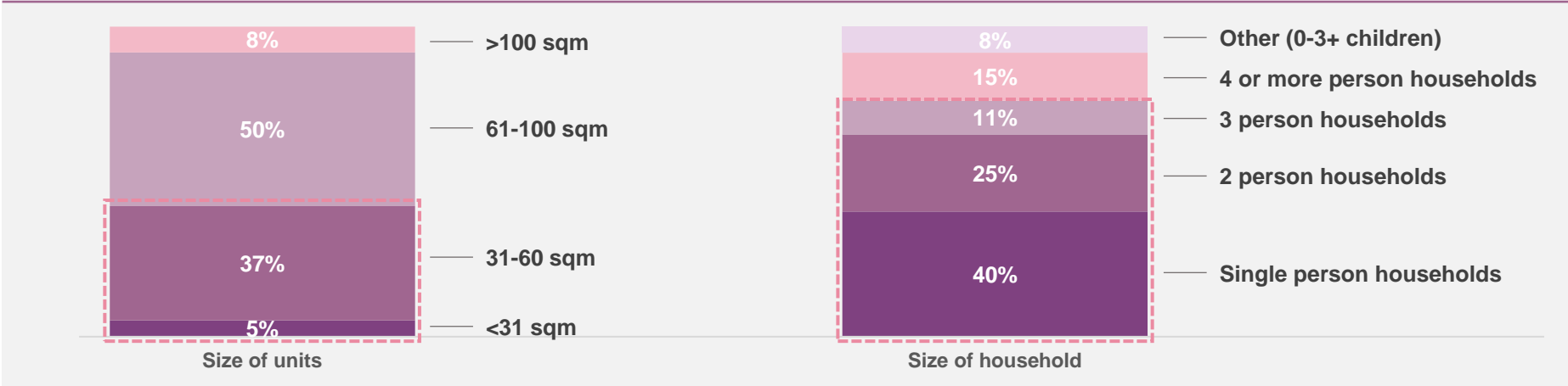
Housing market – Overall housing shortage reinforced by supply mismatch for the average household

Cumulative housing deficit²



- Years of undersupply has led to housing shortage, with average waiting time for a rental apartment in Stockholm being 8 years
- Recent slowdown in construction starts expected to add to imbalance over the years to come

Distribution of apartments and households by size (sqm / no. persons) – Stockholm County

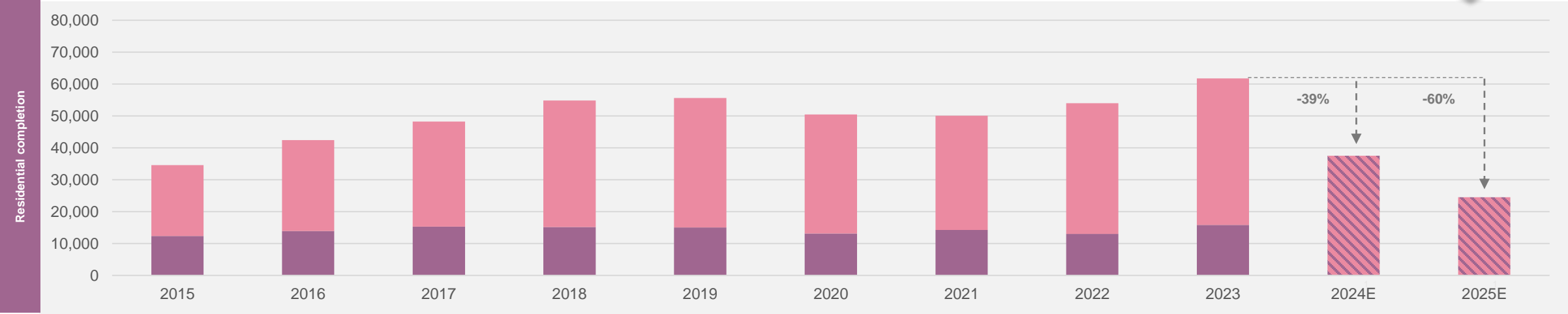
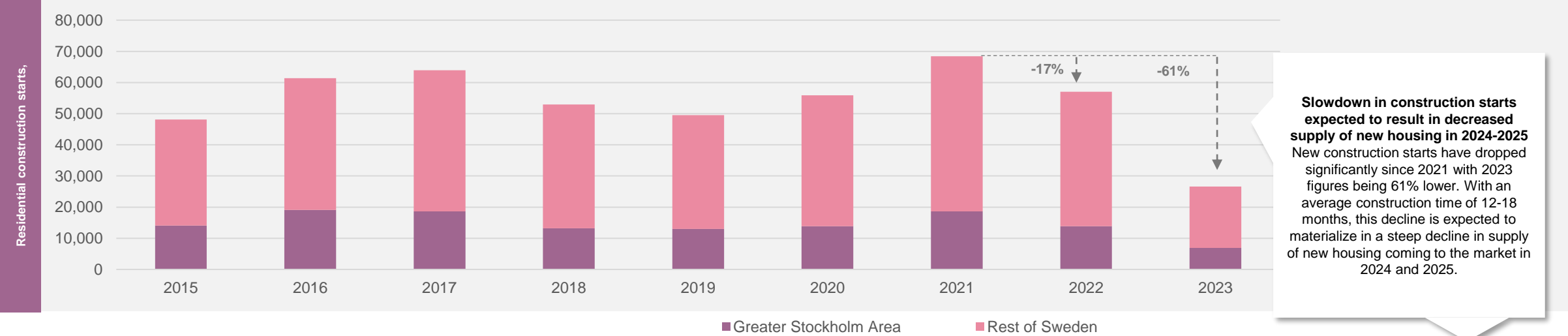


- The existing stock of residential apartments in Stockholm County highlights a severe lack of space-efficient apartments to match the average household
- While only 5% of the existing stock of apartments in Stockholm County are up to 30 sqm, 40% of the apartments are single person households

Source: Statistics Sweden.
 Notes:
 1) Based on regional population forecasts from Statistics Sweden (2022)
 2) Estimated based on population growth and new construction (assuming 1.9 residents per apartment and 2.7 people per single family house)

Construction – Slowdown in construction starts will limit new supply in coming years

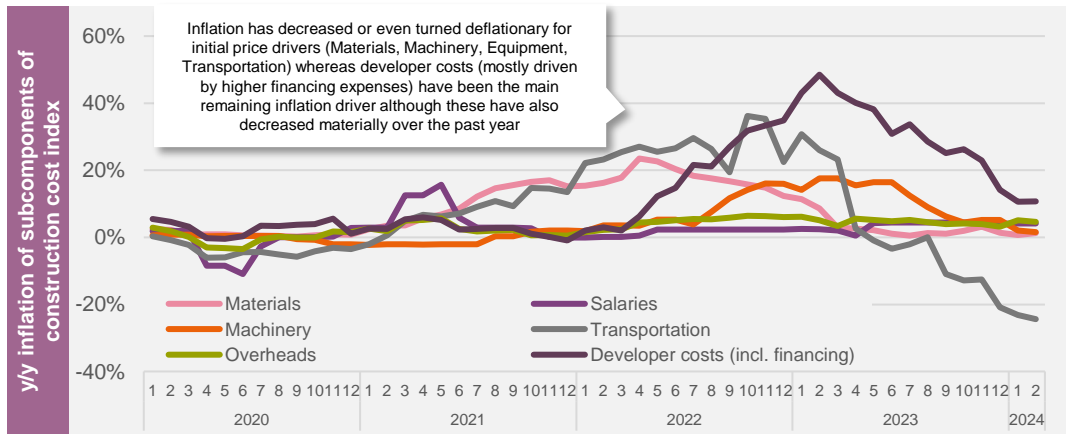
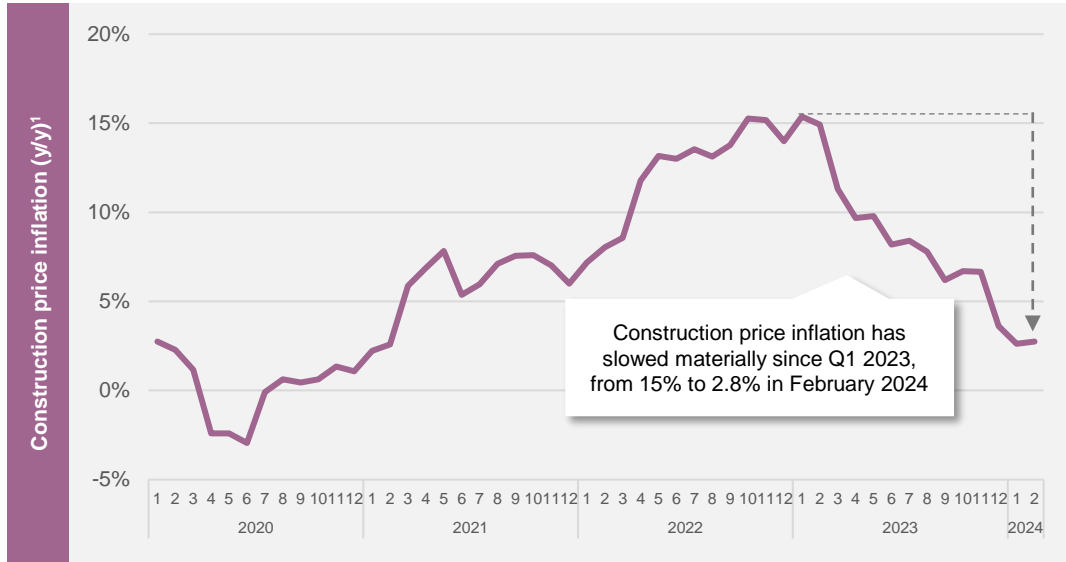
Residential construction starts (building permits) and residential construction completions in Sweden



