

An aerial photograph of a city at dusk, showing a dense urban landscape with numerous buildings and a prominent dome. A purple semi-transparent rectangle is overlaid in the center, containing the text '2023 ANNUAL REPORT' and the 'ALM EQUITY' logo. The sky is a mix of orange, yellow, and blue, indicating sunset.

2023

ANNUAL REPORT

ALM
EQUITY

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About this report

The formal Annual Report can be found on pages 57–98. Sustainability is an integral part of the business and therefore the Annual Report. ALM Equity's Sustainability Report in accordance with the Swedish Annual Accounts Act is on pages 23–42.

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We are developing the property sector

ALM Equity creates value by acquiring and improving assets that become new activities or independent companies based on the market's future needs. Our strength is being able to quickly adapt the activities, act and adjust in the event of changes, and dare to challenge and find new paths to profitable investments.

SEK **4.3** bn
Estimated market value

SEK **4.3** bn
Market capitalization

KLÖVERN

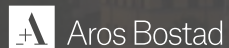
Estimated market value: SEK 7.9 bn

Shareholding: 19%



Market capitalization: SEK 1.9 bn

Shareholding: 39%



Market capitalization: SEK 2.8 bn

Shareholding: 27%



Estimated market value: SEK 0.5 bn

Shareholding: 100%



Estimated market value: SEK 1.2 bn

Shareholding: 80%



Market value not estimated

Shareholding: 50%

Shareholding refers to nominal holding. The definition of estimated market value can be found on page 102. More information about the market valuation can be found in ALM Equity's interim reports.

The year in brief

ALM Equity has put a challenging year behind it as it looks back on a period of adjustments to the prevailing market conditions. We have used our creativity, drive and adaptability to open up new avenues for value creation.

Capitalization of Klöverv ready for the future

- ALM Equity, together with other Klöverv shareholders, divested 51% of Klöverv to property investor Nrep, which intends to invest up to SEK 4 billion in new issues over a sixyear period. The deal enables the completion of Klöverv's project portfolio of 18,000 homes. At the end of the year, new issues of SEK 480 million were carried out, which reduced ALM Equity's shareholding to 19%.

Financial restructuring of Svenska Nyttobostäder

- On the initiative of ALM Equity, together with other shareholders, changes were made to Svenska Nyttobostäder's capital structure and financing model during the year. The changes mainly involved an offer to exchange preference shares for ordinary shares. See Note 22 and Note 37 for more information.

Project portfolio handover by ALM Småa Bostad

- When Svenska Nyttobostäder's exchange offer took place, the terms of the company's agreed deliveries from ALM Equity's subsidiary, ALM Småa Bostad, were also amended. A total of 13 projects were handed over during the year as building rights instead of completed properties. Payment was made with newly issued ordinary shares of a value of approximately SEK 1,270 million. SEK 963 million of ordinary shares were also received as an advance payment for properties under construction.

A healthy order book for 2xA Entreprenad

- During the year, ALM Equity's subsidiary 2xA Entreprenad gained a total of seven new turnkey contracts for housing construction. The total order value amounted to approximately SEK 1.5 billion, covering around 1,130 homes.
- In November, the company obtained ISO certification in the areas of the Environment, Quality and the Work Environment, demonstrating that the company has well-established structures and continually works to develop and improve its operations.

Events after the end of the year

- Aros Bostad is merging with Besqab to together create a new leading player in the development of housing in Greater Stockholm and Uppsala. ALM Equity's shareholding in the merged company, which will be called Besqab, amounts to approximately 15%. ALM Equity no longer has a representative on the company's Board and therefore has limited influence. The holding has therefore been reclassified as a financial asset.
- ALM Equity intends to combine with associated company Svenska Nyttobostäder AB (publ) through a merger. The Boards have adopted a joint merger plan. The proposal will be submitted for resolution to the companies' AGMs in June. See Note 40 for more information.

Summary	2023	2022
Revenue, SEK m	2,386	6,902
Profit/loss for the period, SEK m	-2,708	-576
Return on equity, ordinary shares %	-44	-10
Equity/assets ratio, %	39	50
Cash and cash equivalents, SEK m	444	1,073
Equity, SEK m	2,972	5,756
Balance sheet total, SEK m	7,662	11,518
Key figures per share		
Share price on the closing day, SEK	280	525
Adjusted net asset value per ordinary share, SEK	281	558
Earnings per ordinary share before dilution, SEK	-194	-79

Daring to rethink and set a new course

In 2023, ALM Equity has shown that our true character is not defined by the challenges that we face, but by how we deal with them. When the world changes, you must have the courage to question previous decisions and take control of your own destiny.

During one of the most difficult periods ever experienced in the property and capital markets, we have chosen not to sit idly by. We have instead taken important, and sometimes difficult, decisions and used our creativity, drive and adaptability to create new opportunities for value creation.

A year of historic difficulties

Conditions have not been this difficult for the construction and property sector since the financial crisis of the 1990s. Given rapidly rising inflation and a record-breaking rate of increase in interest rates, we have seen over 50% fewer housing starts and more than 1,700 bankruptcies in the construction industry. No one has escaped unscathed, and matters relating to business restructuring and capital structures have been constantly on the agenda for Boards and management across the property sector. ALM Equity has of course also been affected by developments in the market and ended the year with a SEK -2.7 billion loss, mainly due to the decrease in our holdings' asset values.

The turnaround is coming but will take time

Interest rates may have peaked according to the Riksbank. But the ending of interest rate hikes doesn't mean that economic curves will immediately start sloping upwards again. It may be a while before we see an upswing in new construction projects, and although there may be greater predictability, home buyers will continue to be cautious. The challenges in the industry will remain for some time and it will be more important than ever

to take a fresh look at things, perhaps abandon previously cherished ideas and, above all, take a new approach.

Capitalization of Klöver, which has a new principal owner

Our original plan when we invested in Klöver was to inject capital into the company through an IPO. But it is important to dare to change strategy when conditions change. During the year, we therefore brought in Nrep as Klöver's principal owner, with an initial 51% interest and an intention to invest up to SEK 4 billion. This was a strategically important decision for the acceleration of the return on our investment. By selling part of our stake and at the same time increasing Klöver's capital, we are providing Klöver with a long-term and well-capitalized principal owner and giving it the chance to start developing its 18,000 building rights.

Klöver aims to build 2,000 units annually and so become one of Sweden's leading housing developers. The transaction reduced our shareholding from 46% to 19%, but we have retained a long-term position and our influence on Klöver's Board. With the proceeds from Nrep, we have also been able to reduce our indebtedness and redeem SEK 600 million of bonds maturing in December, which gives us financial flexibility going forward.



Aros and Besqab become a leading housing developer

The record fall in construction starts and building right prices in 2023 created opportunities for new and advantageous business deals. One such deal is the merging of our associated company Aros Bostadsutveckling with Besqab. This is a strong match with clear synergies, and also broadens the property portfolio, which will provide great development opportunities in the future. Through the transaction, we have gained ownership of a significantly larger company with a building rights portfolio of more than 8,000 attractive homes and strong potential for the future with a current construction volume of approximately 2,500 homes a year in Greater Stockholm and Uppsala from 2025.

Restructuring of Svenska Nyttobostäder and merging with ALM Equity

Svenska Nyttobostäder was created with a business model based on low complexity and a predictable financing structure. The completely new situation on the capital market and the rise in the base rate from 0% to 4% since the IPO meant that conditions quickly changed and action needed to be taken. During the first half of the year, we therefore actively worked with the company to create a new financing structure. As a result of a Supreme Court ruling in December 2022, the prerequisites for Svenska Nyttobostäder's original business model also changed, which meant that the company was subject to completely new demands.

In order to get the best return on the value of Svenska Nyttobostäder's assets, in March 2024, the Boards of ALM Equity and Svenska Nyttobostäder therefore proposed a merger of the companies through a share exchange. This will enable us to benefit from ALM Equity's project development expertise while creating better financing conditions and cost synergies. This was not our plan when Svenska Nyttobostäder was listed at the end of 2020, but when conditions change, you have to be able to take a fresh look at things and a new approach.

Taking the helm and setting our own course

In recent years, we have worked hard to improve and enhance our assets, build up companies and restructure. In 2023, we focused strongly on proactively responding to the changing conditions in the property and

capital markets. As Stephen Hawking once said, "Intelligence is the ability to adapt to change" and when the world changes, you must have the courage to question previous decisions and seize your own destiny. ALM Equity is not, and never will be, a passive asset manager. Our core competence is the transforming of projects to greatly enhance their original value.

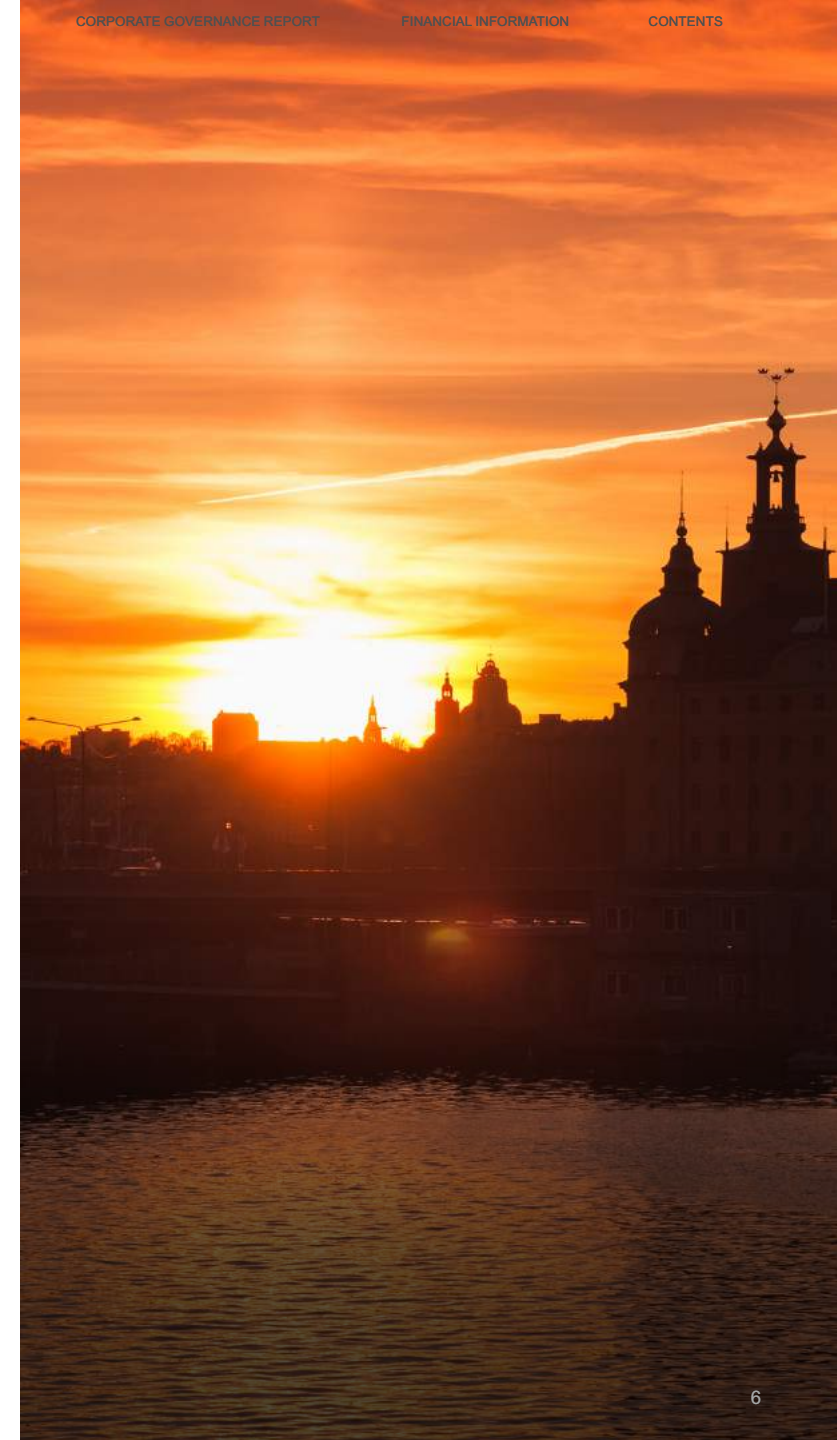
The merger with Svenska Nyttobostäder means that ALM Equity is now refocusing on developing and expanding the company's own activities while generating operating cash flows. We will build and develop the building rights portfolio while streamlining the accompanying management activities.


This creates a good balance between continuous cash flows from property management and deal flows from property development. Our plan for the merged company will result in a management portfolio of around 2,300 homes, the conversion of around 1,000 homes to suit the cooperative housing market and the development of 2,100 homes. This is expected to generate a positive impact on earnings of SEK 1.7 billion and liquidity flows of SEK 3.7 billion over the next six-year period.

In line with our efforts to create value for shareholders, we are exploring the possibility of changing our listing to Nasdaq Stockholm in 2025 to increase our shares' liquidity.

You can choose to either be carried by the wind or take the helm and steer your own course. Taking a passive attitude is not our way; we will continue to launch new initiatives and business opportunities that generate value for our shareholders.

Joakim Alm
CEO ALM Equity





THE BUSINESS

**We acquire, develop and adapt
businesses for value creation**

Strategic business development

ALM Equity acquires and develops assets in the property sector in order to create greater value. Value creation takes place through packaging, financing and restructuring to build independent and stable businesses with long-term sustainable growth.

Vision

ALM Equity will be the most profitable and innovative company in the property sector.

Business concept

ALM Equity develops and invests in assets and businesses within the property sector based on the needs of the future market. The company actively works to drive through the initiatives that it believes will create the highest value in the long term.

Objectives

For our businesses to achieve a maximum risk-adjusted return on equity, combined with optimized growth.

Core values

Our four core values guide our decision-making to create long-term value for the Group and for society at large.

- Decency
- Development
- Results-focused
- Commitment

Strategy

- Invest in assets and business concepts where profitable growth opportunities can be realized and developed to result in high and long-term returns.
- Pursue value-creating initiatives when building and developing the businesses.
- Work to ensure that the businesses have a sustainable and scalable business model with the flexibility to adapt to changes in the environment and future challenges.
- Work innovatively and quickly to find profitable investments and potential financing opportunities.
- Run the businesses with a focus on essential sustainability issues and contribute to the achievement of ALM Equity's overall business objectives as well as a sustainable society.