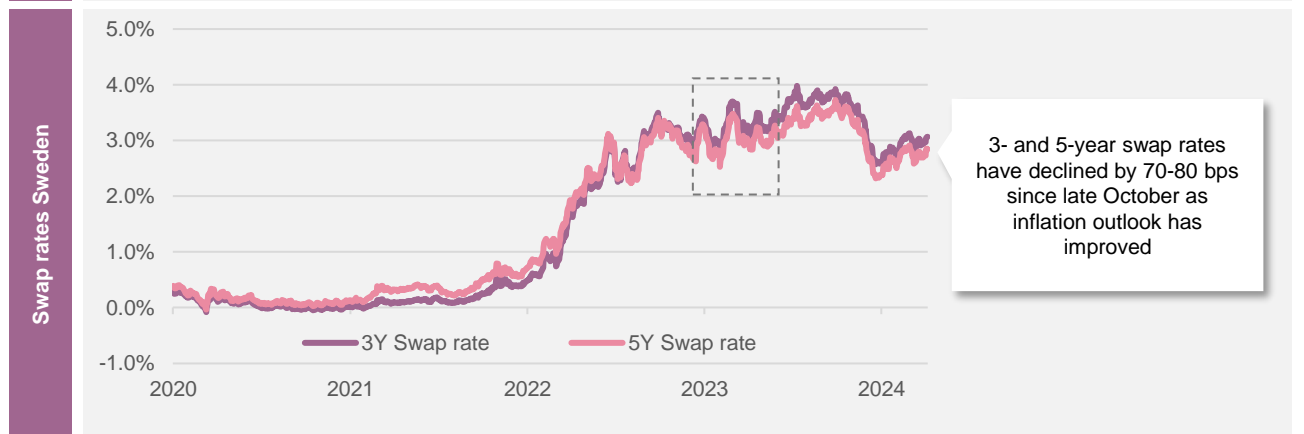
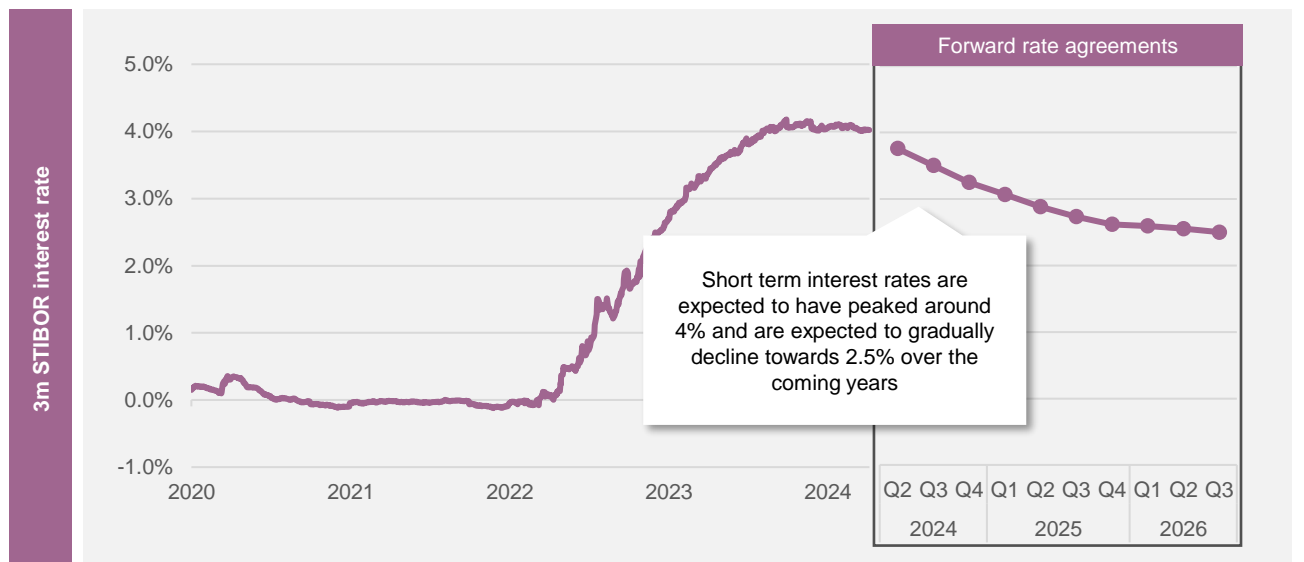
Source: Statistics Sweden, the Swedish National Board of Housing, Building and Planning (Boverket), Pareto Securities.
 Notes: 1) Based on forecast from Boverket dated October 2023

Construction – Improved outlook for construction prices and financing

Construction price inflation falling slowly

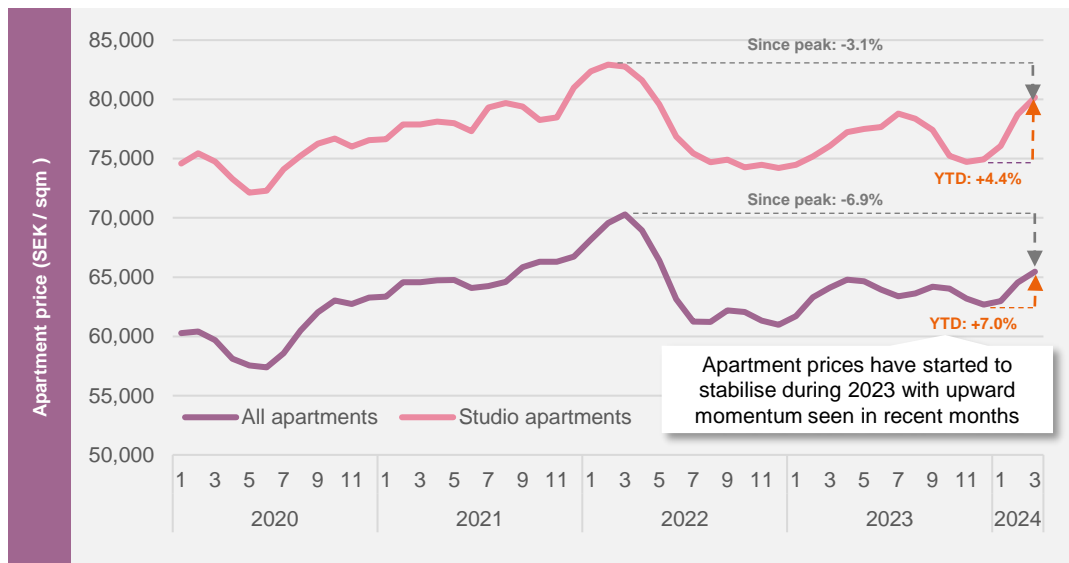


Improving interest rate outlook should help to reduce financing costs

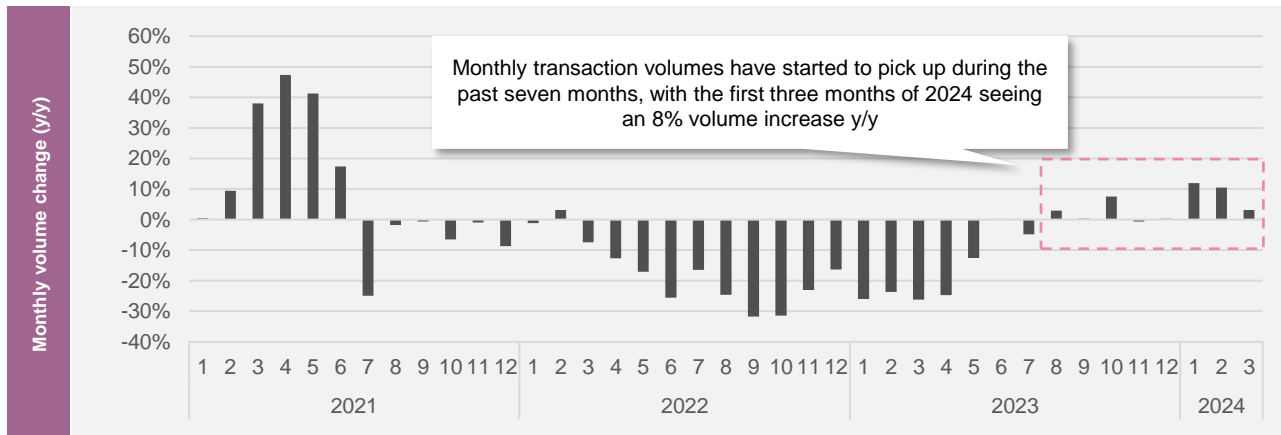
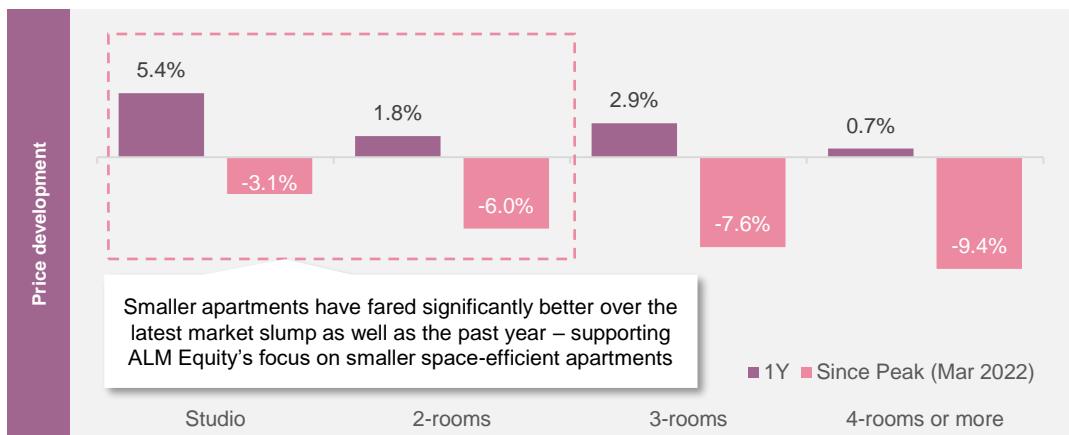
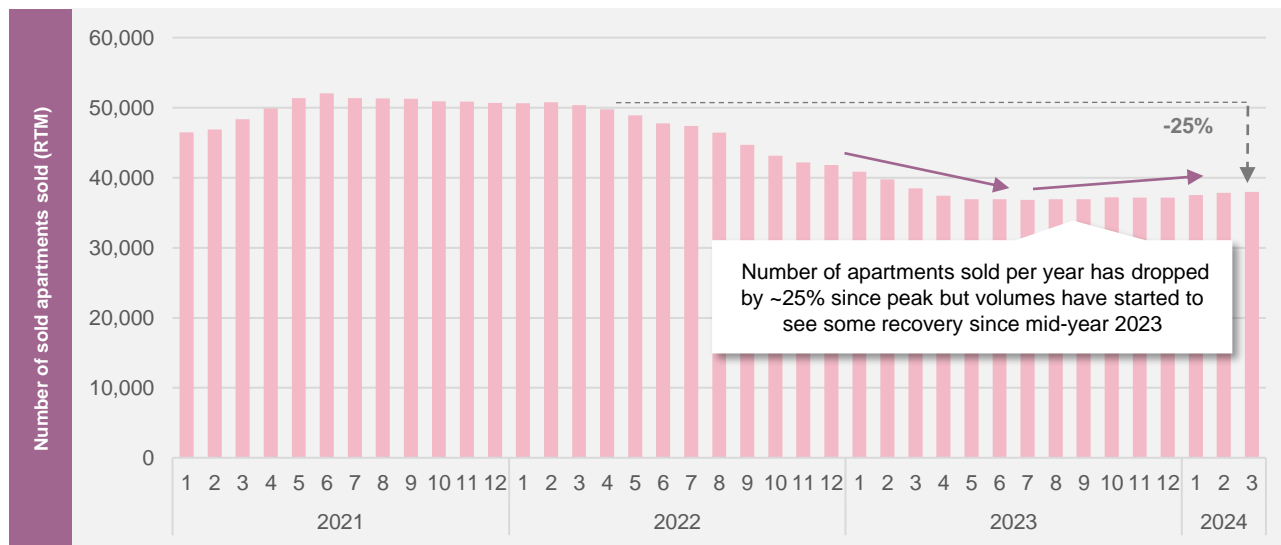