ALM Equity's business model

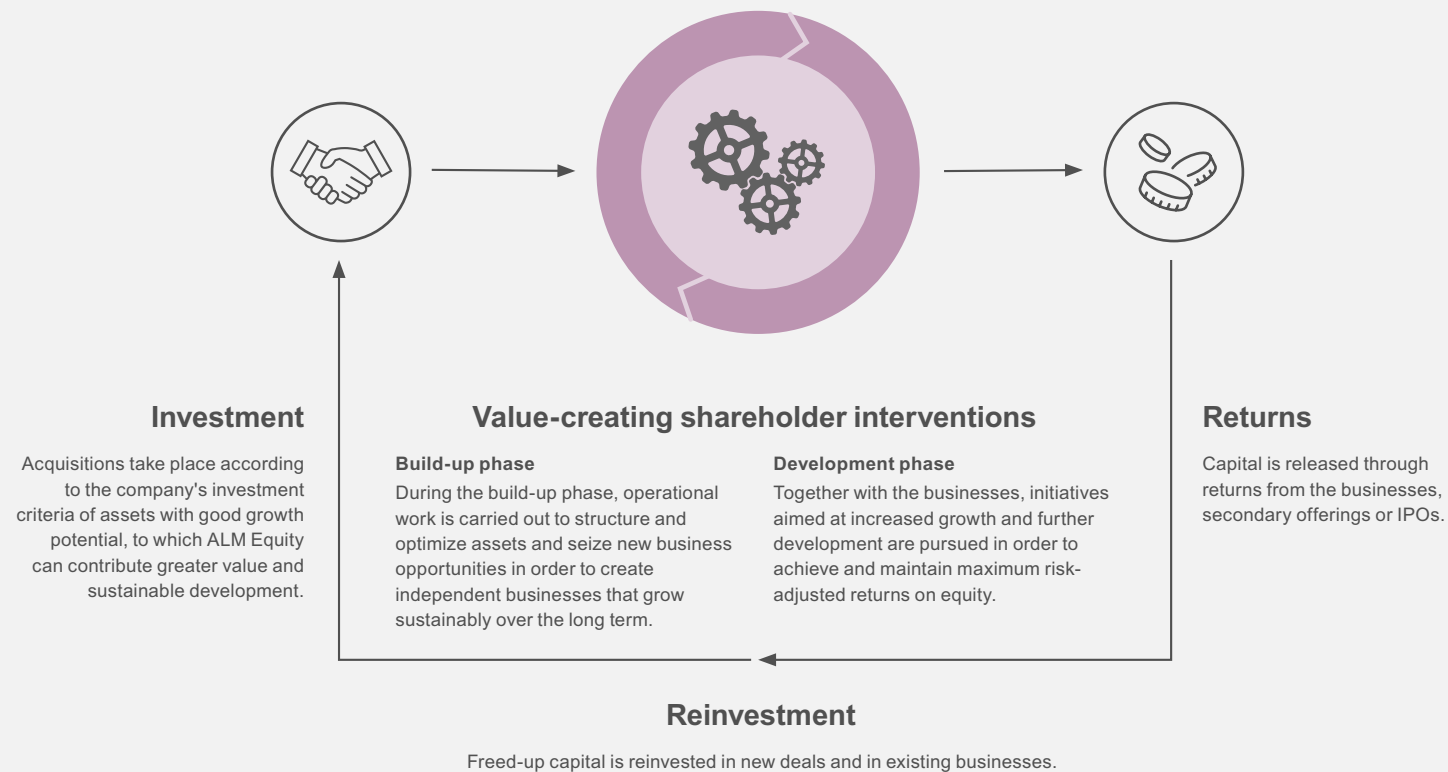
ALM Equity's business model is based on our ambition of building businesses that develop the property sector. Development is achieved by daring to challenge and find new paths to profitable investments based on the market's future needs.

Investments are made in business opportunities and assets with good growth potential where ALM Equity can add greater value and work for sustainable development. Investments are evaluated based on value, potential and risk, as well as how well they complement the company's strategy.

Our interventions as a shareholder are adapted to the needs and maturity of the businesses. Value creation is achieved by packaging, financing and restructuring assets to maximize returns.

Capital that is freed up through secondary offerings, IPOs or continuous dividends is reinvested in existing businesses and new business opportunities.

Model of the flow from investment to reinvestment



Adaptability is the key to our success

Since ALM Equity was founded in 2006, we have been very responsive to demand on the market and how this has changed. This, together with our entrepreneurship, is one of the keys to our success.

The last two years have been really challenging for anyone involved in property. We have seen the base rate go from 0% to 4% in 20 months, a complete freezing of the bond market, and a sharply depreciation in property values. In such a market, adaptability is what separates the winners from the losers.

Klövern founded with the intention of going public

When we laid the foundations for Klöver, alongside Corem, at the end of 2021, we saw the opportunity to create one of Sweden's largest housing management companies. Our investment in Klöver consisted of a portfolio of 11,000 building rights whose sources included the acquisition of ALM Småa Bostad and Järmtorget.

Capital was needed to realize the value of the initial portfolio of 24,000 building rights, and this was to be obtained through an IPO.

Conditions changed by a market slowdown

By the time the deal had gone through in mid-2022, market conditions had started to change. In May 2022, the base rate was raised to 0.25, rising above the zero mark for the first time since 2014. The listing climate quickly became colder, as the number of IPOs dropped from 150 to 50 between 2021 and 2022, with a much sharper fall in capital.

In the bond market, interest rates rose and the risk premium for riskier bonds increased significantly, while the Riksbank stopped injecting new capital into the market and reduced its bond purchases.

At the same time, rising inflation had a considerable impact on construction costs and the number of construction starts on apartments decreased by almost 60% in the first half of 2023. In other words, conditions changed within a short space of time.

A future value journey assured by rapid adaptation

With an asset like Klöver, it was possible to wait out the market situation or take steps to create the conditions allowing Klöver to gear up and move forward on its journey. It is not in our nature to wait and see. Shortly before midsummer this year, we secured an agreement with Nrep, a large and very well-capitalized investor, which acquired 51% of Klöver's shares with the intention of investing SEK 4 billion in the company. This enabled Klöver to start the construction of around 800 homes before the end of the year and so get out of the starting blocks.

In addition to an immediate liquidity injection of approximately SEK 700 million, ALM Equity has ensured that it will participate in Klöver's value-creation journey going forward without having to inject more capital. Being a small shareholder in an asset whose financing and future value creation we have secured is not only smart – it is our way of taking resolute action and showing adaptability.

Kista Square Garden is one of the projects that was included in the initial portfolio when the new Klöver was started up.



MARKET

**Exciting opportunities offered
by the current market**

4 driving forces for ALM Equity

	1. The housing shortage	2. Digitalization	3. Flexible worklife	4. Responsibility for sustainability
<p>We act on trends and driving forces to meet the property market's current and future needs.</p>	<p>The supply of housing in Stockholm is a major challenge and new housing construction is not keeping pace with the increase in population. At the same time, the changing economic situation has led to a slowdown in housing construction in the Stockholm region. Households are under strain, resulting in weakened purchasing power, which means that demand for smaller homes that are space- and energy-efficient is increasing.</p>	<p>Digitalization offers great opportunities for development in the property sector. Through various digital solutions, the efficiency and sustainability of the construction process can be increased, property management can be automated and dialog with tenants can be improved. Digital solutions both reduce costs and increase quality in many parts of the value chain in the property sector.</p>	<p>Our lifestyles have changed and a flexible working life now means that homes must also be usable as workplaces. As more time is spent in the home, there is a need for a holistic approach to housing with access to pleasant communal and coworking spaces. Precious leisure time must also be catered for, including exercise, hobbies and opportunities for social interaction.</p>	<p>The construction and property sector accounts for about one fifth of Sweden's greenhouse gas emissions and therefore has a lot of responsibility for the climate transition. At the same time, the property sector as a broad societal player, in collaboration with other societal functions, needs to address social challenges such as safety and security within neighborhoods and residential areas.</p>
<p>Example of how ALM Equity operates:</p>	<ul style="list-style-type: none"> ■ Together with a broad network of financiers, the company manages investments in companies and assets concentrated in the Stockholm region, where the housing shortage is greatest. ■ The Group's housing concept, which includes smaller, space-efficient homes, is helping to increase the availability of affordable housing on the market. There is also a strong focus on energy efficiency to promote more economical living. 	<ul style="list-style-type: none"> ■ Made an early investment in a digital services company, thereby positioning itself at the forefront of the ongoing digital transformation in the property sector. ■ Ensures integration through digital solutions in the Group's properties, improving management and net operating income as well as communication, accessibility and sharing economy opportunities for tenants. 	<ul style="list-style-type: none"> ■ Works in line with a housing concept based on flexible and customized living environments and therefore directs capital towards companies and assets that take a holistic approach to housing construction. ■ Sees great potential in the further development of future housing concepts. 	<ul style="list-style-type: none"> ■ Ensures sustainability efforts in the businesses in the company portfolio by setting comprehensive sustainability expectations, linked to the environment, social responsibility and corporate governance, for the companies. ■ Works actively on sustainability governance through Board representation in the company portfolio and through direct influence in Group companies.

A turbulent market with a hopeful horizon

In 2023, the macroeconomic situation had an impact on both private individuals and companies, and not least on the Swedish property market. Construction starts have been few for property companies, while increased capital costs and yield requirements have forced companies to adapt.

Macro perspective

The year has been marked by negative outside events, including Russia's continued invasion of Ukraine and the banking crisis in the US, which is dominated by a few niche banks, both of which have caused concern worldwide. The global economy has been put to the test by runaway inflation figures and consequent interest rate hikes by the world's central banks. In Sweden, food prices and mortgage rates have risen sharply, while the Swedish krona has weakened over the year, having a combined negative impact on household finances.

In 2023, the fight against inflation has been high on the agenda of central banks due to high inflation. In Sweden, the Riksbank has raised the base rate several times to curb inflationary pressures. At the turn of the year, the base rate was 4.00%, and in February and March 2024 the base rate was left unchanged. The Riksbank is signaling that cuts could come as early as the first half of 2024, provided that the inflation outlook does not deteriorate going forward.

The Swedish property market

The prevailing interest rate environment, and the current situation in the capital market, have created significant challenges for property companies in terms of financing options and access to liquidity. Several companies have reassessed their financing strategies, to the extent that they were able, and are increasingly choosing bank financing as their primary source of funding. Banks have imposed stricter interest coverage and loan-to-value ratio requirements in their turn. As a result, many companies have had to review their balance sheets, and have sometimes had to undertake major transactions to reduce their debt and increase their liquidity. There has also been a clear impact on the new build market, through the now

limited availability of building loans on reasonable terms from banks.

At the same time, the corporate bond market has been restrained during the year and has shown increased selectivity, with interest rates varying according to credit rating and business sector. According to Finansinspektionen, in Sweden borrowing by property companies through the bond market amounts to about 60% of all corporate bonds. During the year, several property companies chose to redeem bonds instead of refinancing them on the bond market.

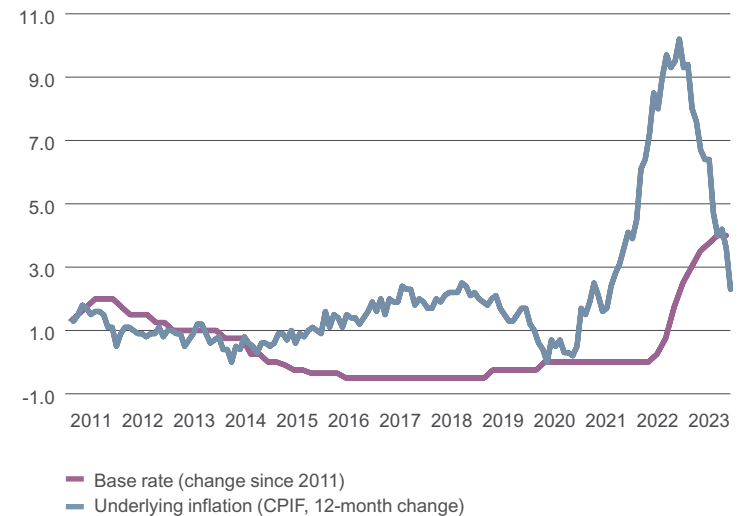
The high energy prices in 2022 increased the focus on energy efficiency and reduced energy use in both Sweden and the EU over the year. Energy prices have been lower than the previous year, but energy efficiency remains a priority. The EU's revised Energy Performance of Buildings Directive (EPBD) will impose high energy optimization requirements, for both new and existing buildings. This will drive a shift in the Swedish property sector and is likely to increase investment in energy efficiency improvements.

The slowdown in the number of new builds and increased material costs during the year have affected contracting companies. According to the SCB (Statistics Sweden), the number of new builds in 2023 decreased by around 49% compared with the previous year. At the same time, according to the SCB, the cost of inputs used early in the construction process has decreased compared with 2022, while the price of inputs used in the final stage is still high. Forecasts from the Swedish National Board of Housing, Building and Planning indicate that all building material prices may decrease in 2024 as interest rates fall and the supply of materials in the construction industry returns to pre-pandemic levels.

Overall, economic conditions have resulted in a challenging property market, which is affecting the companies in ALM Equity's portfolio in

various ways. Although some construction starts have been progressing more slowly, all the portfolio companies have been actively work to complete projects based on the current situation. Klöverm, which received a capital injection during the year, has started the construction of 800 homes and 2xA Entreprenad has been kept very busy and filled its order book.

Base rate and underlying inflation



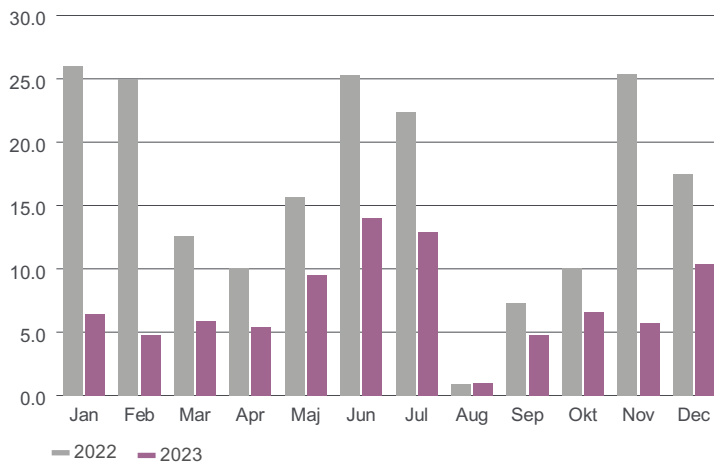
Source: Riksbank and SCB

Transactions on the property market

Transaction volumes in 2023 were historically low as a consequence of macroeconomic conditions in Sweden. During the year, transactions worth a total of SEK 87.7 billion were carried out in the Swedish property market, falling by 57% compared with 2022, according to Colliers Nordics Monthly January 2024. Although deals took place, there was a significant difference between sellers' and buyers' price expectations. At the same time, this created opportunities for other players to enter the market, such as well-capitalized property funds and private and foreign investors.

In 2023, foreign investors' interest in the Swedish property market was high and their share of investments in Sweden was above the historical average according to NewSec Property Outlook Spring 2024. One example is Nrep's investment in Klöver. For the full year 2023, the transaction volume for the residential segment in Sweden fell by 59% compared with 2022, according to JLL Nordic Outlook February 2024. According to Colliers Nordics Monthly January 2024, Stockholm continued to dominate the transaction market, accounting for about 39% of the total volume.

Transaction volume in Sweden, SEK bn



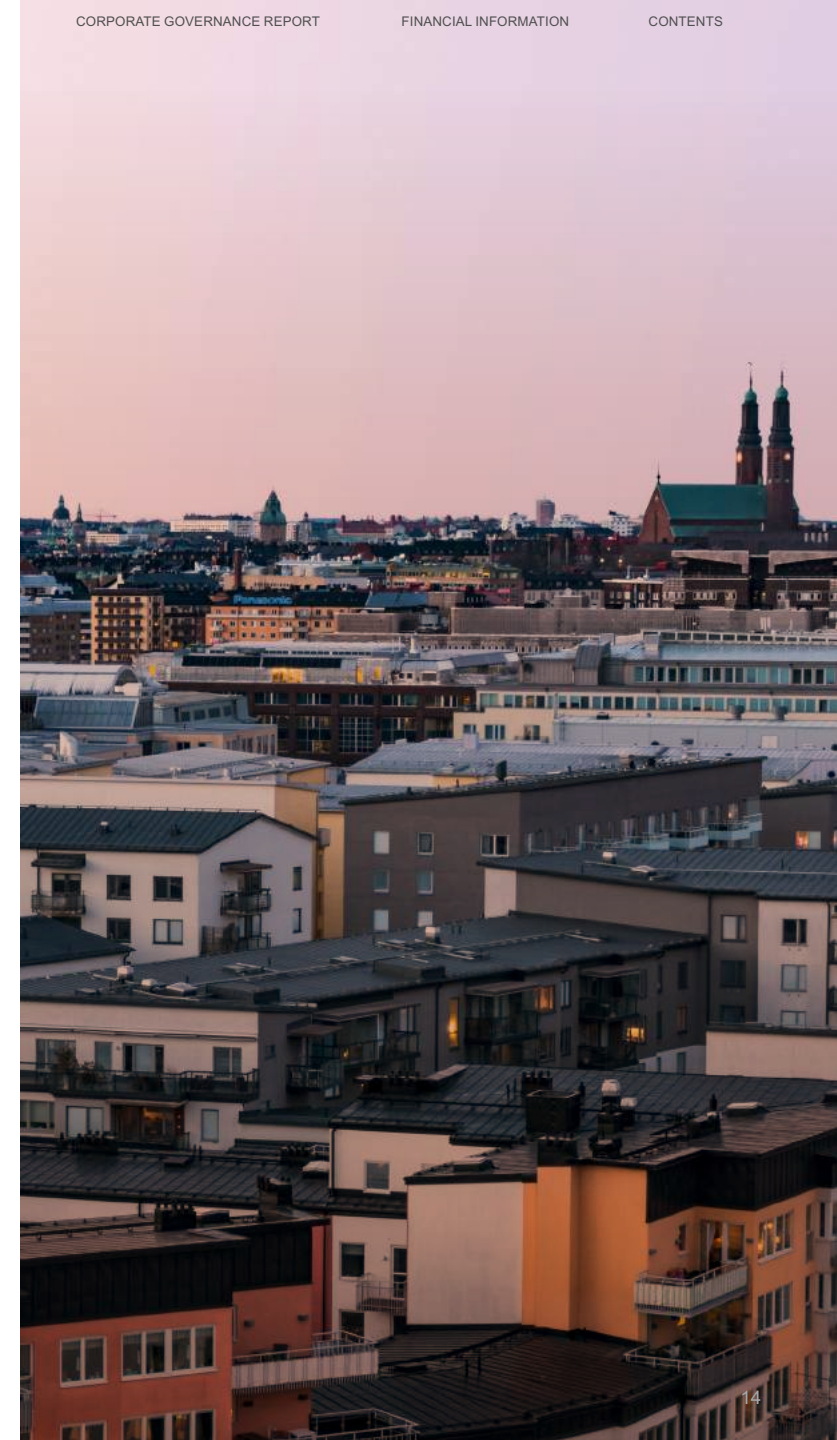
Source: *The Nordic Property Markets* by Colliers Research, 2024

The housing market

The Swedish National Board of Housing, Building and Planning's forecasts of national housing needs for 2023 to 2030 show that around 67,000 new homes need to be built to match the increase in the population. An underlying housing shortage has also built up over the last two decades. Housing needs vary across the country, but the shortage is most pronounced in the big cities. Finding affordable housing is a major challenge for many, especially given the strained finances of households generally and the younger generation.

The sharp decline in new housing construction in Sweden meant that, in 2023, there were 29,350 housing starts, a 49% decrease compared with 2022, according to the SCB. The construction rate is also expected to fall further in 2024 and then recover slightly in 2025, according to the Swedish National Board of Housing, Building and Planning's forecasts. In addition, projections indicate that the population of Stockholm County will continue to increase, reaching around 188,000 people by 2032. Housing supply remains one of the biggest challenges for the region.

Despite decreasing purchasing power, higher mortgage interest rates and a decline in the number of new homes, the price of tenant-owned apartments in Sweden held up well in 2023 according to Svensk Mäklarstatistik, although the level falls far short of the March 2022 peak. In 2023, the price of residential apartments in Greater Stockholm increased compared with the end of 2022. The rising cost of living for households has led to increased pessimism, however, with many people tightening their belts. Consumer sentiment seems unlikely to change until the second half of 2024, when the economy is predicted to recover slightly, according to the National Institute of Economic Research. In ALM Equity's view, a decline in purchasing power and consumer sentiment will increase demand for affordable and space-efficient housing. In a market where households are under financial strain, the properties offered by ALM Equity's portfolio companies are well placed to meet demand in the housing market.



An aerial photograph of a modern apartment complex courtyard at dusk. The courtyard is a central green space with a paved walkway, several trees, and a circular seating area with tables and chairs. The surrounding buildings are multi-story with balconies, some of which have outdoor furniture and string lights. The sky is a deep blue, and the lights from the buildings and courtyard create a warm, glowing atmosphere.

COMPANY PORTFOLIO

**Our companies are developing
the property sector**

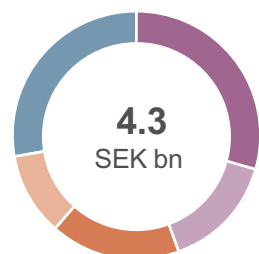
The company portfolio

ALM Equity's company portfolio consists of businesses that are active in different ways in the property sector and generate business opportunities in different parts of the value chain.

The businesses are run cost-effectively and independently to achieve sustainable long-term growth with a maximum risk-adjusted return on equity.

ALM Equity's reporting structure is based on its company portfolio and major holdings, which are active in the following segments of the property sector: property development, property management, contracting and digital services.

Share of estimated market value



- Klöver, 30.2%
- Svenska Nyttobostäder, 16.3%
- Aros Bostad, 18.6%
- ALM Småa Bostad, 11.6%
- 2xA Entreprenad, 27.9%
- Parent company's assets, neg.

KLÖVERN

Property development/
Property management

Shareholding: 19%
Unlisted



Property management

Shareholding: 39%
Listed



Aros Bostad

Property development

Shareholding: 27%
Listed

ALM SMÅA
BOSTAD

Property development

Shareholding: 100%
Unlisted

2A
ENTREPRENAD

Contracting

Shareholding: 80%
Unlisted

YOUR BLOCK

Digital services

Shareholding: 50%
Unlisted

For companies with adjusted net asset values, the market valuation is carried out by PWC; the definition can be found on page 102. For listed companies, the valuation is based on the market capitalization on the balance sheet date. Your Block is not market valued but is part of the parent company's assets.

KLÖVERN

19%

Nominal holding¹

SEK 1.3 bn

Book value of shares

SEK 1.3 bn

ALM Equity's share of the estimated market value

Klövern is a property company that develops and manages housing for the private market. The homes are space efficient and fit for the sustainable lifestyles of the future. Klöver was founded in 2022 and aims to become Sweden's largest housing company.

Events during the year

- In 2023, Klöver secured financing through a transaction between ALM Equity, other shareholders and the property investor Nrep, which has been the company's principal owner since August. The deal enables the completion of Klöver's project portfolio of 24,000 homes. As a result of the transaction, ALM Equity's holdings have been reclassified to Financial assets at fair value as the shareholding has been diluted to 19%. The remaining holding has been valued at SEK 1,267 million.
- Klövern's Board of Directors has decided to supplement its residential development for the private market activity with the sale of tenant-owned apartments.
- During the year, Klöver started the construction of 800 homes, mainly in the Stockholm region.

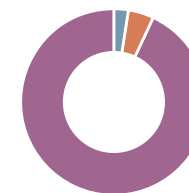
- Changes have been made to the company's Board of Directors; Petri Valkama from Nrep has joined as Chair of the Board and Maria Wideroth and Johan Unger have stepped down. Rickard Langerford, former Head of Residential Development at Nrep, was appointed CEO of Klöver, replacing Patrik Mellgren.

Events after the end of the year

- In January, the construction of two properties containing a total of around 160 rental apartments began.

Financial and operational KPIs	2023	2022
Revenue, SEK m	203	120
Operating profit/loss, SEK m	60	42
Operating margin, %	30	35
Balance sheet total, SEK m	7,745	9,545
Loan-to-value ratio, %	25	20
Equity/assets ratio, %	76	82
Property value, SEK m	7,157	8,482
Change in value of investment properties, SEK m	1,486	–
Number of units in the property portfolio	18,068	24,328

Units in the property portfolio



- Under management 468
- Under construction 800
- Construction not started 16,800, of which 4,400 have a zoning plan in force

Company's largest owner:

Nrep

Board members from ALM Equity:

Joakim Alm

ALM Equity's share of votes:

19%

¹ Klöver will be recognized as an associated company until the second quarter of 2023, after which the holding will be classified as a Financial asset measured at fair value.

¹ ALM Equity's shareholding will decrease to approximately 16% after Nrep has carried out a directed share issue of SEK 1,000 million, whose sole subscriber will be the company.



39%
Nominal holding

SEK 1.8 bn
Book value of shares

SEK 0.7 bn
ALM Equity's share of the market capitalization

Svenska Nyttobostäder is a listed management company that manages and develops space-efficient residential properties in locations with good transport links in the Stockholm area. The company is focused on two customer segments: companies, including organizations and the university, and individuals.

Events during the year

- In the spring of 2023, Svenska Nyttobostäder made changes to the company's capital structure and financing model, which mainly involved an exchange of preference shares for ordinary shares and the changing of the terms and conditions for deliveries of properties from ALM Småa Bostad.
- As part of the changes made, the company acquired 13 building rights projects from ALM Småa Bostad during the year for development under its own management. Payment was made in ordinary shares of a value of approximately SEK 1.4 billion. The company also took over a completed project from ALM Småa Bostad, comprising 107 units.
- In July, the company received around SEK 204 million through a rights issue in which ALM Equity subscribed for its pro-rata share. A loan from a subsidiary to ALM Equity was offset in connection with the subscription.

- Fredrik Arpe, Deputy CEO of ALM Equity, took over as acting CEO of Svenska Nyttobostäder, replacing Tommy Johansson.

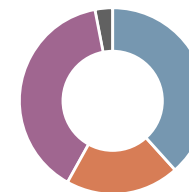
Events after the end of the year

- ALM Equity intends to merge with the associated company Svenska Nyttobostäder AB (publ). The Boards have adopted a joint merger plan. The proposal will be submitted for resolution to the companies' General Meetings in June. See Note 40 for more information.

Financial and operational KPIs	2023	2022
Revenue, SEK m	231	188
Operating profit/loss, SEK m	-19	116
Operating margin, %	neg.	62
Balance sheet total, SEK m	7,081	5,023
Loan-to-value ratio, %	58	65
Equity/assets ratio, %	47	32
Property value, SEK m ¹	8,282	12,495
Change in value of investment properties, SEK m	-625	-170
Number of units in the property portfolio	5,377	5,870

¹ Includes all properties acquired but not occupied, and the value of unsold warehouses.

Units in the property portfolio



- Under management 2,072
- Under construction 1,063, to be occupied only on completion
- Construction not started 2,084, of which all have a zoning plan in force
- In the sales process 158

The company's largest owner:

ALM Equity via subsidiaries

Board members from ALM Equity:

Joakim Alm

Fredrik Arpe (on leave from his position at ALM Equity)

ALM Equity's share of votes:

39%

Listed on:

Nasdaq First North Growth Market



Aros Bostad

27%

Nominal holding

SEK **2.8** bn

Market capitalization

SEK **0.8** bn

ALM Equity's share of the market capitalization

Aros Bostad holding

Shares delivered

Ordinary shares:
14,516,380
Preference
shares B:
2,263,161

27%
Shareholding

Convertibles delivered

Convertibles:
2,141,725

29%
Shareholding

Future delivery

Convertibles:
3,284,562

33%
Shareholding

The convertibles mirror the ordinary shares and the correct number of ordinary shares are provided on request. When the handover is complete, ALM Equity's share will be 33%, corresponding to a value of SEK 0.8 billion based on the current market capitalization at year-end. This is before the dilution linked to the merger with Besqab.

Aros Bostad is a listed company that offers well-planned, high-quality homes with healthy material choices and designs that stand the test of time. The company's geographic focus is areas with good transport links within Greater Stockholm, Uppsala and Mälardalen.

Events during the year

- In 2023, Aros Bostad took possession of a total of three building rights projects from ALM Småa Bostad, which were acquired in 2022. Payment was made through a combination of ordinary and preference shares and convertibles.
- The company started six construction projects during the year, totaling 561 homes.
- Over the year, 5,462,076 convertibles issued to ALM Equity were converted on the main closing date into an equivalent number of ordinary shares in Aros Bostad in accordance with the terms of the convertibles. ALM Equity's nominal holding in Aros Bostad subsequently amounted to 27%.
- ALM Equity decided at an Extraordinary General Meeting in May 2023 to distribute ordinary shares in Aros Bostad to its own shareholders.

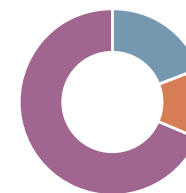
The background to the distribution in kind is an agreement reached in connection with the company's restructuring. See Note 37 for more information.

Events after the end of the year

- Aros Bostad is merging with Besqab to together create a new leading player in the development of housing in Greater Stockholm and Uppsala. ALM Equity's holding in the merged company, which will be called Besqab, totals approximately 15%. ALM Equity no longer has a Board representative in the company and therefore has limited influence, and so the holding has been reclassified as a financial asset. The new company will have a significantly stronger market position with a broad portfolio of development projects and investment properties.

Financial and operational KPIs	2023	2022
Revenue, SEK m	1,433	954
Operating profit/loss, SEK m	174	141
Operating margin, %	12	15
Balance sheet total, SEK m	2,604	2,430
Equity/assets ratio, %	81	79
Booked value of projects, SEK m ¹	973	528
Number of building rights in the project portfolio	6,137	6,527
Sales rate for units under construction, % ²	87	88

Units in the building rights portfolio



- Under construction 1,182
- Completed building rights 745
- In the planning process 4,210

Company's largest owner:

ALM Equity via subsidiaries

Board members from ALM Equity:

Joakim Alm

ALM Equity's share of votes:

27%

Listed on:

Nasdaq First North Growth Market

¹ Booked value of projects refers to works in progress and project properties.

² Sales rate for units under construction includes sold and booked homes.