Housing market – Co-op prices have bottomed out and activity increased during beginning of 2024

Apartment Prices – Greater Stockholm area



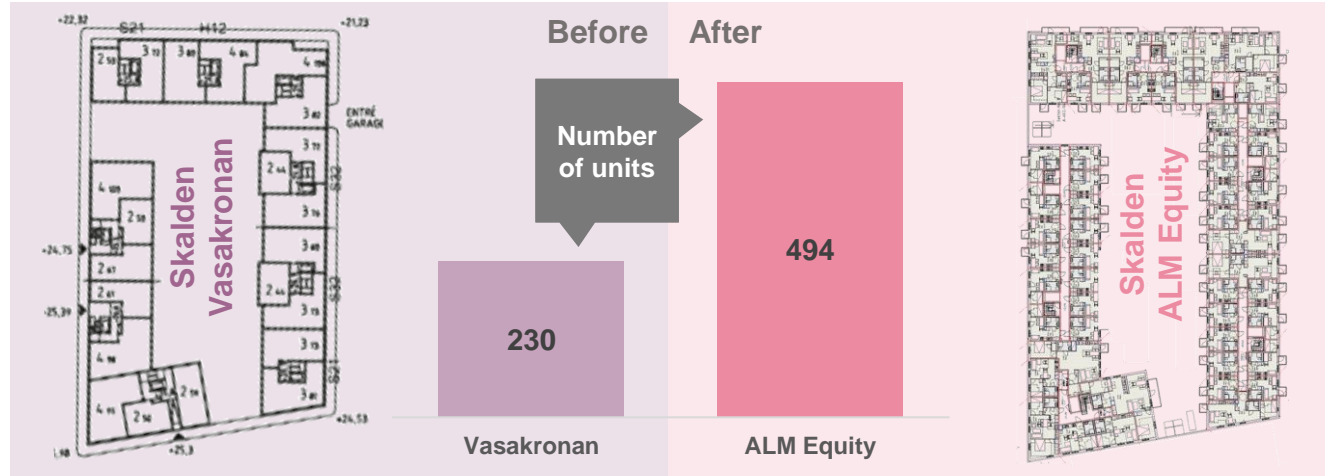
Sold apartments – Greater Stockholm area



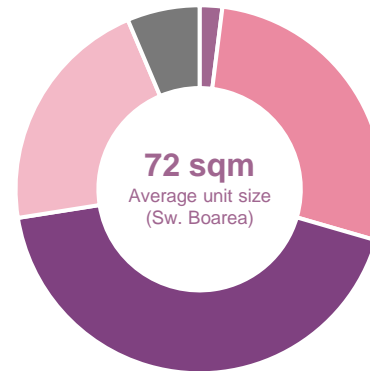
Opportunities in a changing market – Redeveloping yesterday’s product to today’s market

Opportunity to acquire building rights in attractive locations and adapt to a new market – as illustrated by the redevelopment of the Ingenting project (Solna)

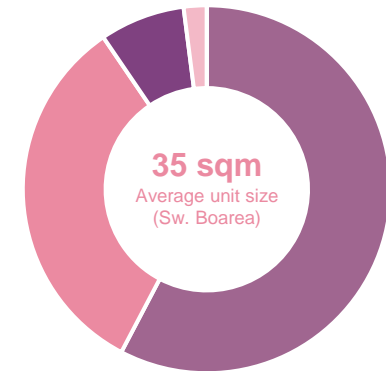
- ALM Equity acquired the project Ingenting in Solna from Vasakronan in 2014
- The original plan intended for construction of 251 apartments with an average size of 72 square metres over two buildings; Skalden and Poeten
- Following the acquisition, ALM Equity redesigned the project with the aim to create space-efficient affordable apartments while increasing total GLA (Sw. Boarea) and number of units substantially
- ALM Equity managed to create substantial value from an existing building right through the redevelopment of the project to encompass in total 494 residential units, an increase of 97% / 243 units
- The project was designed to primarily attract young adults and households of 1-2 persons, with a suitable alternative use as corporate apartments
- ALM Equity has a fundamental approach to address the structural mismatch of existing dwellings that is skewed to larger units suitable for larger families although approximately 2/3 of total households in Stockholm County are comprised of 1-2 persons
- ALM Equity sees large potential for redeveloping land and existing building rights to meet the demand of tomorrow in the Stockholm housing market in order to maximize value
- Co-op prices can be shown to have similar dynamics as rent levels for newly produced apartments where smaller, space-efficient units entail a higher price, or similarly rent, per square meter relative to units with larger rooms (and less function per square meter)



Unit composition by size and no rooms, Ingenting project, Solna



Vasakronan



ALM Equity

- 1 bedroom
- 2 bedroom
- 3 bedroom
- 4 bedroom
- 5 bedroom

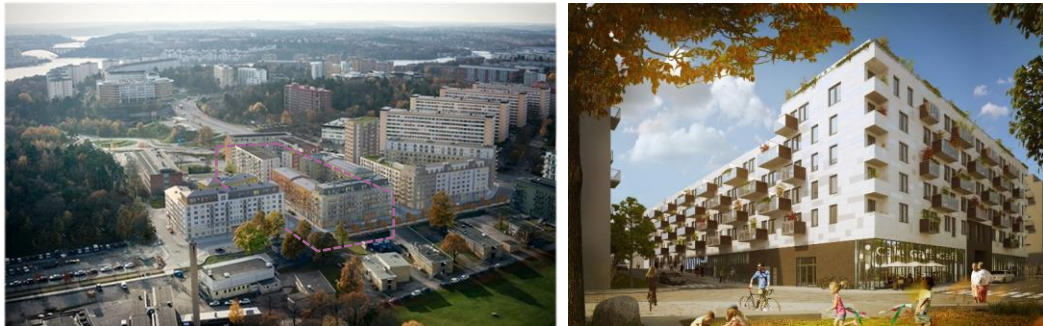


Table of contents

Executive summary of merger

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Illustrative 2029 inherent value ALM Equity

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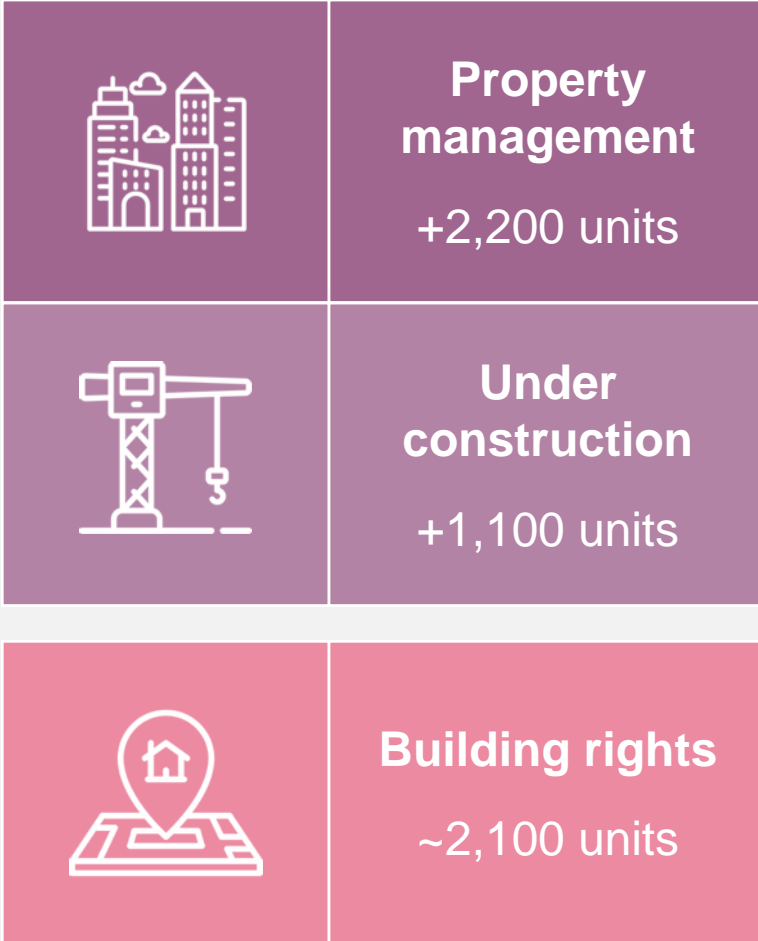


The SNB asset portfolio

Business plan 2024-2029

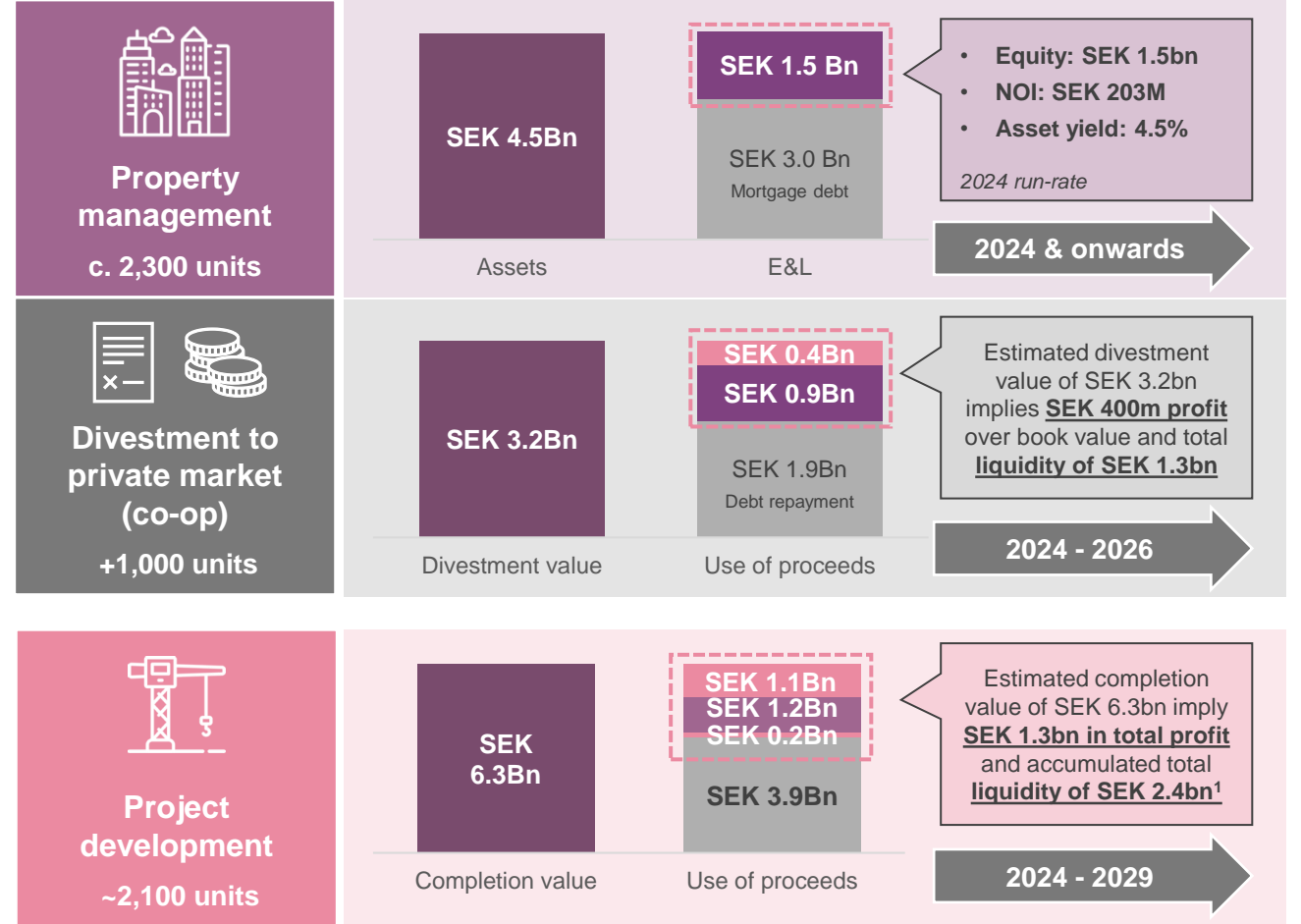
SNB asset portfolio

30 December 2023



High-level business plan

2024-2029 (figures as of 31 December 2023)

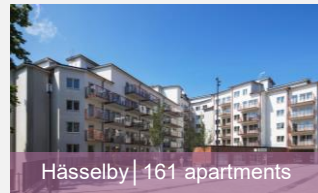
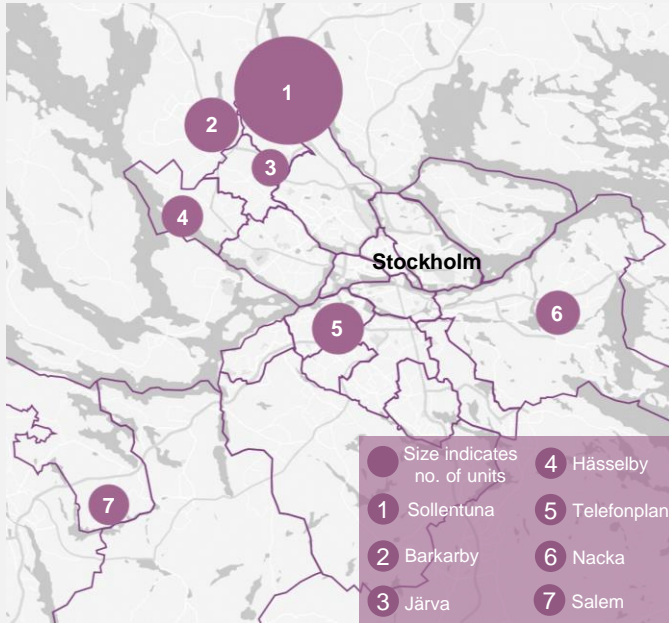


Notes:

1) Including net profit from construction management services provided by 2XA estimated to amount to c. SEK 0.2bn given a net profit margin of 6%

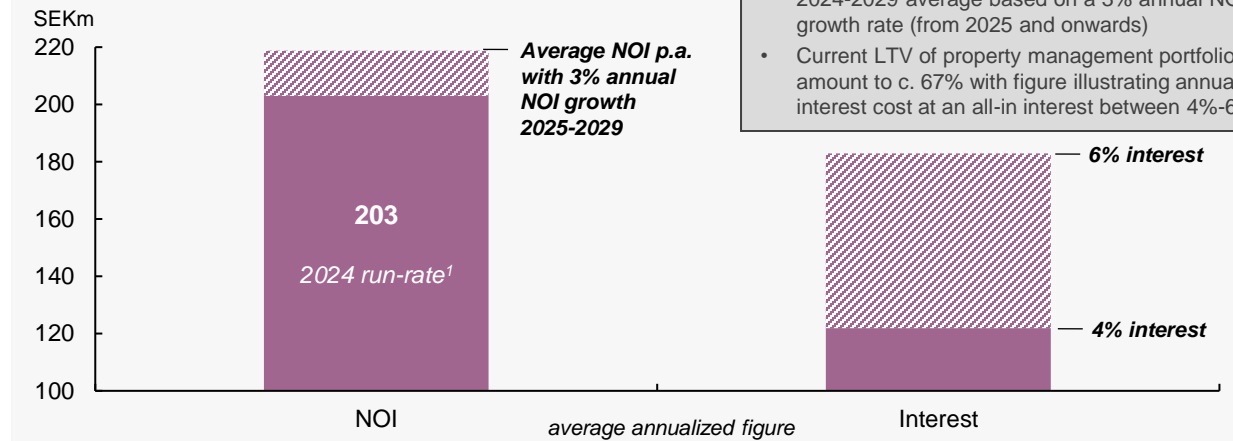
SNB portfolio overview – Property management

All figures as of 31 December 2023



SEK 4.5bn Gross property value	SEK 203m NOI 2024 run-rate	4.5% Net yield (2024E)
~2,300 No. apartments	27 sqm Average unit size	SEK ~7,000 Average monthly rent

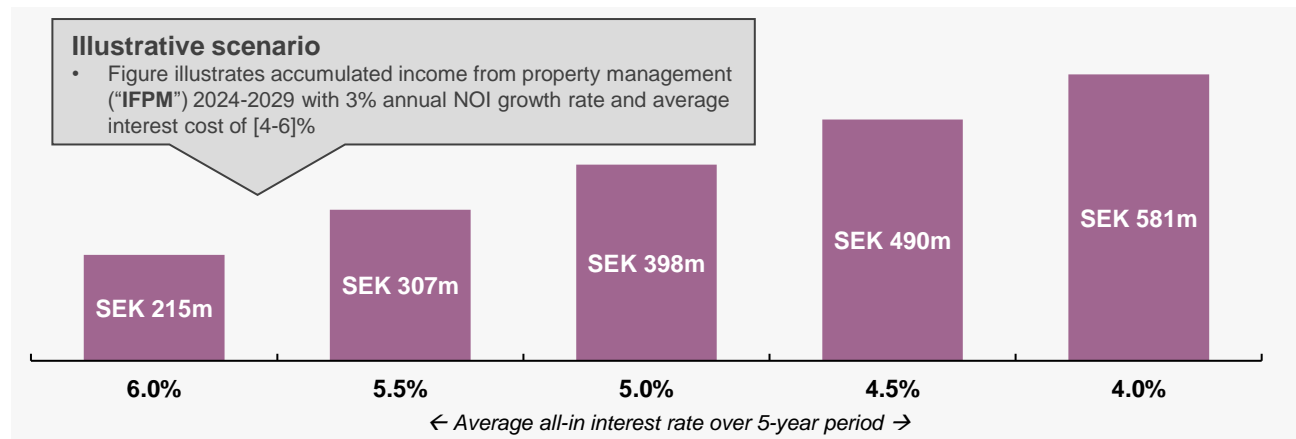
Illustrative annualized NOI and interest cost



Illustrative scenario

- Figure illustrates NOI 2024RR and a theoretical 2024-2029 average based on a 3% annual NOI growth rate (from 2025 and onwards)
- Current LTV of property management portfolio amount to c. 67% with figure illustrating annual interest cost at an all-in interest between 4%-6%

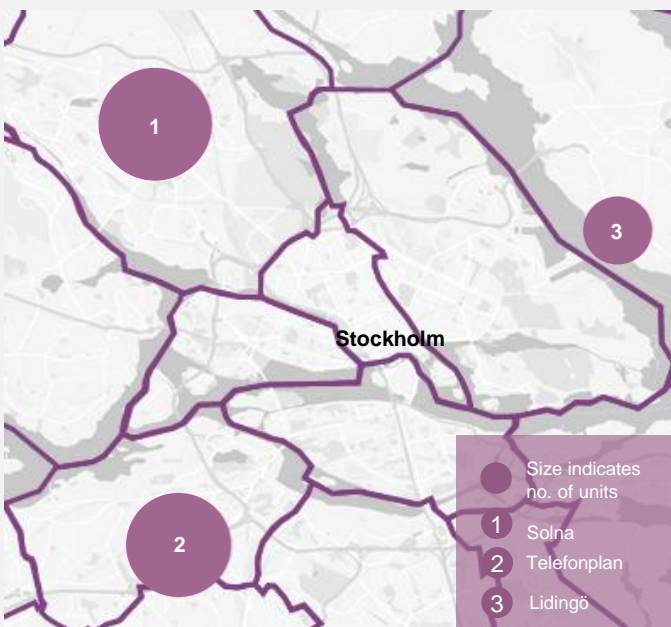
Sensitivity analysis – accumulated IFPM 2024-2029



Notes:
1) Estimated run-rate figure based on current rent levels, including recently completed assets currently under letting.