ALM SMÅA BOSTAD

100%

Nominal holding

49%

Equity/assets ratio

SEK 0.5 bn

ALM Equity's share of the estimated market value

ALM Småa Bostad is a property development company that offers a wide range of housing, service and commercial units in locations with good transport links through four brands. The company is focused primarily on major urban development projects in Greater Stockholm.

Events during the year

- ALM Småa Bostad's remaining deliveries to Svenska Nyttobostäder changed in accordance with the decision at Svenska Nyttobostäder's General Meeting in March 2023. A total of 13 building rights projects were handed over to Svenska Nyttobostäder for development under its own management, and payment was received in ordinary shares instead of preference shares in Svenska Nyttobostäder. The projects that are under construction will be completed as previously planned, except for how the purchase price will be paid. The Lignum property, comprising 207 homes, is one of these projects, and was completed and handed over to Svenska Nyttobostäder during the autumn.
- ALM Småa Bostad handed over a total of three building rights projects to Aros Bostad during the year, and has thereby handed over 26 of the 34 agreed projects to Aros Bostad.

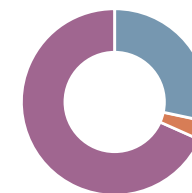
- In November, ALM Småa Bostad signed a memorandum of understanding with Västervik municipality regarding land allocation and development.

Events after the end of the year

- No significant events have occurred since the end of the year.

Financial and operational KPIs	2023	2022
Revenue, SEK m	2,242	6,609
Operating profit/loss, SEK m	226	1,422
Operating margin, %	10.	22
Equity/assets ratio, %	49	44
Booked value of projects, SEK m ¹	2,382	3,401
Number of building rights in the project portfolio ²	2,241	5,165
Sales rate for units under construction, %	99	100

Units in the building rights portfolio



- Under construction 639
- Completed building rights 75
- In the planning process 1,527

¹ Relates to development properties and residential projects in progress.

² Of which 849 units have been sold to Aros Bostad but are not yet occupied.

The company's brands





80%

Nominal holding

92%

Equity/assets ratio

SEK 1.2 bn

ALM Equity's share of the estimated market value¹

2xA Entreprenad offers turnkey contracting for new builds and property extensions and refurbishments, as well as other contracting services for specific parts of property projects. This is a collaborative partner that designs, optimizes, streamlines and builds both small and large projects for both property developers and building contractors.

Events during the year

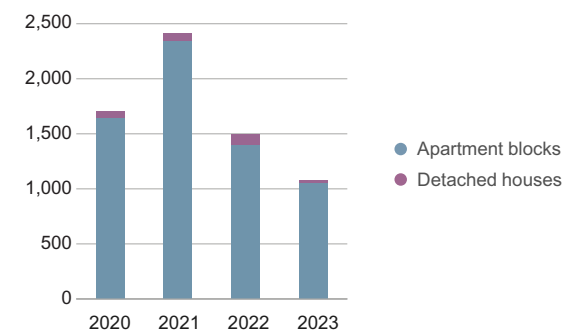
- In 2023, 2xA Entreprenad worked on broadening its customer base and its offering by canvassing the external market. They have filled their order book and signed a total of seven new turnkey contracts for the construction of housing. The total order value amounted to approximately SEK 1.5 million, covering around 1,130 homes. The company also started construction on two projects during the year, corresponding to a total of 282 units.
- In November, 2xA Entreprenad obtained ISO certification in accordance with the ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (work environment) standards. The certification is proof that the company is working to continuously improve its activity, maintain high quality and meet the demands of the business environment.

Events after the end of the year

- The company has started construction on four projects since the end of the year, totaling 424 units.

Financial and operational KPIs	2023	2022
Revenue, SEK m	681	1,136
Operating profit/loss, SEK m	45	77
Operating margin, %	7	7
Equity/assets ratio, %	92	84
Order intake, SEK m	1,516	257
Order book, SEK m	1,589	523
Number of units under construction	381	186
Number of completed units	557	650

Units under construction at year-end



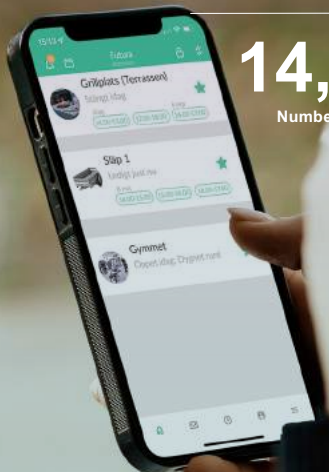
¹ ALM Equity has preferential rights to SEK 1.3 billion of preference shares before the transferring of value to ordinary shareholders.

YOUR BLOCK

50%
Nominal holding

350
New users in 2023

14,400 users
Number of users of the app



Your Block develops smart digital services on a mobile platform primarily focused on the property sector. The platform offers digital community, sharing economy and digital access management services for properties to simplify communication and collaboration.

Events during the year

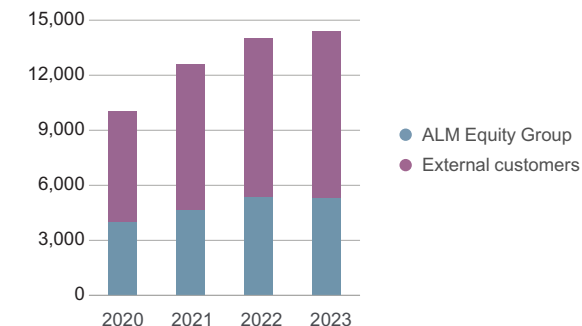
- In 2023, Your Block continued to develop, albeit at a slower pace due to reduced activity in the new construction market. The focus has mainly been on improving the effectiveness of hardware-independent access solutions for housing that make residents' lives easier and simplify administration for investment properties.


Events after the end of the year

- No significant events have occurred since the end of the year.

Operational KPIs	2023	2022
Number of users of the app	14,400	14,050
Number of users in properties with digital locks	1,875	1,670
Number of doors with digital locks	575	555
Number of properties with digital locks	10	9

Users at year-end





About the Sustainability Report

ALM Equity's Sustainability Report can be found on pages 23–36 and supplementary sustainability information on pages 37–42. The disclosures regarding governance, materiality issues and sustainability frameworks relate to ALM Equity and the entire company portfolio, while pages 29–35 only cover Group companies.

SUSTAINABILITY REPORT

ALM Equity is enhancing its work and responsible ownership

Sustainable ownership – our most important contribution

ALM Equity invests in and develops businesses in the property sector based on the future needs of the market. As an active owner, we have the greatest impact and the opportunity to create long-term value for our companies and for society.

Sustainability is integrated in ALM Equity's business model and is taken into consideration both in the evaluation of new business opportunities and in the continuing development of the companies in our portfolio.

Thinking and acting responsibly is of central importance to ALM Equity, and we strive to be a role model in the sustainable development field. Our sustainability efforts cover our economic, social and environmental responsibilities, our objective being to pursue a good balance between them in a long-lasting way.

There is a strong connection between sustainability and long-term value creation. ALM Equity's has its biggest impact through its portfolio companies, which operate in different parts of the property sector. The sector accounts for a significant share of society's environmental and climate impact and so bears a great responsibility. Sustainability challenges are complex and require a long-term and systematic approach. Through active corporate governance that prioritizes sustainability issues, ALM Equity is working to take responsibility for the company's impact on people and the environment.

The past year

In 2023, we continued to improve and clarify the structure of the Group's sustainability work in order to strengthen our role as a responsible owner. Based on ALM Equity's overall sustainability objectives, we have worked according to a roadmap on activities that need to be carried out up to 2025.

During the year, we also began a review of our materiality assessment in accordance with the new EU Corporate Sustainability Reporting Directive

(CSRD) and the associated European Sustainability Reporting Standards (ESRS). In 2024, we will develop processes to ensure compliance with the new directive.

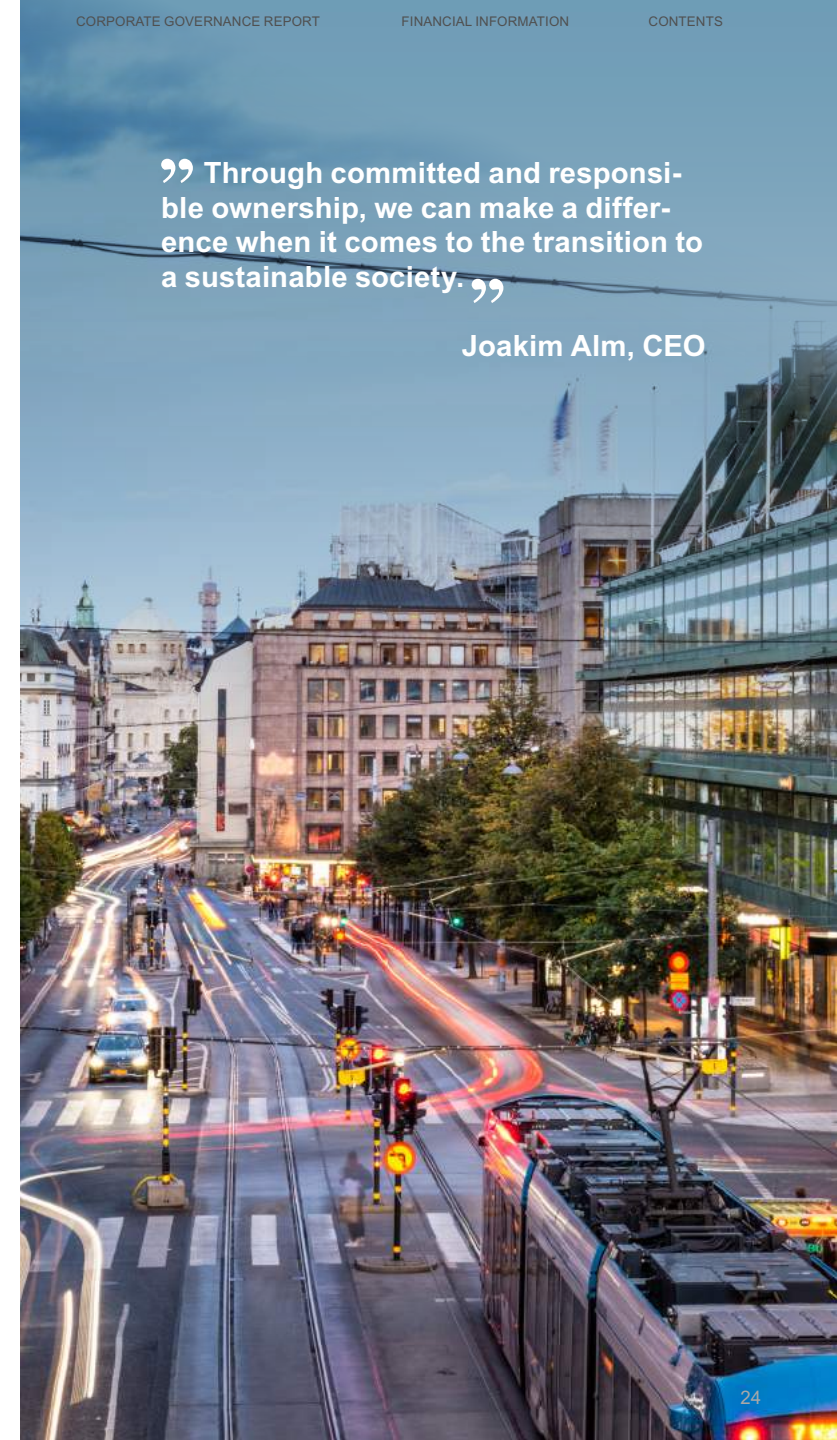
We continue to support the ten principles of the UN's Global Compact in the areas of human rights, labor rights, the environment and the prevention of corruption. We are also committed to making the Global Compact and its principles a natural part of ALM Equity's strategy, culture and daily work.

Sustainability efforts in portfolio companies

Beside our own efforts to achieve ALM Equity's sustainability objectives, we also monitor the action taken within the company portfolio. In 2023, we collected sustainability data from all the portfolio companies, for the second year in a row, and can conclude that they have made positive progress with their sustainability work and show a strong commitment to these issues. For example, ALM Equity's construction company 2xA Entreprenad obtained ISO certification for its activities in the Quality, Environment and Work Environment fields and the Group company ALM Småa Bostad decided to increase the proportion of its environmentally certified new construction projects. The Group companies' sustainability work is described in more detail on pages 29–35. Going forward, ALM Equity's focus will be to continue to develop the companies' sustainability efforts alongside them in order to create long-term value.

” Through committed and responsible ownership, we can make a difference when it comes to the transition to a sustainable society. ”

Joakim Alm, CEO



The property sector's impact on society

ALM Equity is own companies within the property sector, a sector that has a significant impact on people and the environment. It is therefore essential that we, together with our portfolio companies, take responsibility for achieving a sustainable society and make it possible for people to make sustainable choices.

Companies operating in the property sector must work to minimize their environmental impact and actively contribute to a high quality built environment. Around a fifth of Sweden's total greenhouse gas emissions originate from the construction and management of buildings, with buildings accounting for just over 30% of total energy use. The construction sector is also a major waste producer; construction and demolition waste account for almost 40% of the total waste produced in Sweden.

As an active player in the property sector estate industry, ALM Equity has a responsibility to contribute to the sustainability development of the sector through its companies. Sustainability issues are considered throughout ALM Equity's and its companies' value chains; from the concept stage when new properties and neighborhoods are planned, during the construction phase and finally when the properties are managed. This requires us to integrate and address environmental, economic and social aspects in every area of our business. Proactive safety management is a particularly important issue given the high risk of accidents in the sector, especially on construction sites. In addition, other important areas such as preventing corruption risks and promoting compliance with good working conditions within the supply chain are also addressed.

The companies in ALM Equity's portfolio cover large parts of the property sector's value chain, and each company has its own specific sustainability issues in addition to the Group-wide challenges. The image on the right gives some examples of important sustainability issues in each phase and shows where in the value chain ALM Equity's companies have their primary activities.

Manufacturing

Circular material flows, sustainable choices of materials, efficient logistics and resource use and a safe working environment.

Construction

Efficient energy use and fossil-free logistics, a safe working environment, a sustainable supply chain and responsible waste management.

Group company: 2xA Entreprenad

Development and planning

Designing buildings to ensure an optimized energy and climate performance. Contributing to an attractive urban environment through sustainable land use and the protection of ecosystem services.

Group company: ALM Småa Bostad

Associated holdings*: Klöver, Aros Bostad

Management

Energy efficient buildings, a pleasant indoor environment and safe neighborhoods.

Associated holdings*: Klöver, Svenska Nyttobostäder



* For the definition of associated holdings, see page 102 of the Annual Report. Information about the portfolio companies can be found on pages 16–22.

Governance of sustainability

ALM Equity approaches sustainability on two levels: the parent company and the company portfolio as a whole. ALM Equity makes the biggest difference through active and responsible action and this is where the focus lies.

ALM Equity's Board of Directors has ultimate responsibility for the Group's strategic development and sustainability performance. The CEO has overall responsibility for the Group's sustainability efforts and must keep the Board of Directors informed about the progress made and report significant events. The CEO, together with Group management, is responsible for implementing the sustainability strategy and appointing resources to coordinate and sustainability work move it forward within the parent company and the portfolio companies.