SNB portfolio overview – Divestments to private co-op market

All figures as of 31 December 2023



SEK 2.8bn
Book value¹
(cash-flow valuation)

SEK ~73,000
Book value
per sqm GFA²

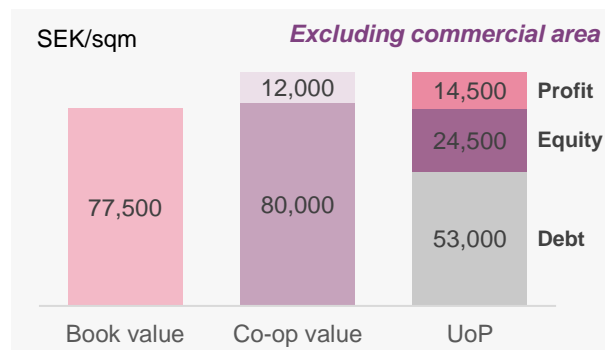
SEK ~90,000
Estimated market
value per sqm GFA

+1,000
No. apartments

~36,100 sqm
Sellable area (RFA)

~33 m²
Average unit size
(sqm RFA)

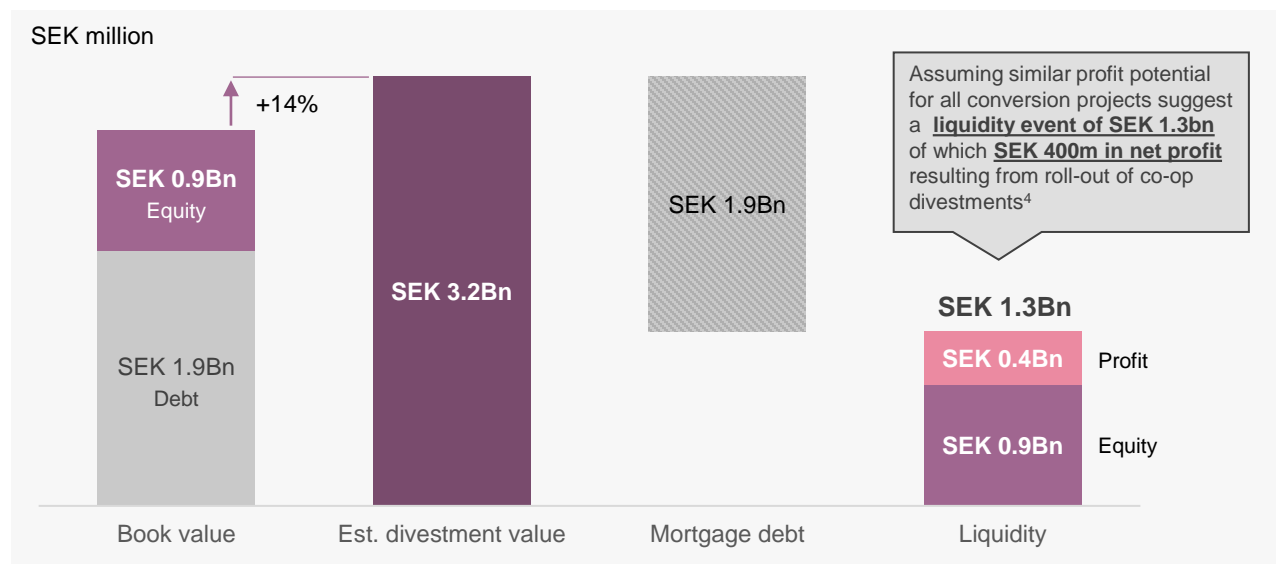
Estimated average divestment price³



Example divestment Lignum, Telefonplan

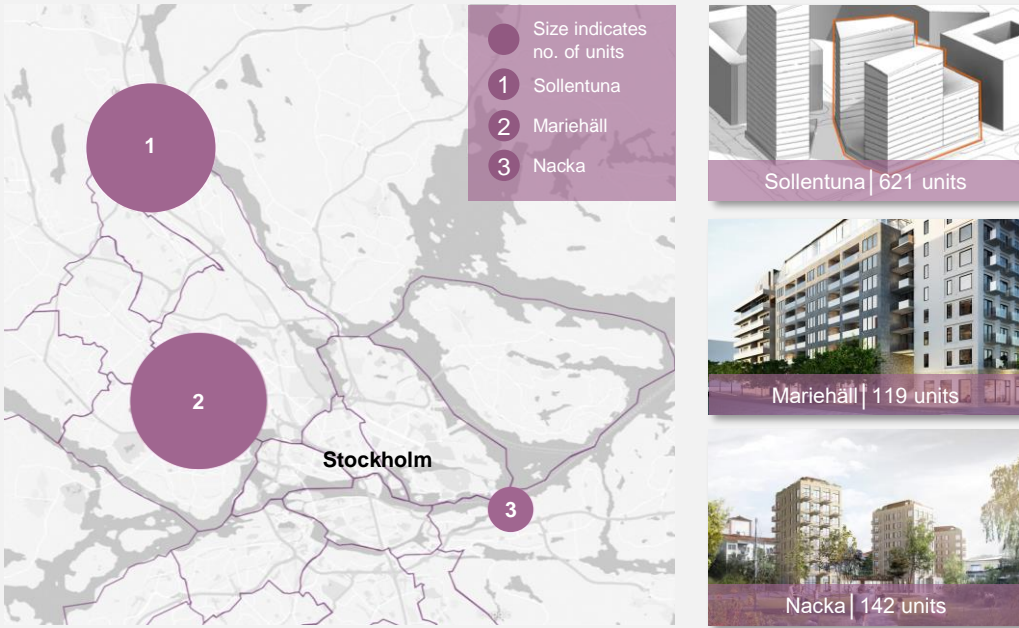


Value creation from divestment to co-op market (portfolio) – rounded figures



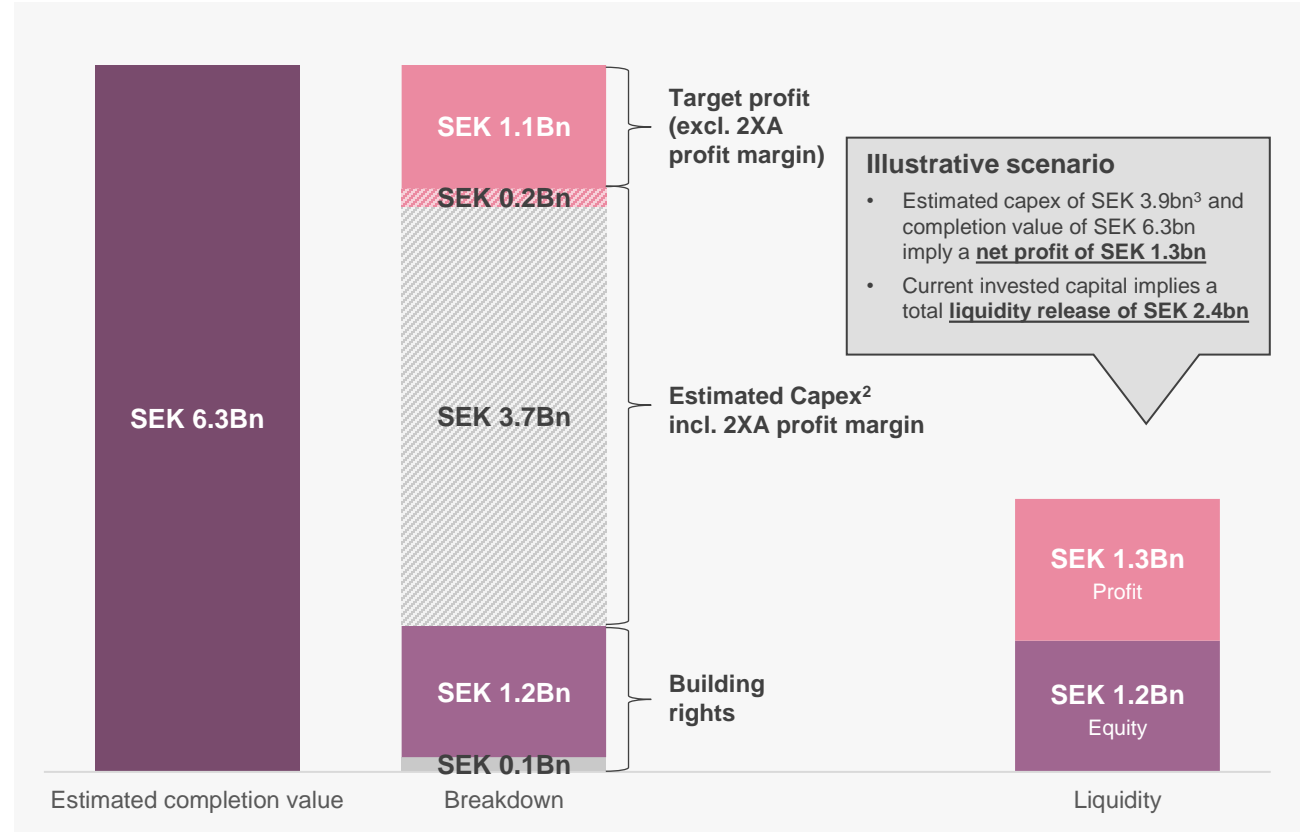
SNB portfolio overview – Building rights / project development

All figures as of 31 December 2023



SEK 1.3bn Gross value building rights	SEK ~6.3bn Estimated completion value	~2,100 No. of units ¹
13 No. projects	~85,000 sqm Gross floor and lettable area	100% Legal force zoning

Illustrative 2024-2029 roll-out of SNB building rights portfolio



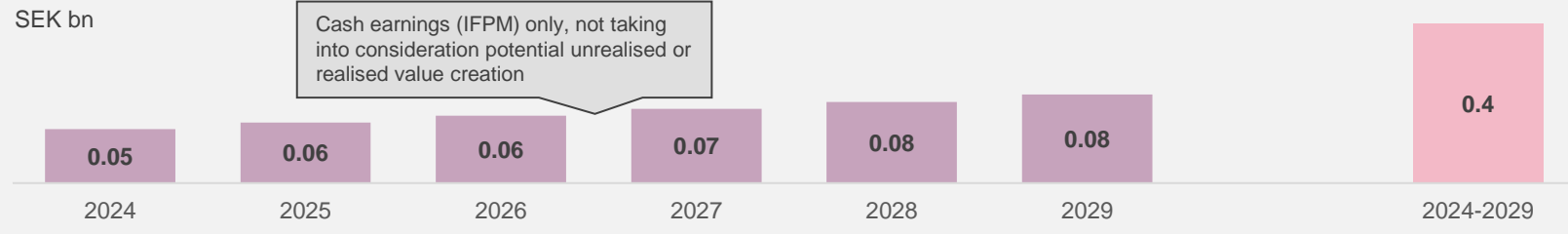
In addition to the SNB portfolio, ALM Equity controls an additional building right portfolio of ~800 units for future development

Summary of liquidity impact from illustrative SNB scenario



Property management
c. 2,300 units

- Summary of illustrative cash-flow in scenario with:
 - 3% p.a. NOI growth
 - 5% all-in interest
- For simplicity, annual NOI growth and interest level has been fixed and are equal for all periods



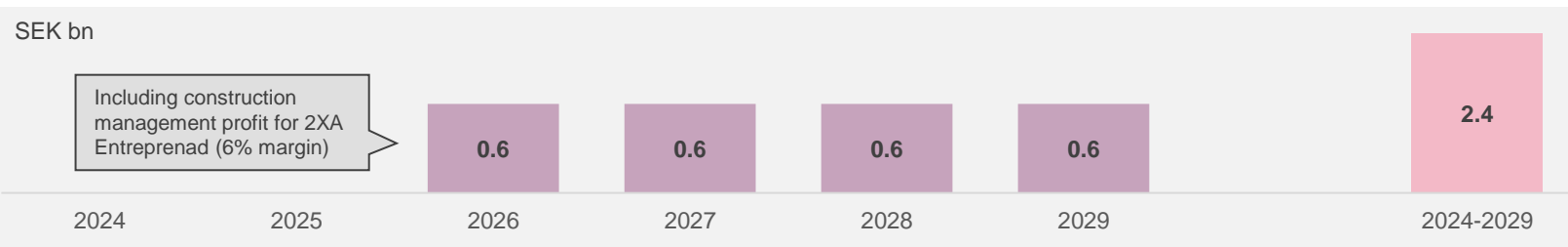

Divestment to private market
+1,000 units

- Illustrative scenario where assets are divested to private co-op market evenly over a three-year period
- Total liquidity effect of SEK 1.3bn including SEK 400m net profit



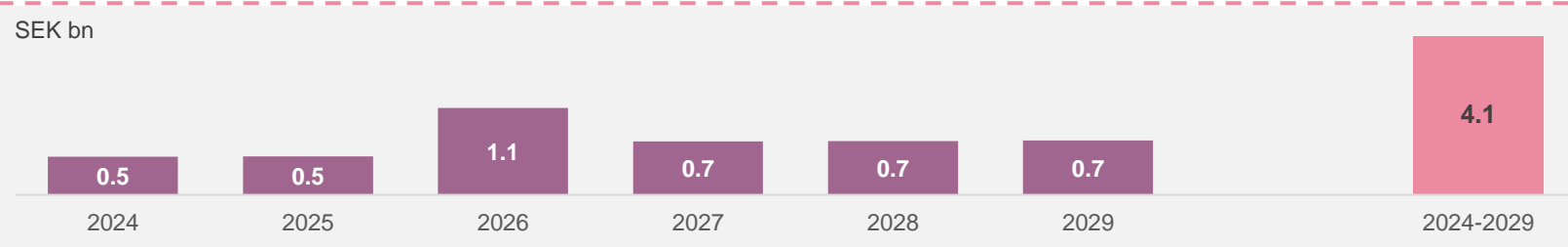

Project development
~2,100 units

- Illustrative scenario with linear roll-out until end of 2029 with first project completion in 2026
- Liquidity effect of SEK 2.4bn including SEK 1.3bn net profit (including c. SEK 0.2bn in net profit to 2XA construction management)




SNB Portfolio
~5,400 units

- Total liquidity, SNB rollout¹**
- Summary (addition) of combined SNB portfolio scenario 2024-2029¹
 - Implied liquidity of SEK 4.1bn including SEK 1.9bn net profit



Notes:

1) Not considering any value realisation of any assets in property management portfolio other than recurring cash earnings from rental income

Table of contents

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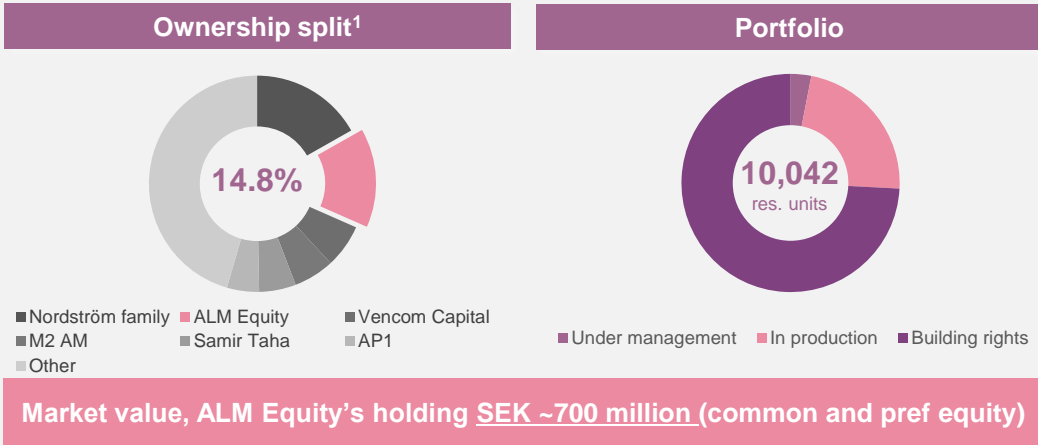
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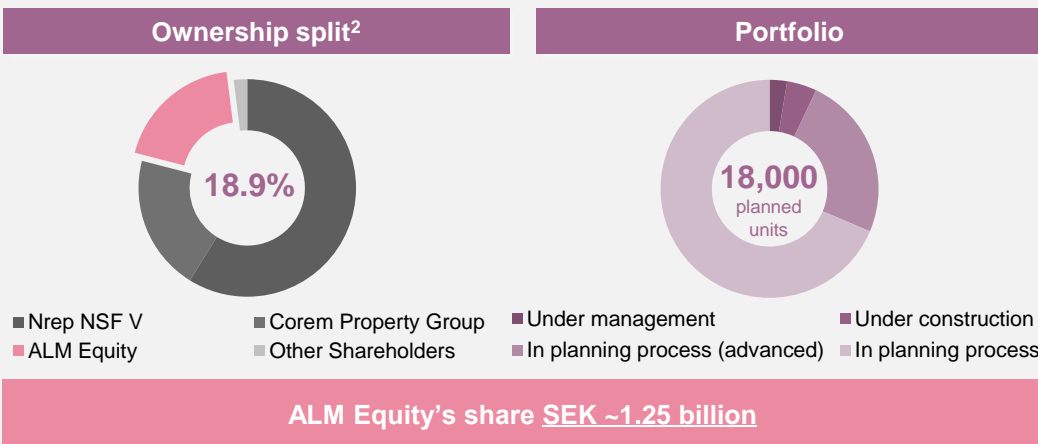
Financial investments – Aros Bostad / Besqab and Klöver