Influence at different levels

ALM Equity's company portfolio consists of wholly- and partly-owned Group companies and associated holdings in listed and unlisted companies. For the definition of associated holdings, see page 102 of the Annual Report. The governance of sustainability efforts within the portfolio companies is based on the form of ownership, whereby we have a greater impact and influence on sustainability efforts in Group companies than in associated holdings. The Group companies are operationally responsible for their sustainability work and have their own structures that address relevant issues. ALM Equity provides support, including through Group-wide sustainability activities, policies and training. The companies are responsible for reporting their sustainability efforts to the company's Board of Directors and to Group management.

When it comes to the associated holdings, we are able to have an influence on strategic issues and priorities and ensure that the companies are working on sustainability mainly through Board representation. ALM Equity's owner representatives on the companies' Boards are responsible for driving our sustainability agenda forward. The Boards and management of each company decide on and are responsible for sustainability strategies, implementation and reporting, and that the company complies with the applicable sustainability laws and guidelines.

Expectations of portfolio companies

The sustainability agenda of the company portfolio is articulated through a set of expectations related to the environment, social responsibility and corporate governance. How and how quickly the companies are able to meet these expectations depends on the company's development phase and the type of business. The portfolio companies report on how they are meeting them, including through a number of sustainability KPIs relevant to their activities. Expectations are part of ALM Equity's sustainability framework whose aim is the achieving of our overall objectives. See page 28 for more information.

Governing documents

At a global level, the work is based on our sustainability policy, which sets out how ALM Equity as an owner company is to address the most important sustainability issues and the expectations of the portfolio companies' sustainability efforts. ALM Equity's Code of Conduct offers guidance on how Group employees should behave and act in their daily work. There is also a code of conduct for suppliers, known as the Supplier Code, which is applicable to all business relationships with suppliers to the Group.

ALM Equity has a number of sustainability policies. Together they guide our actions as a responsible company, cover the whole Group. Policy documents and related procedures are reviewed annually and updated as necessary. More information about our governing documents can be found in the Corporate Governance Report on pages 43–56.



Material sustainability issues

To ensure that ALM Equity focuses its sustainability efforts where they are most beneficial, materiality analyses are regularly conducted and an ongoing dialog is held with stakeholders in the value chain.

In 2019, we conducted an initial analysis to identify the most material sustainability issues for ALM Equity as a company and as an owner of companies in the property sector. The analysis, which was last updated in 2021, was based on a sector and market analysis and stakeholder expectations. The stakeholders involved represented owners, financiers and investors. ALM Equity's Board and employees, as well as key personnel in the portfolio companies, also made valuable contributions. Based on the results, internal priorities were established and then validated by ALM Equity's Group management. The materiality analysis, along with ALM Equity's business model, forms the basis of the company's sustainability strategy and is also the foundation for the assessment of sustainability-related risks and opportunities.

It is important that the portfolio companies conduct their own stakeholder dialog and assessments to identify material sustainability issues specific to their activities, and from there establish a precise roadmap, including priorities, in order to achieve the goals. During the year, 2xA Entreprenad produced its own materiality analysis for the first time. The aim is for ALM Småa Bostad to also carry one out in the future.

The UN Global Goals as a starting point

ALM Equity's sustainability efforts are integrated with, and its objectives driven by, the UN's Global Goals. This has been verified through an evaluation of the activities' impact in accordance with the goals, in which ALM Equity and the portfolio companies were assessed based on where they have the greatest impact and opportunity to create positive change. A total of eight global goals were identified as being most material. These goals, which coincide with our most material sustainability issues, are shown in the image on the right.

Adaptations and preparations for the CSRD





In 2023, we started work on adapting our activities to the new EU Corporate Sustainability Reporting Directive (CSRD). Even though ALM Equity will not be covered by the Directive until the financial year 2025, we have chosen to start implementation gradually. Our main focus during the year has been on beginning to implement the double materiality assessment, which is a key part of the standard. The next step is to conduct a gap analysis to identify differences between our current sustainability efforts and reporting and the requirements of the CSRD and the associated ESRS reporting standard.

Aspects of ALM Equity's entire value chain are taken into account, based on the CSRD's requirements, with a particular focus on the impact linked to the portfolio companies' activities. In 2024, we will start adapting our processes and data collection based on the outcome of the comprehensive assessment to be able to meet the new requirements. This development represents a significant phase in ALM Equity's continued sustainability efforts and opens up avenues for new initiatives.

ALM Equity's material sustainability issues linked to the global goals





Environment & Climate

Material sustainability issues: Climate impact and Resource use

-  7.3 Doubling the rate of improvement in energy efficiency
-  12.2 Sustainable management and use of natural resources
-  12.5 Significantly reducing waste generation
-  13.2 Integrating climate change measures into policies and planning



Society & Employees

Material sustainability issues: Diversity and equal treatment and Health and safety

-  8.8 Protecting labor rights and promoting safe working environments
-  10.3 Ensuring equal opportunities and ending discrimination
-  11.1 Safe and affordable housing
-  11.3 Inclusive and sustainable urbanization

Business Ethics & Governance

Material sustainability issues: Financial balance, the prevention of corruption and risk management







-  8.1 Sustainable economic growth
-  16.5 Substantially reducing corruption and bribery

ALM Equity's sustainability framework

To clarify how ALM Equity, in its role as a company and owner, will work on the most important sustainability issues, its sustainability strategy is spelt out in a framework that covers both the parent company and the company portfolio. The framework consists of three sustainability areas based on our environmental, social and economic responsibility. These areas are the Environment & Climate, Society & Employees and Business Ethics & Governance. The material sustainability issues identified in the materiality assessment have been grouped together under each sustainability area together with overall sustainability goals. For each area, expectations are also placed on the portfolio companies by ALM Equity. These aim to ensure that the sustainability work is carried out in the companies and to enable the achievement of the overall sustainability goals.

Within the Group, each company works and develops its own sustainability approach, partly to meet ALM Equity's sustainability expectations and overall goals, and partly based on its own business priorities, objectives and other stakeholders' requirements. The companies are given responsibility for identifying their own material sustainability areas and developing action plans to meet the specific expectations placed on them.

The companies within the Group are at different stages in their sustainability development, which is reflected in the KPIs. The Group companies are included in the reporting on the following pages. Page 36 contains a summary of the associated holdings' sustainability efforts based on ALM Equity's expectations. More information about these holdings' sustainability efforts can be found in their own sustainability reports.

	 Environment & Climate	 Society & Employees	 Business Ethics & Governance
Key issues	<ul style="list-style-type: none"> Climate impact Resource consumption 	<ul style="list-style-type: none"> Diversity and equal treatment Health and safety 	<ul style="list-style-type: none"> Financial balance Prevention of corruption Risk management
Overall objectives	<ul style="list-style-type: none"> Halving GHG emissions from day-to-day activities by 2030 (base year 2021). All portfolio companies should implement circularity in their business. 	<ul style="list-style-type: none"> No accidents or work-related illness. No form of discrimination or special treatment. All portfolio companies should achieve at least one of their own social sustainability objectives linked to positive social development. 	<ul style="list-style-type: none"> No instances of corruption or bribery. Green financing should be available for the portfolio companies' activities. Sustainability should be an integrated part of business processes.
Expectations of the company portfolio	<ul style="list-style-type: none"> Develop a climate strategy in line with the Paris Agreement and report the organization's climate emissions annually. Work to increase circularity in resource consumption. 	<ul style="list-style-type: none"> Work systematically to promote diversity and equal treatment within the company. Work proactively to establish a work environment that promotes employees' health and safety. Work actively towards sustainable and safe urban development. 	<ul style="list-style-type: none"> Be transparent in reporting on sustainability work. Integrate sustainability into the value chain. Have a code of conduct and regularly report on compliance. Work to prevent bribery and corruption within the organization. Continuously analyze sustainability risks and opportunities. Have procedures and structures that support sustainability work within the business.
Global targets prioritized			



Key issues

- Climate impact
- Resource consumption

Overall objectives

- Halve GHG emissions from day-to-day activities by 2030 (base year 2021).
- All portfolio companies should implement circularity in their business.

Expectations of our companies

- Develop a climate strategy in line with the Paris Agreement and report the organization's climate emissions annually.
- Work to increase circularity in resource consumption.

Global targets prioritized

- 7.3 Doubling the rate of improvement in energy efficiency.
- 12.2 Sustainable management and use of natural resources.
- 12.5 Significantly reducing waste generation.
- 13.2 Integrating climate change measures into policies and planning.

Environment & Climate

ALM Equity's environmental and climate impact is relatively small compared with the Group companies. Our most important contribution is therefore supporting their climate and environmental work and steering it in a positive direction through various initiatives.

Climate strategies and certifications

In 2023, we worked to improve the quality of the Group's climate calculations and develop processes for systematic data collection. Climate inventories are seen as a prerequisite for analyzing and prioritizing emission reduction measures. They are also part of the work to achieve the overall climate goal of halving emissions from current activities by 2030. In the autumn, the parent company and Group companies prepared climate inventories in accordance with the Greenhouse Gas Protocol (GHG) for the third consecutive financial year. More information about the inventories can be found on the next page and further details on pages 37–38.

An effective tool for monitoring the sustainability performance of projects, and therefore the Group's environmental performance, is the environmental certification of buildings. Two of the Group's property projects under construction in 2023 will receive the Swedish Green Building Council's silver certification and the Nordic Swan Ecolabel. Environmental certification is planned for four out of the seven turnkey contracts signed by 2xA Entreprenad in 2023. The company is working as much as possible to encourage its clients to include sustainable options and methods in property development projects, including choosing to environmentally certify properties. During the year, ALM Småa Bostad revised its environmental policy and decided that all future new construction projects

will be environmentally certified. The certification standard to be used depends on the backgrounds to the projects and the nature of the buildings. In 2023, 2xA Entreprenad obtained ISO certification according to three different standards, including environmental management system standard ISO-14001. The certification shows that the company has clear procedures for its environmental efforts and works systematically to measure and improve the business's environmental performance. As part of the certification process, the company set its own climate objectives, one of which focuses on increasing the development of expertise in the sustainability certification of property projects. This work will continue in 2024.

Risk management through the TCFD

Integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) is a process aimed at ensuring that climate-related considerations are systematically included in the Group's strategic decisions, a process that was started in 2022. During the autumn, the risk assessment was updated to reflect the latest insights and predictions regarding the impact of climate change on ALM Equity's business. The analysis was also carried out from a broader perspective, whereby we carried out an overall assessment for the entire company portfolio, starting with the main activities of ALM Equity's portfolio companies. More information can be found on pages 39–41.

Spotlight



Science Based Targets Initiative

In 2023, the possibility of ALM Equity joining the Science Based Targets Initiative was explored. We decided to postpone our application until the current climate target for the company portfolio has been evaluated, to ensure that the target is sustainable and effective over the long term, regardless of the portfolio's composition. In 2024, we therefore intend to spell out the climate target for the company portfolio and ALM Equity's investments, and then revisit the decision on whether to join the SBTi.

Climate inventory

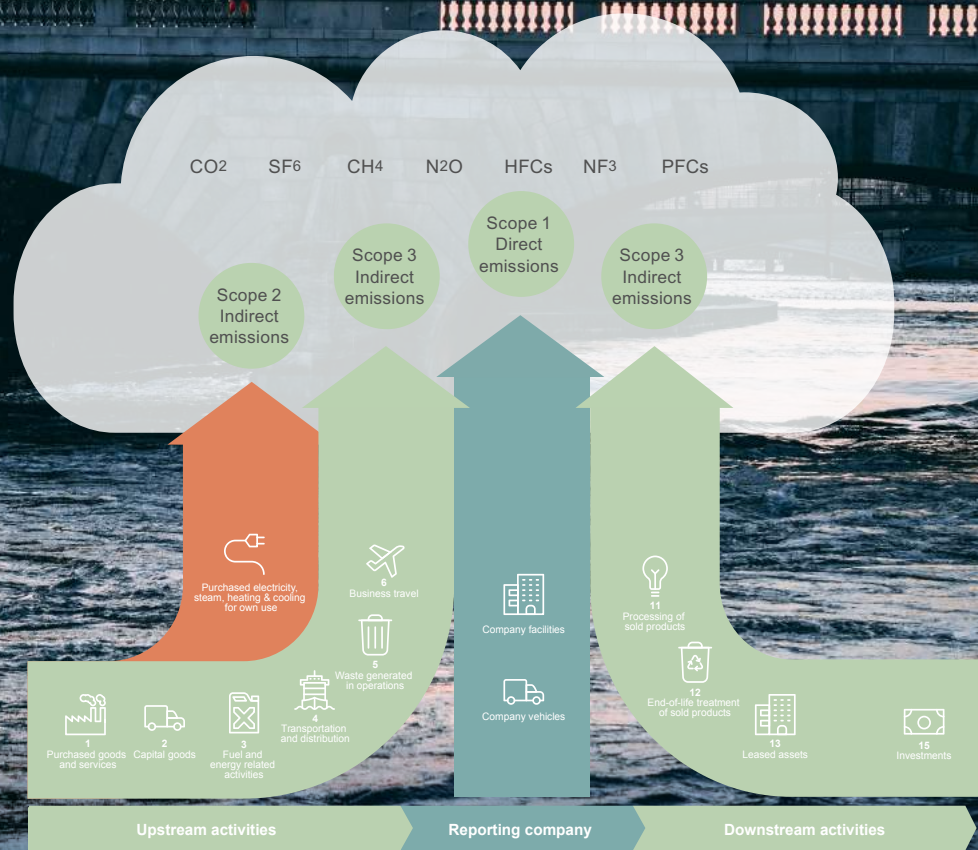
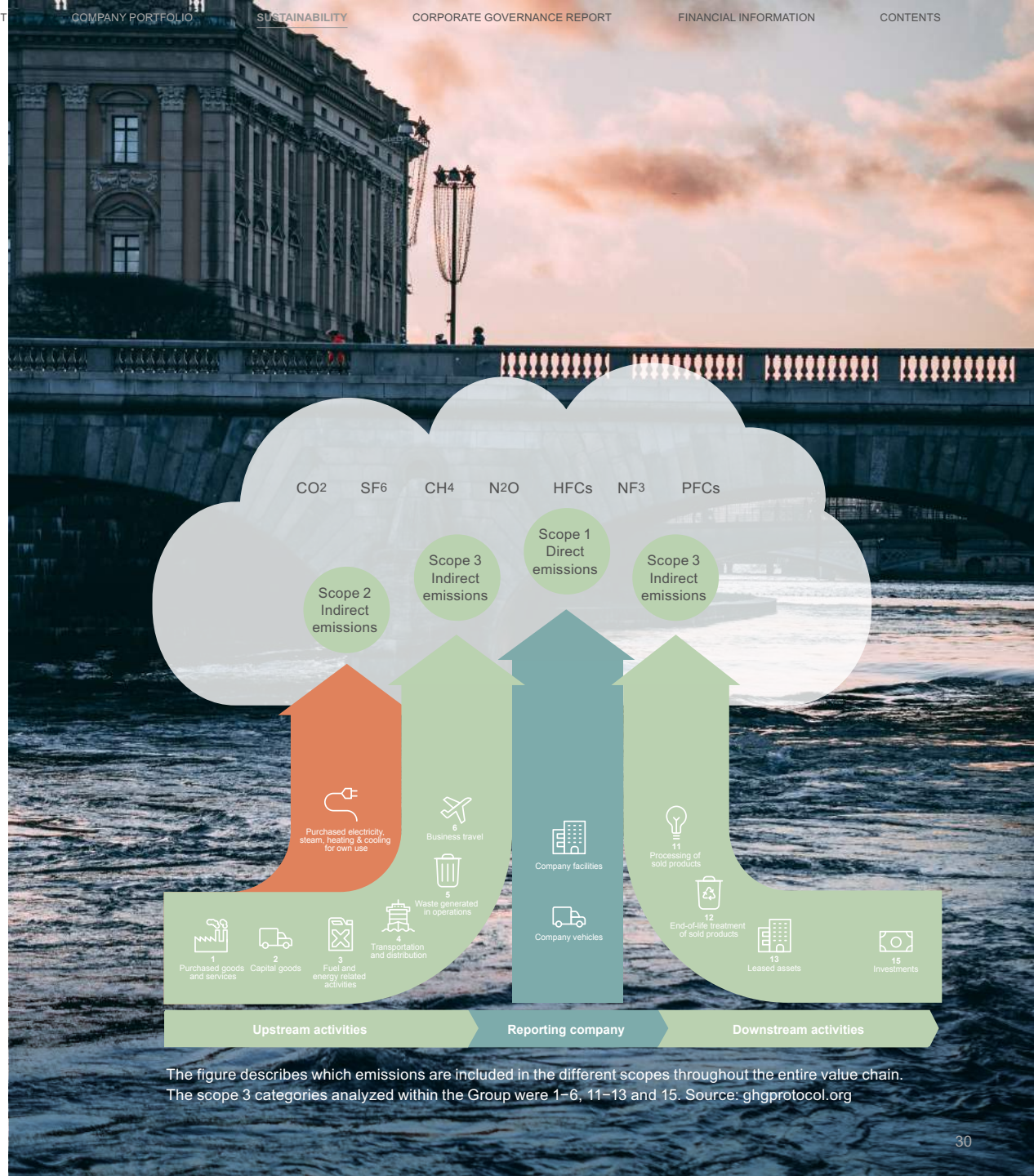
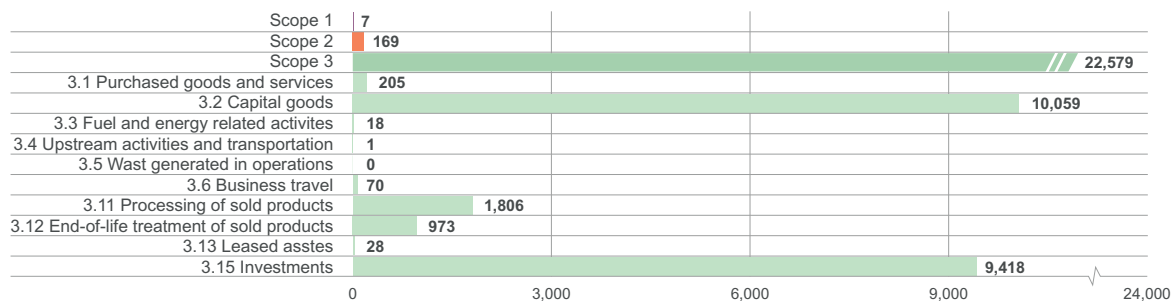
The reporting period for ALM Equity's climate inventory does not yet align with the current financial year, which is why in 2023 we measured and calculated the Group's emissions for the financial year 2022. The climate inventory includes scope 1, scope 2 and significant parts of scope 3. See the image on the right. The results also include the associated holdings' scope 3, category 15 emissions corresponding to ALM Equity's shareholding. The overall outcome of the climate inventory shows total greenhouse gas emissions of 19 128 tonnes CO₂e. This represents an increase of 18% compared with 2021, mainly due to the inclusion of all the associated holdings' emissions in the climate inventory. Their emissions account for around 30% of total emissions and are therefore an important focal area for emission reductions.

During the financial year 2022, the parent company reduced emissions in its own activities by, among other things, ensuring green energy sources in its offices. Another important emission reduction measure is that an increasing number of company cars are powered by fossil-free fuels, which is in line with ALM Equity's decision that from 2020 the Group would only provide cars powered by 100% renewable fuels. The parent company's emissions are small compared with the Group, however, the construction and operation of buildings accounting for the largest share of the emissions.

The main climate-reducing measures introduced in the Group companies have mainly been aimed at increasing expertise in the climate impact of activities and improving the measurement and monitoring of emissions within the companies. One of 2xA Entreprenad's climate objectives is to streamline the work of measuring and monitoring greenhouse gas emissions for construction projects. They are also working, where possible, to request that suppliers report the greenhouse gas emissions from their building components. As the construction sector is showing varying degrees of maturity in its climate action, it is not always possible to achieve this in every context. 2xA Entreprenad's ambition is to guide and support its suppliers as they make progress in this direction. ALM Småa Bostad is also working to inform and exert an influence on the value chain where possible. Further information about the methodology for the preparation of the climate inventory and detailed results can be found on pages 37–38.

The strategy going forward

In the future, we aim to collect more detailed and actual data, especially on building project emissions. The ambition is also to catch up on climate calculations for the current financial year. To facilitate the measurement and monitoring of our overall climate targets, we intend to develop intensity targets for the company portfolio in 2024.



The figure describes which emissions are included in the different scopes throughout the entire value chain. The scope 3 categories analyzed within the Group were 1–6, 11–13 and 15. Source: ghgprotocol.org

Resource and energy efficiency measures

ALM Equity's Group-wide housing concept of space-efficient homes reflects our main contribution to the reduction of resource use and energy consumption during the construction process and when buildings are in operation. Our commitment to circularity and energy efficiency takes different forms in different parts of the property project value chain, property development and contracting being the Group's core activities. During the project planning phase, ALM Småa Bostad collaborates with 2xA Entreprenad's architects and with external parties to optimize the utilization rate in the best way possible. The companies' strategy is to take an open and innovative approach during the development phase, based on the unique conditions of each project, and is not limited to standardized apartment blocks. This allows more environmental benefits to be captured during the planning and construction phase.

Reuse in the construction process

Reuse is a key part of the construction and property sector's efforts to reduce its climate impact, especially given that the use of construction materials accounts for a significant share of the environmental impact of property projects. The conservation and reuse of materials in property projects is also a central part of ALM Equity's strategy to reduce the Group's overall climate impact.

The Group has good experience of successfully integrating reuse into property projects. The Terra project in Telefonplan and Lampfabriken in Sundbyberg are examples of ROT (Restoration, Conversion and Extension) projects developed by ALM Småa Bostad. The Lignum project at Telefonplan, completed in 2023, reused large parts of the existing building. Another reuse project is Elverket in Sundbyberg, which will undergo conceptualization

in 2024. The plan for this project is to transform the former industrial building into large apartments with retained features.

To reinforce the circular business model within the Group, in addition to embarking on reuse projects, the companies are working to reduce waste and ensure efficient and safe waste management in projects. One of the challenges involved is monitoring waste statistics, which is complicated by the use of several different waste contractors, only a limited number of which can provide complete data. In order to address this, it is important for the companies to act as requirement setters to accelerate the work on data monitoring, which will be one of their key tasks going forward.

Ensuring energy efficiency through sustainability-certified buildings

Energy-efficient construction plays a key role in the Group's efforts to reduce the climate impact of our property projects. Energy declarations are usually used to quantify the energy performance of buildings, providing a good understanding of their energy consumption and indoor environment.

In 2023, the Trilling project in Kärrtorp was completed, where much of the work was focused on energy-efficient construction as early as the procurement phase. Through upstream measures to improve energy efficiency in the project, significant successes were achieved. The project meets the Swedish National Board of Housing, Building and Planning's requirements for energy class B and will be Nordic Swan Ecolabel certified in 2024.

The Nordic Swan Ecolabel certification of buildings is a good tool to help increase the energy efficiency of buildings, as the energy use requirements are stricter than those imposed by the authorities. In the two

sustainability-certified projects that ALM Equity completed in 2023, photovoltaic systems were also installed.

Circularity in Your Block's business

The ALM Equity Group company Your Block has a clear focus on digital services with a grounding in the principles of circularity. Its business model places great emphasis on promoting the reuse of materials and energy as part of a sustainable cycle. With its app, it enables residents to make more environmentally conscious choices in their daily lives. The app is able to offer features such as electric vehicle sharing, for example, which reduces the climate impact of transport. Energy consumption in the home can also be monitored, which increases residents' awareness of their energy use and leads to more resource-efficient consumption. In this way, Your Block is playing an important role in the promotion of a more circular lifestyle to its users.

Environmental- and climate-related KPIs for the ALM Equity Group

Total carbon dioxide emissions

2023:	19,128 tonnes
2022:	15,600 tonnes

The main reason for the increase compared with 2022 is the inclusion of more associated holdings' emissions. If the climate inventory is adjusted for the effect of the broader system scope, the figure becomes 13,559t CO₂e

Number of reuse projects under construction

2023:	2/9
2022:	2/13

Relates to property projects in which materials or construction components from an existing building are being reused.

Number of environmentally certified projects under construction

2023:	2/9
2022:	2/13

It was decided in 2023 that all future new construction projects will be environmentally certified. The decision does not cover the projects that 2xA Entreprenad develops for external customers.

Share of eco-labeled electricity in the Group's offices

2023:	100%
2022:	100%



Key issues

- Diversity and equal treatment
- Health and safety

Overall objectives

- No accidents or work-related illness.
- No form of discrimination or special treatment.
- All portfolio companies should achieve at least one of their own social sustainability objectives linked to positive social development.

Expectations of our companies

- Work systematically to promote diversity and equal treatment within the company.
- Work proactively to establish a work environment that promotes employees' health and safety.
- Work actively towards sustainable and safe urban development.

Global targets prioritized

- 8.8 Protecting labor rights and promoting safe working environments.
- 10.3 Ensuring equal opportunities and ending discrimination.
- 11.1 Safe and affordable housing.
- 11.6 Reducing the environmental impact of cities.

Society & Employees

Being an attractive employer and a good corporate citizen are fundamental values for ALM Equity. Our social responsibility is based on safeguarding the health and well-being of our employees while contributing to safe and sustainable neighborhoods.

Sustainable and safe urban development

ALM Equity's Group-wide housing concept is focused on creating space-efficient homes that are close to public transport and offer opportunities to benefit from a shared economy and ancillary services. This concept promotes not only residential areas where people can live both safely and with less of an environmental impact, but also sustainable neighborhood development more broadly. By offering affordable housing and a varied property portfolio with different types of tenure, the level of inclusion can be increased in the areas where the Group operates. In major urban development projects, we work together with municipalities and other stakeholders to develop amenities such as preschools, green areas and access to public transport to improve the quality of life in the area and create added value for its inhabitants.

The Group companies' social objectives

One of ALM Equity's objectives for the Group companies is that they should achieve at least one social objective linked to positive social development by 2030. All the companies contribute to positive social development in various ways through their urban and residential development projects and management activities. The process of defining an objective in this area differs depending on the

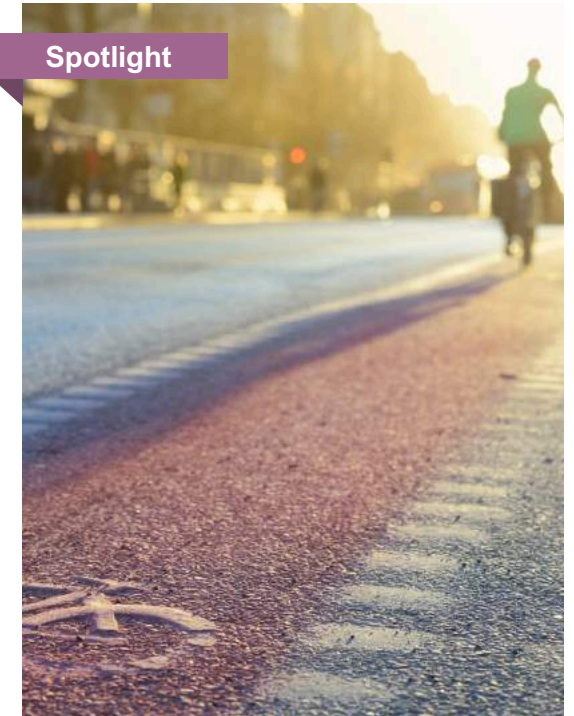
company's activities, phase of development and specific characteristics. ALM Equity supports the Group companies by providing resources and expertise when it is relevant and possible to define these objectives.

In recent years, ALM Småa Bostad has shifted its focus from solely residential construction to the creation of vibrant neighborhoods with attractive living environments, opportunities to interact with neighbors and a mix of different activities. The company sees a clear need to prioritize security measures in the areas they develop and to intensify work on these issues at every stage of the project development process. The goal going forward is also to formalize objectives linked to this work.

While Your block has not yet set a specific objective in this area, a large part of the company's core business revolves around improving communication between neighbors to increase the sense of community and well-being in residential areas. The company's digital locking system solutions for properties also contribute to increased security, for example through better control of authorizations and access to public areas.

During the year, 2xA Entreprenad devoted considerable resources to the ISO certification of its activities. The company plans in the future to spell out its social objectives in accordance with the Group's guidelines.

Spotlight



Corporate sponsor of Stockholms Stadsmission

ALM Equity became a corporate sponsor of Stockholms Stadsmission by making a contribution in 2023. We are proud to be supporting their important work of helping people in precarious situations. Through this partnership, we are striving together to create a more equitable and inclusive society where everyone is offered an equal chance to live a healthy life.

Employee health and safety

Our employees are central to ALM Equity's development and their health and safety is therefore a strategic issue. Health and safety risks vary depending on where employees are located within the business. For office activities, the typical work environment risk is ill-health in the form of unhealthy workloads and stress, while the risks in construction activities are mainly related to various types of accidents. ALM Equity has ambitious work environment objectives and a vision of zero accidents or work-related ill-health within the business. In 2023, no serious work-related accidents leading to sick leave were reported.

The Group's systematic approach to health and safety

The ALM Equity Group manages the work environment systematically, which means that we work according to clear processes to ensure a safe and healthy work environment for employees. Policies, procedures and checklists providing guidance on how to adopt the approach and how to raise awareness of the risks have been gathered together in a common health and safety manual that is available to all employees.

The measures implemented include regular follow-up interviews to address and manage stress-related ill-health, regular health checks and agreements with external occupational health care providers and crisis services. Sickness statistics are regularly reviewed to detect any signs of ill-health and guidelines are in place for managers telling them how to respond to different levels of sickness-related absenteeism. There is also a central Work Environment Committee, which includes representatives from different parts of the Group, to evaluate and improve work environment measures within the Group.