All figures as of 31 December 2023

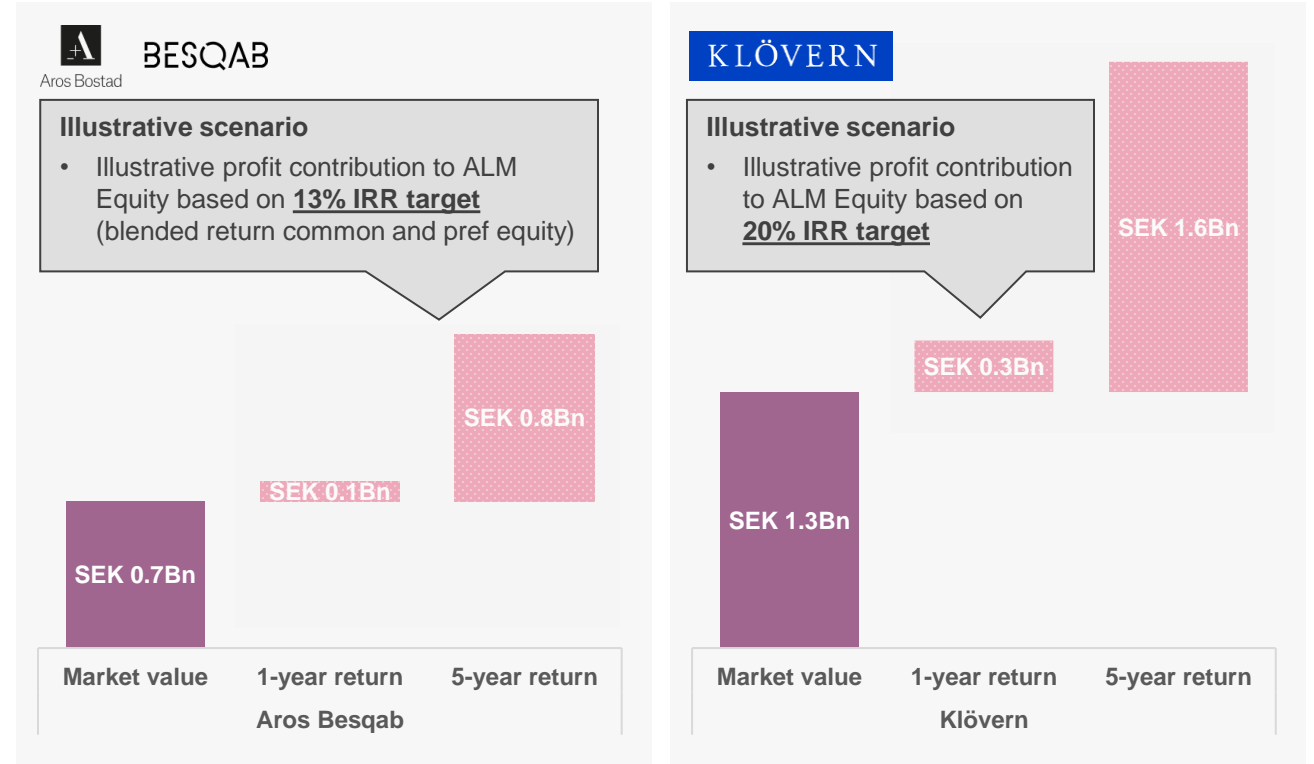
Aros Bostad / Besqab



Klöver

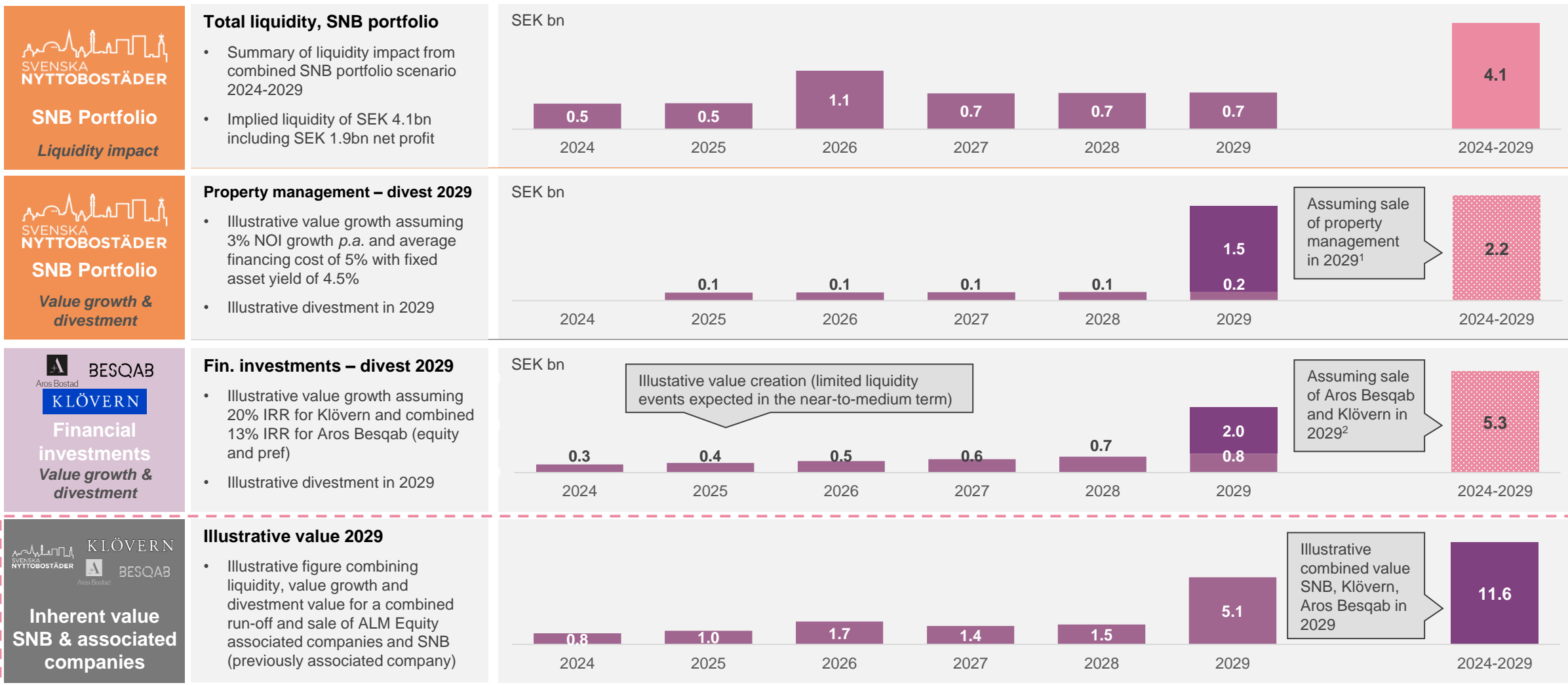


Illustrative value contribution financial holdings



Holding period for financial investments subject to continuous evaluation

Illustrative 2029 value creation from SNB portfolio and financial investments



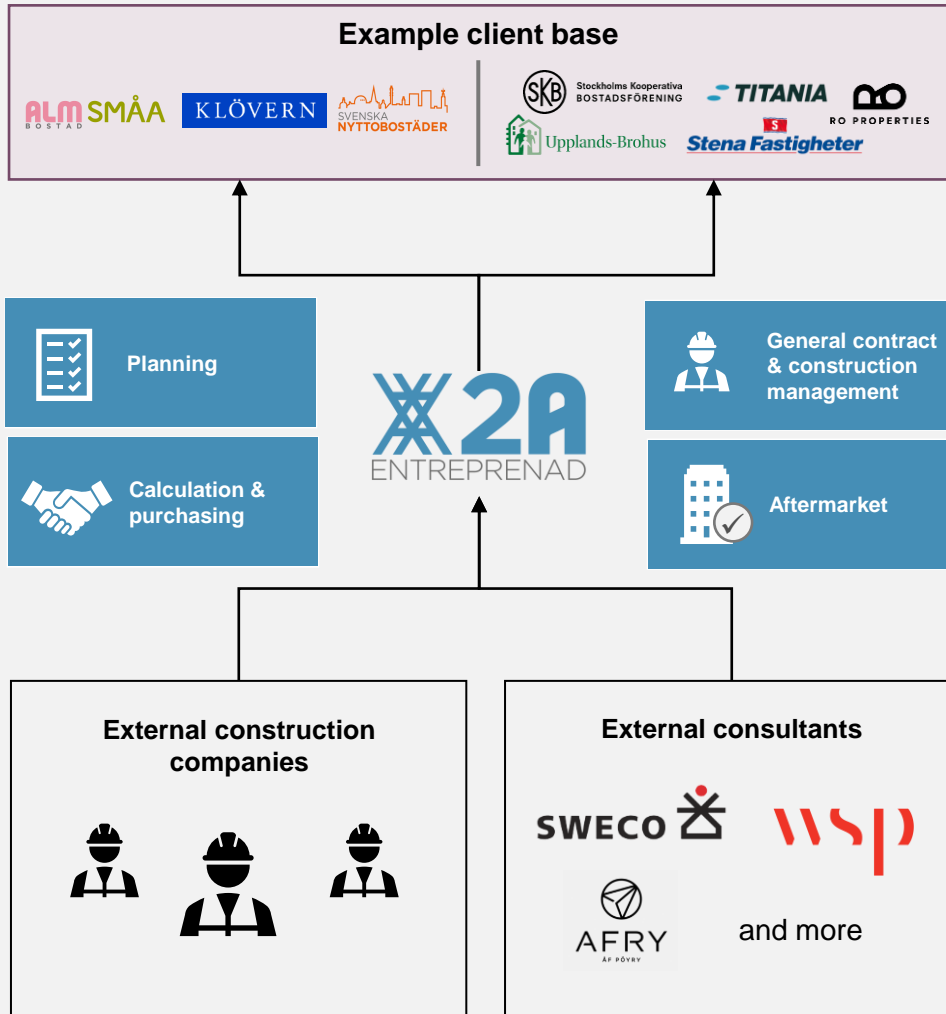
Notes:

1) Divestment value assuming fixed valuation yield and value growth through annually increasing NOI

2) Divestment value assuming IRR targets of respective financial holding met during period, and further divestment at fair value (equivalent to December 2023 book value)

2XA Entreprenad – Construction management

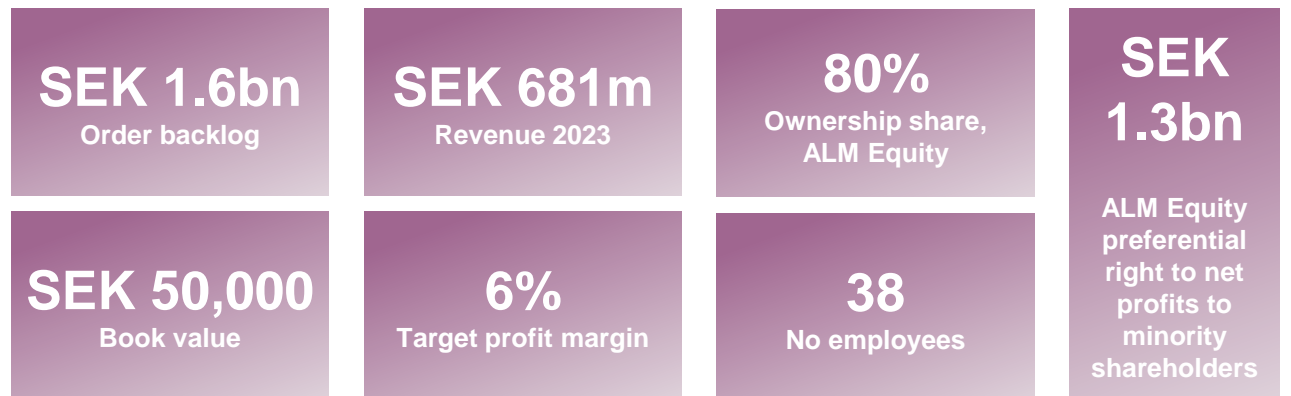
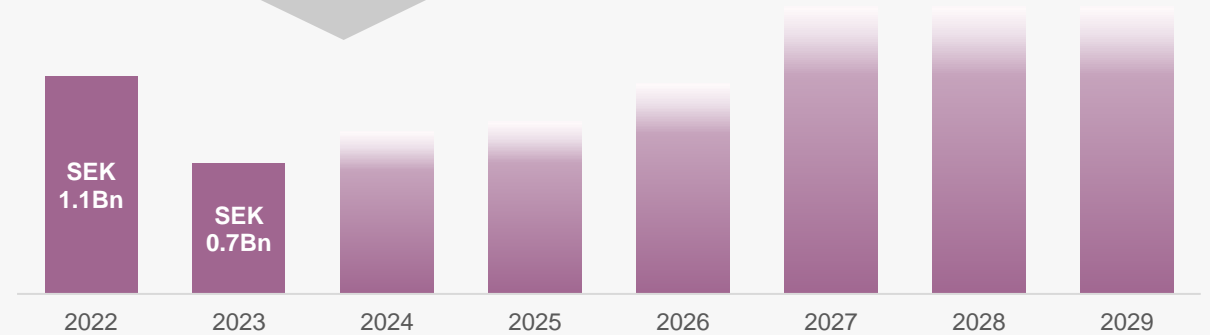
All figures as of 31 December 2023



Illustrative revenue profile

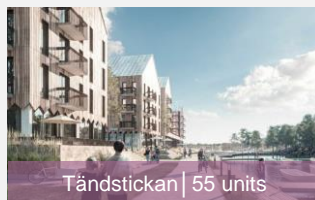
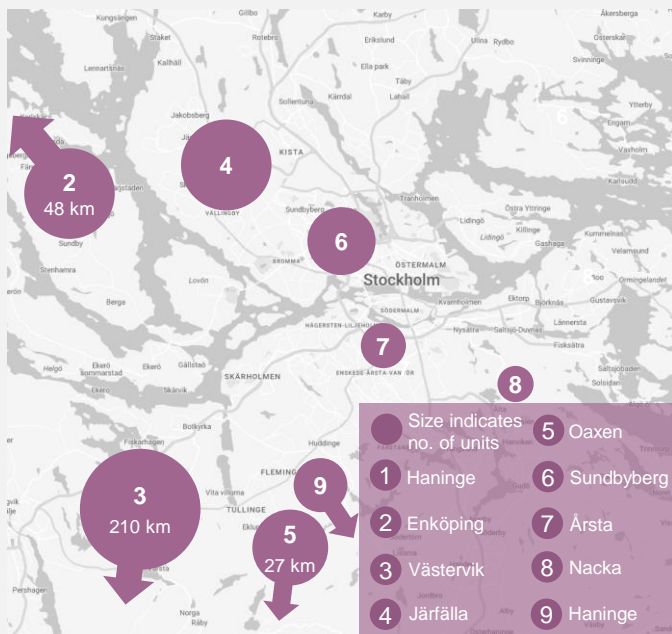
Illustrative scenario