To further reinforce managers' work environment efforts, we developed a digital work environment training course in 2023, focused on increasing their knowledge of the work environment responsibilities that come with being a manager. Our commitment to employee well-being and safety remains strong and a priority for future work.

Enhanced work environment management at 2xA Entreprenad

In addition to ALM Equity's procedures for systematic work environment management within the organization, 2xA Entreprenad also has specific safety rules and procedures for construction sites. As part of its certification in accordance with the ISO 45001 standard, the company has introduced a management system for its work environment efforts and thereby also reinforced its systematic work to prevent injuries in the workplace. One example is the introduction of a new digital deviation reporting system used to collect, evaluate and analyze deficiencies in order to develop working methods and procedures. The new system facilitates the reporting and follow-up of any incidents or accidents that may occur on the company's various construction sites. The company has also collated its employees' levels of expertise to ensure, in a more transparent way, that the right expertise is available within the organization, and to more easily identify where training measures are needed.

Inclusion and diversity

For ALM Equity, diversity and inclusion initiatives are not only an effective way to counteract discrimination, but are also important for future-proofing the company by ensuring broader expertise.

In 2023, several measures were taken to promote equal treatment and diversity within the organization.

For instance, an inclusion survey was conducted to investigate how Group employees perceive inclusion in the workplace. The survey, developed by the company My Life, consists of a number of research-based questions about group membership and the value of uniqueness. The overall result for the Group was an index of 8.4 with a response rate of 91% where indices of higher than 8 are classed as very good. In 2024, we will continue to work on measures to raise the level further, based on these results.

At management level, a structured approach is taken to equal treatment-related issues and there is an established Group-wide equality plan. Within the framework of this plan, there are procedures and practical checklists that aim to make it easier for each company to work on these issues, including to ensure equal pay and skills-based recruitment. A mixed skills profile must also always be a priority when recruiting employees. ALM Equity's Group-wide equal treatment and diversity policy was updated during the year, to clarify the active measures to be taken in these areas.

ALM Equity has zero tolerance for discrimination, harassment or sexual harassment within the Group. An employee who is subjected to, or who notices another person being subjected to, discrimination or harassment, must report this to their immediate manager, HR or management, or via ALM Equity's whistleblower service. The anonymity of the person making the report must always be guaranteed and managers are trained in the procedures for managing and preventing victimization. No cases of discrimination or harassment were reported in 2023.

Employee-related KPIs for the ALM Equity Group

Attendance

2023:	97.3%
2022:	97.2%

Work-related accidents reported

2023:	0
2022:	0

Proportion of women

2023:	Board of Directors 20%	Management 25%	Group 28%
2022:	Board of Directors 20%	Management 25%	Group 31%

Inclusion index

2023:	8.4 out of 10
2022:	The measurement was carried out for the first time in 2023

Cases of victimization reported

2023:	0
2022:	0



Key issues

- Financial balance
- Prevention of corruption
- Risk management

Overall objectives

- No instances of corruption or bribery.
- Green financing should be available for the portfolio companies' activities.
- Sustainability should be an integrated part of business processes.

Expectations of our companies

- Be transparent in reporting on sustainability work.
- Integrate sustainability issues into the value chain.
- Have a code of conduct for the company and regularly check that it is being upheld.
- Take a structured approach to preventing bribery and corruption within the organization.
- Continuously analyze sustainability risks and opportunities.
- Have procedures and structures that support sustainability work within the business.

Global targets prioritized

- 8.1 Sustainable economic growth.
- 16.5 Substantially reducing corruption and bribery.

Business Ethics & Governance

Clear corporate governance and good business ethics are basic prerequisites for ALM Equity and the Group companies. Our success is directly related to the strategy of growing responsibly with a focus on the well-being of people, the environment and society.

Sustainability in business processes

An important part of ALM Equity's task of developing companies is being a responsible owner and supporting Group companies with their sustainability efforts. We expect companies to conduct their business in a sustainable and ethical way and to have a business culture that take these issues thoroughly into account. To enable this, ALM Equity provides support for example with Group-wide sustainability-related processes and procedures, training and joint activities. ALM Equity also provides support in the form of external access to expert consultants, with whom, in the course of the year, we monitored the companies' climate emissions, reviewed their climate risks and began a double materiality assessment in accordance with the CSRD guidelines.

Sustainable business within Group companies

Since the companies within the Group are active in different parts of the property sector, this affects the sustainability issues that they prioritize and address. At Your Block, sustainability has always been part of the company's business, as they wish to facilitate the sharing economy and enable a more sustainable and circular lifestyle through their digital platform. 2xA Entreprenad's triple certification in the ISO standards for the work environment, environment and quality shows that the company is taking a systematic and

long-term approach to its sustainability efforts. ALM Småa Bostad's impact is mainly through its ability to develop sustainable property projects. Its decision in 2023 to certify all of its new builds for sustainability also makes this clear to the market.

Aiming to increase the share of sustainability-certified projects also creates better financing opportunities. It results in more favorable terms both with banks and in the capital market and access to more financing options. In 2023, the Group has not received any green financing, but its ambition is for a large part of its future financing to be green.

Active ownership of associated holdings

In ALM Equity's associated holdings, we are also actively working to increase value both for the companies and society at large. A clear example of this is the forming of the new property company Klöver, which we undertook together with the Corem Property Group in 2022, and in which our investment in the newly formed company included a portfolio of approximately 11,000 building rights from ALM Småa Bostad. Through various initiatives taken in 2023, including Nrep becoming the company's main shareholder, we enabled the completion of a project portfolio of an initial 24,000 homes in a still stalled housing market, contributing increased growth and employment to society. Read more about our involvement in Klöver on page 10 of the Annual Report.

Spotlight



Increased focus on strengthening IT security

The protection of Group information and business data is an important component of our business ethics and was intensified in 2023. Three-factor authentication was implemented, for example, to strengthen protection against intrusion attempts and email fraud. Several advanced security features were activated and stricter risk policies for user and login management were introduced. Taken together, these measures have helped to make our security rating twice as high, according to Microsoft's assessment, as the average for companies of a similar size. A digital IT security training course was also developed during the year, which all Group employees must complete. These initiatives are not only technical necessities but also part of our strategy.

Guidelines for acting in line with business ethics

ALM Equity's business ethics framework is defined in a number of key policies and other governance documents that apply to the entire Group and are reviewed and updated annually. These documents define the requirements to be met by employees and partners to ensure that our business activities are not only financially successful, but also sustainable and ethically responsible. One of the documents is ALM Equity's Code of Conduct, which sets out how to conduct our business in an ethical, social and environmentally friendly way, based on the ten principles of the UN Global Compact.

Good relations with our stakeholders are essential for the Group. Actively preventing and countering all forms of corruption is therefore a strategic priority. ALM Equity has zero tolerance for bribery and corruption and Group companies are expected to take active anti-corruption measures work in their respective activities. Risks related to regulatory compliance and corruption are also included as part of the annual Group-wide risk analysis. ALM Equity's employee handbook contains procedures and instructions aimed at giving guidance to employees on how offers of gifts and entertainment should be handled. No instances of corruption were reported or identified within the Group in 2023.

In 2024, we intend to develop a digital training course for the Group's employees designed to increase their knowledge of ALM Equity's governance documents, and to introduce the annual signing of the internal Code of Conduct.

Sustainability commitments within the value chain

The ALM Equity Group has a small core organization and therefore procures many services externally. As such, our suppliers are an important part of the Group's activities. Together with them we must take responsibility for a sustainable society and always strive to be trustworthy, far-sighted and reliable players in the market. To ensure that suppliers operate responsibly, there is a Group-wide supplier code and clear requirements are set in procurement documents, which are followed up when contracts are signed with new suppliers or contracts are renewed. 2023 saw the implementation of ALM Equity's new supplier code for new and existing contract-based suppliers. This is based on the principles of the internal Code of Conduct. The supplier code defines our requirements and expectations of people working for the Group, with the aim of strengthening our commitment with regard to the value chain. It also gives us the right to conduct internal audits in case of suspected non-compliance.

2xA Entreprenad has its own supplier code, which is in line with ALM Equity's supplier code, but includes more rules adapted to contracting operations. To increase control over purchasing and ensure sustainable supply chains, the company also hired a central purchasing manager during the year, whose responsibilities include major project purchases and follow-ups of subcontractors and suppliers.

In the coming year, the Group will continue to explore opportunities to ramp up its efforts and increase its monitoring of the value chain, including through value chain mapping to identify the highest risk suppliers.

Digital whistleblower function

Suspicions of misconduct can be anonymously reported by Group employees and external partners through ALM Equity's digital whistleblower function, Whistle B. Reports are to be handled confidentially and investigated in accordance with established procedures. No internal or external incidents relating to deficient business ethics or corruption were reported within the Group in 2023.

Risk management

Assessing and managing sustainability risks is a regular part of the operational work carried out by ALM Equity and the Group companies. Ownership of the risks identified lies with the respective companies, and the risks are reported to Group management.

ALM Equity conducts an annual comprehensive risk review in accordance with the Enterprise Risk Management (ERM) process, which also includes sustainability risks and social risk factors. An overall assessment is then made of the risk exposure of the entire company portfolio, in order to achieve effective risk monitoring approached from a broader perspective. The TCFD framework is also integrated into the risk analysis, as explained on pages 39–41.

The overall risk management process is a central part of our corporate governance, and ensures that we proactively identify and manage the companies' sustainability risks and opportunities in order to future-proof the companies and thereby enhance ALM Equity's long-term performance. More information about ALM Equity's risk management can be found in the Corporate Governance Report on pages 51–55.

Business ethics-related KPIs for the ALM Equity Group

Instances of bribery and corruption reported

2023:	0
2022:	0

Reports via the whistleblowing function

2023:	0
2022:	0

Suppliers who have signed the Code of Conduct*

2023:	17
2022:	The new supplier code implemented in 2023

Applies to parent company suppliers. In the future, we intend to report that supplier codes have been signed across the Group.

Sustainability – associated holdings

ALM Equity has associated holdings in three companies, two of which are listed and all of which are active in the property estate sector. For these companies, our ability to exert an influence is related to the size of ALM Equity's shareholding. Influence is mainly exerted through Board representation by ensuring that relevant structures and strategies are established so that the companies operate sustainably.

This section describes how the associated holdings' sustainability efforts have progressed based on ALM Equity's expectations. The expectations cover all the ESG areas and are based on our overall sustainability framework, which is described on page 28. More information about the companies' sustainability efforts can be found in their respective sustainability reports.

Environment & Climate

Some of ALM Equity's expectations of companies include annual reporting of climate emissions and promoting resource efficiency. All the companies calculate their emissions in accordance with the GHG Protocol, which is a good tool for identifying where in the value chain the greatest emissions are generated and for prioritizing the right measures to reduce the companies' climate impact.

Klöver and Svenska Nyttobostäder are involved in management activities, where work on energy efficiency and access to renewable electricity is central to achieving sustainable operations. Renewable electricity accounted for 90% of Klöver's purchases last year, for example. During the year, Svenska Nyttobostäder continued its efforts to connect more properties to the SCADA (Supervisory Control and Data Acquisition) system, which enables increased energy optimization through the monitoring and controlling of energy use.

Environmental certification is part of the companies' strategy to promote resource efficiency in the construction and operation of buildings. Among other things, since 2021 Aros Bostad has required that new projects benefit from Nordic Swan Ecolabel certification and an energy class of at least B, which means strict requirements regarding materials, energy consumption and waste minimization.

Society & Employees

The companies are working to ensure a safe and secure workplace for their employees, in accordance with ALM Equity's expectations. All the companies engage in systematic and proactive work environment management, which is governed by their work environment policies.

Companies are also expected to promote sustainable and safe urban development in the areas where they operate. They follow a strategy of contributing to an inclusive and sustainable society through their respective activities. Aros Bostad and Klöver develop properties under their own management, for which they are able to be involved at an early stage in creating vibrant local communities. Klöver's and Svenska Nyttobostäder's rental apartments contribute to increased inclusion and enable more people to obtain affordable housing. During the year, Svenska Nyttobostäder also changed its rental model to direct agreements with tenants, which contributes to

greater control over the tenants and can counteract unauthorized subletting and crime.

Business Ethics & Governance

ALM Equity's policy framework provides guidelines for how the Group should operate responsibly and sustainably, and we also expect the associated holdings to adhere to these principles. This includes integrating sustainability issues into its value chain, actively combating bribery and corruption, and continuously analyzing sustainability risks and opportunities.

Since the construction and property sector commonly features large, multiple purchases through a number of intermediaries, working to ensure a sustainable supply chain is something that is constantly prioritized and developed within the companies. All the companies have a code of conduct for suppliers, for instance. A whistleblower function is also in place for all the companies, making it easier for employees and external stakeholders to anonymously report suspected irregularities within the business. To further strengthen and secure the value chains within the companies, further work is required, which will be ramped up in line with reporting under the new EU legislation, the CSRD.

Sustainability-related KPIs for associated holdings

Executing a climate strategy:	2/3 companies
Measures emissions in accordance with the GHG Protocol:	3/3 companies
Has a resource efficiency target:	2/3 companies

There is a gender equality plan for the business:	2/3 companies
Sustainability data about diversity are collected:	3/3 companies
Has a work environment policy:	3/3 companies

Has carried out a materiality assessment in the last 2 years:	3/3 companies
Has a code of conduct for suppliers:	3/3 companies
Has a whistleblower function:	3/3 companies

More KPIs related to the companies' sustainability efforts can be found in their respective sustainability reports.

SUPPLEMENTARY SUSTAINABILITY INFORMATION:

Climate inventory

ALM Equity reports and monitors greenhouse gas emissions annually in accordance with the Greenhouse Gas Protocol framework. The reporting period for ALM Equity's climate inventory does not yet align with the current financial year, which is why in 2023 we measured and calculated the Group's emissions for the financial year 2022.

Description of method

The climate inventory for the financial year 2022 includes the emissions of the parent company and the company portfolio. 100% of the Group companies' emissions were included, whereas the associated holdings' emissions (scopes 1, 2 and 3) were included in scope 3, category 15, in keeping with ALM Equity's percentage shareholding. The calculations were carried out using the financial control approach and the market-based calculation method for scope 2 emissions. More than two-thirds of the emissions are based on standard sector values related to completed projects, which means that improved data quality is an important focal area for our future work. This will allow us to be more confident about our current situation and to better monitor the impact of measures taken to reduce emissions. Our ambition is also to start reporting the current year's climate impact in the Sustainability Report next year.

Data quality	Proportion
Measured	0.40%
Estimated	1.2%
Spend	1.0%
No data	0%
Reported by associated companies	30.3%
Standard sector values	67.1%

Scope 1

Scope 1 consists of emissions from self-owned company cars, which are primarily calculated based on the liters of fuel consumed. Alternatively, the type of car and the number of kilometers on the clock reported have been used as a basis for calculations.