- Based on current order backlog, 2XA estimates total revenues to increase 2024 YoY
- In part due to roll-out of project development portfolio inherited by ALM from SNB, 2XA expect significant additional revenue growth over the years to come with target to increase average annual revenue 2024-2029 in excess of SEK 1bn



Portfolio overview – Alm Små building right portfolio

All figures as of 31 December 2023



SEK 0.3bn
Gross value building rights¹

~40,000 sqm
Gross RFA (Sw. BOA)

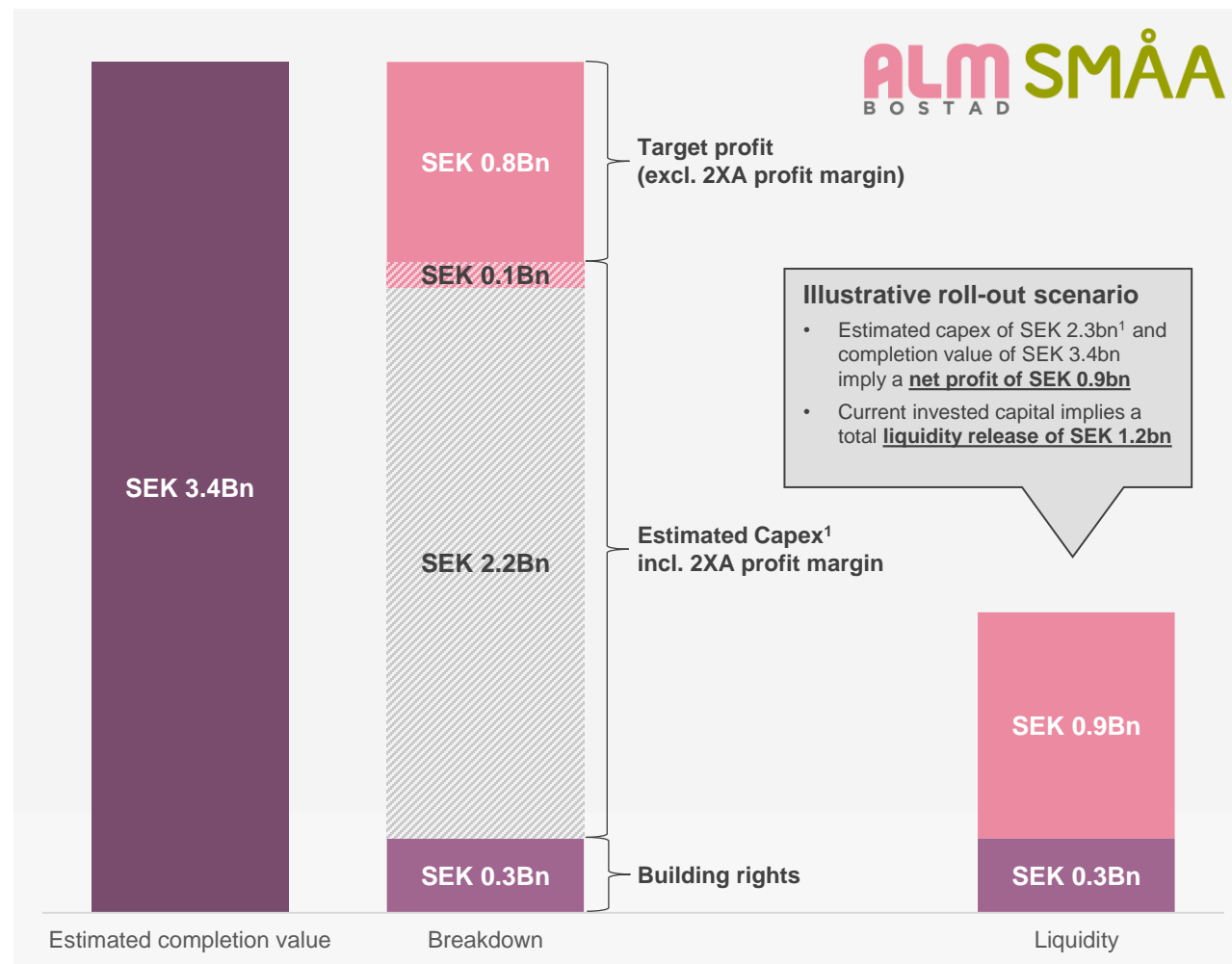
705
Residential units

12
No. projects


~20,000 sqm
Gross CFA (sw. LOA)

48
Commercial units

Illustrative 2024-2029 roll-out of ALM Små building rights portfolio



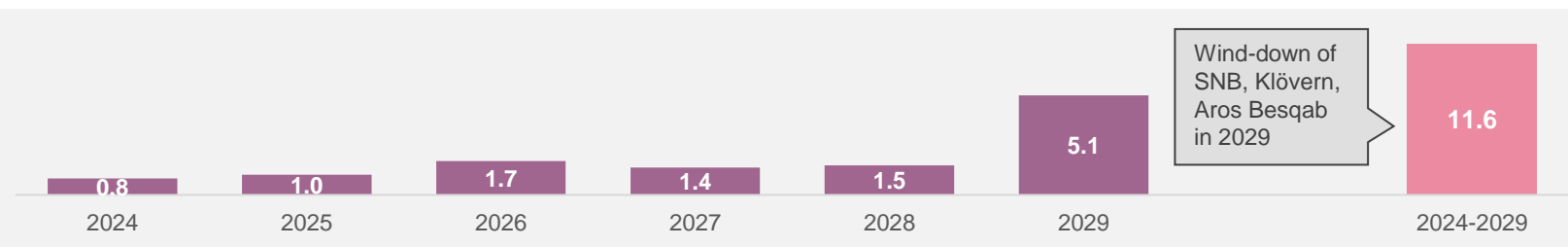
Illustrative 2029 value of the combined ALM Equity / SNB portfolio



Inherent value of SNB & associated companies

Wind-down 2029

- Illustrative figure combining liquidity, value growth and divestment value for a combined run-off and sale of ALM Equity associated companies and SNB (previously associated company)



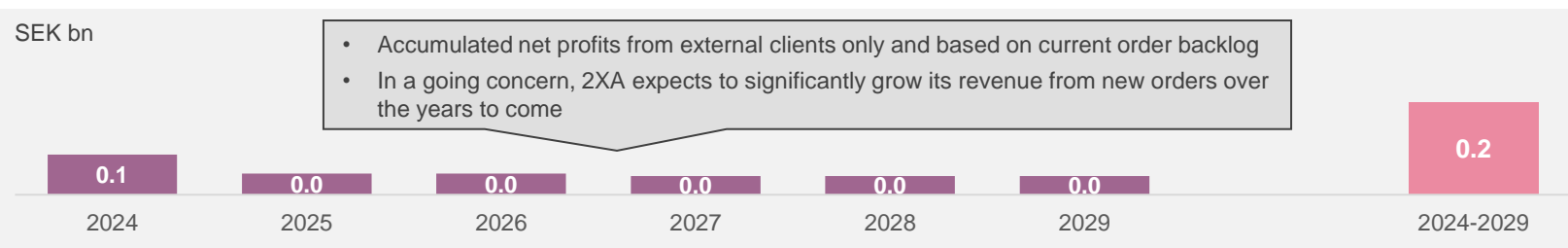


2A Construction management

Cash earnings 2024-2029

2XA – accumulated earnings 2029

- Illustrative net profit earnings 2024-2029 based on order backlog, but excl. roll-out of in-house project development (SNB and ALMSmåa)
- No assumption of company valuation¹

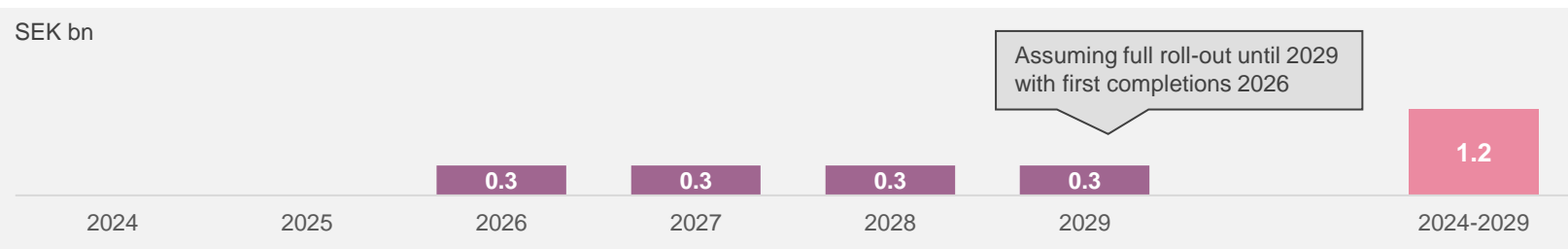




ALMSmåa

Project development

- Illustrative scenario with linear roll-out until end of 2029 with first project completion in 2026
- Liquidity effect of SEK 1.2bn including SEK 0.9bn net profit (including c. SEK 0.1bn in net profit to 2XA construction management)



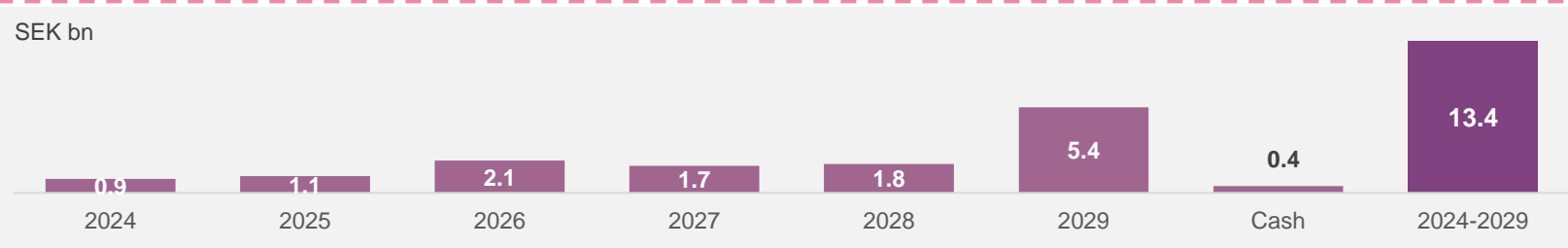


ALM EQUITY

“Sum-of-parts” 2029 ALM Equity

ALM Equity – 2029

- Illustrative full wind-down of ALM Equity until 2029 through combination of roll-out of projects and asset sales in 2029
- **Total liquidity effect of SEK 13.4bn**



Notes:

1) Book value of SEK 50,000 as of 31 December 2023

ALM
E Q U I T Y