Scope 2

Scope 2 includes the energy consumption taking place in connection with the company's own management and the Group's offices. The offices' energy consumption has been collected from the property owners' invoices. In the case of properties under management, the energy use has been calculated using standard values from the Swedish National Board of Housing, Building and Planning and the Swedish Energy Agency. These were updated during the year, which means that the energy consumption assumed has decreased. This year's climate inventory does not include unsold apartments in scope 2 because the emissions have already been included in the calculation of the use of sold products. According to the location-based method, the figure is 82.9t CO₂e.

Scope 3

3.1 Purchased goods and services

This category includes the emissions attributable to the Group's purchases of consumable goods. This includes groceries, IT equipment and services such as cleaning. The calculations are made based on cost data and emission factors from the National Agency for Public Procurement and RISE.

3.2 Capital goods

One of the Group's biggest sources of climate impact is the emissions built into the properties we build. In 2022, five projects were completed of a total surface area of 42,314 square meters of GFA and ground work including asphaltting. Emissions were calculated using standard values from the Swedish National Board of Housing, Building and Planning and an LCA of similar properties. The properties were grouped together based on building type as follows: concrete apartment blocks, wooden apartment blocks (modules) and wooden detached houses. For the ground and asphalt laying work, the calculations are based on costs and emission factors from the National Agency for Public Procurement.

3.3 Energy and fuel-related emissions

The emissions in this category relate to the indirect emissions from the operation of the Group's own vehicles and the production of electricity, heating and air-conditioning on the supplier's premises. The calculations are based on the data collected for scope 1 and 2.

3.4 Upstream transport

This category includes the emissions that come from the transport to the office that we purchase. The calculations are based on assumptions about transport distance and the number of routes.

3.5 Waste

The waste we produce has been collected from the respective waste management providers for our various offices. We were not able to collect data for the office in Tranås and therefore based the calculations on statistical data from other offices.

3.6 Business travel

This category includes emissions resulting from business travel by Group employees. Trips by car were calculated primarily based on the number of liters of petrol consumed and alternatively on the type of car and the km reported. Air travel is based on the number of trips and distance and is calculated with a high altitude factor of 1.9. Travel by public transport, taxi and hotel nights are based on cost data.

3.11 Use of sold products

The calculations for the use of sold products are based on the energy declarations for the completed buildings and an assumed lifetime of 50 years. The calculations also include assumptions about developments in the energy mix.

3.12 End-of-life treatment of sold products

Although we are working to ensure that the properties that the Group builds will exist for as long as possible and be reused to the greatest possible extent, our calculations in the climate inventory are conservative and assume that the properties built will be demolished. The calculation is based on standard emissions per square meter of demolished property.

3.13 Leased assets

In 2022, the Group had 12 properties consuming electricity and heat. As we have not been able to measure the exact consumption, an estimate was made using standard values from the Swedish National Board of Housing, Building and Planning and the Swedish Energy Agency.

3.15 Investments

This category is one of the Group's largest and includes ALM Equity's associated holdings, i.e. Klöver, Aros Bostad and Svenska Nyttobostäder. The calculations are based on the companies' public reporting of greenhouse gas emissions for every scopes, the emissions included in our climate inventory corresponding to ALM Equity's shareholding.

CLIMATE INVENTORY, CONTINUED:

Detailed breakdown of emissions

The table on the right shows the Group's emissions in tonnes for the financial years 2022 and 2021. The emissions represent the material greenhouse gas emissions in the value chain presented in accordance with the GHG Protocol's scope and categories.

Comparison between years

For the 2022 climate inventory, we continued to work on our data collection processes and to improve the quality of the data. This, together with the change in the inventory's scope, means that there is limited comparability between years.

With regard to scope 1, a major difference is that we no longer include the Group company Bomodul's production, as the company is being divested, and mobile combustion is therefore lower. An actual reduction in emissions that took place during the year stems from fewer company cars using fossil fuels. For scope 2, the standard values that we use have been adjusted and the scope changed, which explains a large part of the decrease. The significant increase in scope 3 is mainly due to the fact that more major projects were completed in 2022 than in 2021 and we include all the associated holdings' emissions. The decrease in purchased goods and services is attributable to the fact that the production of modules by Bomodul is no longer included.

Detailed breakdown of emissions by scope [tonne]	2022		2021	
	Absolute emissions	Proportion	Absolute emissions	Proportion
Scope 1				
Mobile combustion	7	0%	29	0%
Stationary combustion	–	0%	–	0%
Refrigerant leakage	–	0%	–	0%
Total	7	0%	29	0%
Scope 2				
Electricity	112	1%	574	4%
District heating	57	0%	104	1%
District cooling	–	0%	–	0%
Total	169	1%	678	4%
Scope 3				
1 Purchased goods and services	205	1%	2,747	18%
2 Capital goods	10,059	53%	9,423	60%
3 Energy and fuel-related emissions	18	0%	60	0%
4 Upstream transport	1	0%	167	1%
5 Waste	0.5	0%	1	0%
6 Business travel	70	0%	79	1%
11 Use of sold products	1,806	9%	1,354	9%
12 End-of-life treatment of sold products	973	5%	942	6%
13 Leased assets	28	0%	45	0%
15 Investments	5,791	30%	126	1%
Total	18,952	99%	14,944	96%
Scope 1+2+3	19,128	100%	15,651	100%

SUPPLEMENTARY SUSTAINABILITY INFORMATION:

TCFD reporting

Since 2022, ALM Equity has used the Task Force for Climate related Financial Disclosures' (TCFD) principles to identify and evaluate climate-related risks and opportunities. The aim is to better understand the financial impact of climate change on our business and our companies' performance in the short, medium and long term.

Governance

ALM Equity's Board of Directors has ultimate responsibility for the Group's strategic development and sustainability performance. This also includes overall responsibility for the company's risk management. ALM Equity's CEO and Group management are responsible for ensuring that climate-related risks and opportunities are integrated into the overall risk management process. However, each individual portfolio company has its own responsibility for assessing where the business has the biggest climate change-related opportunities and risks and for further managing them at company and project level. More information about ALM Equity's overall risk management can be found in the Corporate Governance Report on pages 51–55.

Strategy

The climate issue is one of the areas judged to have a major impact and is therefore significant for ALM Equity's business strategy. This requires an ongoing effort to adapt operations based on assessments of future climate change. The significant climate risks and opportunities are mainly realized in the portfolio companies. Analyzing the portfolio's total risk exposure according to the TCFD's recommendations gives us a good basis for dialog with the companies regarding these issues. It also ensures better knowledge of what we should be focusing on in order to future-proof the companies and capture the business benefits that the transition may contribute to.

Risk management

The first analysis was conducted in 2022 and covered two of the larger Group companies. In 2023, an overall assessment was carried out for the entire company portfolio, based on the main activities engaged in by ALM Equity's portfolio companies, i.e. property development, property management and contracting. Given that the companies operate in different areas, their risks and opportunities differ. From a portfolio perspective, some more consistent risks and opportunities may be identified, however, as presented in the table on the next page.

Within ALM Equity's Group companies, assessments of sustainability risks are carried out for each specific property development project. Every year, a coherent and structured analysis is conducted whereby the companies, together with Group management and external experts, review the climate-related risks and opportunities for their respective activities and value chains and assess their impact. We do not have the same opportunity for transparency and influence in our associated holdings, but at the same time this is where we have the most exposure to management. Climate-related risks and opportunities are mainly overseen within these companies through Board meetings attended by ALM Equity's Board representatives.

Method

The climate risks and opportunities identified have been evaluated based on the following parameters: financial impact on the business and its value chain, the probability of the risk being realized and the time horizon for when a risk may materialize. The time horizons applied are: Short term: until 2025, medium term: 2026 – 2030 and long term: 2031 – 2040.

In accordance with the TCFD's recommendations, climate-related financial risks have been divided into two main categories: transition risks and physical risks. Transition risks refer to the regulatory, market-related and

technological risks that a transition to a lower-carbon society may entail. All the portfolio companies are exposed to transition risks, and we believe the risks will increase as climate change intensifies. Physical risks are those arising as a consequence of climate change, which may be acute risks in the form of extreme weather, or chronic risks such as a higher average temperature and rising sea levels. These risks may particularly include damage to the properties under management and disruption during construction. It is also important that these risks are taken into account during the project planning and conceptualization phase.

Opportunities

The transition to a low-carbon society may also present opportunities for ALM Equity and its portfolio companies. The opportunities are to be seized through our ambition of engaging in strong, preventive climate measures, which may attract new customers, investors and other stakeholders. The companies' efforts to increase the proportion of climate-friendly properties may increase revenues due to higher demand. Such properties also have a higher market value and improve our future financing prospects. The companies' investments in energy efficiency, self-generated electricity and reuse projects often result in lower operating and material costs. Changes in customer and market preferences due to climate change may also provide opportunities for companies to develop their businesses and reach new markets.

Going forward

In 2024, we will continue to assess ALM Equity's and the portfolio companies' most significant climate risks and opportunities and prioritize our actions accordingly. We will also continue to develop ALM Equity's reporting in accordance with the TCFD's recommendations.

TCFD REPORTING, CONTINUED:

TRANSITION RISKS	MAINLY AFFECTS	DESCRIPTION	MITIGATING MEASURES
Regulatory risks <i>Main medium- to long-term risks</i>	Property development Management Contracting	Higher taxes or other climate emission-related regulations risk affecting the entire value chain, which may lead to lower profit from projects and reduce our net operating income.	<ul style="list-style-type: none"> Climate reporting is carried out annually to identify the main sources of emissions in the business, and take action to reduce them. Investments are being made in renewable energy sources and self-generated electricity in property projects, which reduces the need to purchase electricity and therefore exposure to charges for energy-related climate emissions.
	Property development Management Contracting	Tougher climate regulations and slower permit-granting processes may lead to fewer project and business opportunities being seized, resulting in reduced revenues and lower growth. This also means a risk of fines and penalties for non-compliance with regulations and laws.	<ul style="list-style-type: none"> The development of new climate regulations in the areas that are essential to the business is being closely monitored. Dialog is held with municipalities, decision-makers and other industry players to analyze and clarify the consequences of proposed regulations and decide on measures in good time. An open and agile approach is taken to project implementation, which increases our adaptability to new regulatory changes.
Technological risks <i>Main short- to medium-term risks</i>	Property development Management Contracting	Significant investments required to adapt the business, production methods and products to the climate transition may lead to increased and unforeseen development costs and therefore an increased need for capital. This also entails a risk of unprofitable investments.	<ul style="list-style-type: none"> Employees are giving training to ensure a sufficient level of environmental expertise. Green technology innovations are continuously evaluated to ensure that the best solutions and methods are used during construction. Efforts are being made to improve energy efficiency in the existing building stock. The companies are working to increase the proportion of environmentally certified properties and thereby future-proof the portfolio.
Market risks <i>Risks across all time horizons</i>	Property development Management Contracting	Reduced availability of energy and materials and higher/volatile prices may lead to increased project implementation costs and lower net operating income for management activities. Material shortages may also lead to longer construction times.	<ul style="list-style-type: none"> Monitoring of the materials that risk becoming more expensive due to higher energy prices. The project development and construction process is not limited to specific types of buildings or materials. Reuse projects are carried out with circular material flows, reducing the need for new materials. Investments are made in operational optimization and energy efficiency to reduce energy use during construction and management. As far as possible, cost increases are passed on to customers/clients.
	Property development Management Contracting	Failing to take climate action or an inability to evolve in step with changing customer preferences may lead to reduced revenues, lower property values and reduced financing opportunities.	<ul style="list-style-type: none"> Market trends and competitors' actions are continuously evaluated in order to best adapt our offering. During the property development process, a degree of flexibility is maintained in concepts and products for as long as possible to make them adaptable to future changes. Efforts are being made to improve employees' expertise so that we can develop certified property projects with a good profit margin. The existing property portfolio consists mainly of new builds that are more climate-friendly than older properties. Digital solutions and sharing services are offered to enable residents to live in a more climate-smart way.
Reputational risks <i>Risks across all time horizons</i>	Property development Management Contracting	If the company is not perceived to be responsible by the outside world and stakeholders, this may damage its reputation and appeal, leading to a weaker market position, lower revenues and fewer business opportunities.	<ul style="list-style-type: none"> The companies are striving to report on their sustainability efforts transparently and clearly. The possibility of applying to have the Group's climate targets approved by SBTi is being explored. Building and construction management systems are environmentally certified, guaranteeing the sustainability of the buildings and systematic environmental management during constructions. There is good a level preparedness to ensure quick and clear communication in case of incidents.

TCFD REPORTING, CONTINUED:

PHYSICAL RISKS	MAINLY AFFECTED	DESCRIPTION	MITIGATING MEASURES
Acute risks <i>Risks across all time horizons</i>	Property development Management Contracting	Physical weather conditions may cause delivery delays and interruptions to construction that mean that construction times need to be extended. This may in turn result in penalties and other costs related to project delays, as well as a loss of revenue from delayed sales/occupancy.	<ul style="list-style-type: none"> • Rigorous procedures are in place for procurement and the signing of contracts in order to reduce counter party risks in projects. • Suppliers and building contractors are carefully evaluated prior to procurement. • Contracts are supplemented, where necessary, by collateral in the form of guarantees, insurance, bonds or similar. • An ongoing dialog is held with suppliers to reduce the risk of any unforeseen disruptions in the value chain.
	Management Contracting	Damage to and around properties caused by extreme weather conditions may lead to increased and unforeseen repair costs. This may also lead to a loss of income if the property becomes unusable, as well as higher insurance premiums and lower valuations.	<ul style="list-style-type: none"> • The technical performance of the properties under management is continuously evaluated. • We encourage the companies with management activities to analyze climate-related risks for each property and develop action plans for properties exposed to significant physical climate risk. • Potential areas of risk are continuously monitored at the construction site.
Chronic risks <i>Main medium- to long-term risks</i>	Property development Management	An increased need for climate adaptations in and around properties may lead to both more investments during the development phase and increased operating and maintenance costs when the properties are under management. Properties and building rights with a high exposure to risk may also lead to lower market valuations as a result of reduced demand.	<ul style="list-style-type: none"> • During the development and project planning phase, steps are taken to ensure that properties are designed to ensure their long-term adaptation to future climate change. • Climate risks are taken into account when properties are acquired. • The management companies' portfolios consist largely of new builds, entailing a lower risk of unforeseen maintenance work and climate adaptations than for older properties. • We encourage the companies to conduct climate analyses of their property and building rights portfolios.
	Property development	An increased degree of permanent physical climate change may lead to a more limited land supply, which in turn may result in a weaker market position and lower growth as there are fewer project opportunities to be seized.	<ul style="list-style-type: none"> • The companies endeavor to actively take climate measures that may result in a competitive advantage when it comes to land allocations and financing on more favorable terms, allowing it to do more business. • The companies' business models are adaptable and open to a wider geographical distribution of building rights should the land supply be reduced.

The auditor's opinion regarding the statutory sustainability report

To the Annual General Meeting of ALM Equity AB (publ),
Corporate ID Number 556549-1650

Assignment and allocation of responsibility

The Board of Directors is responsible for ensuring that the sustainability report for 2023 on pages 23–41 has been prepared in accordance with the Annual Accounts Act.

Scope and focus of the review

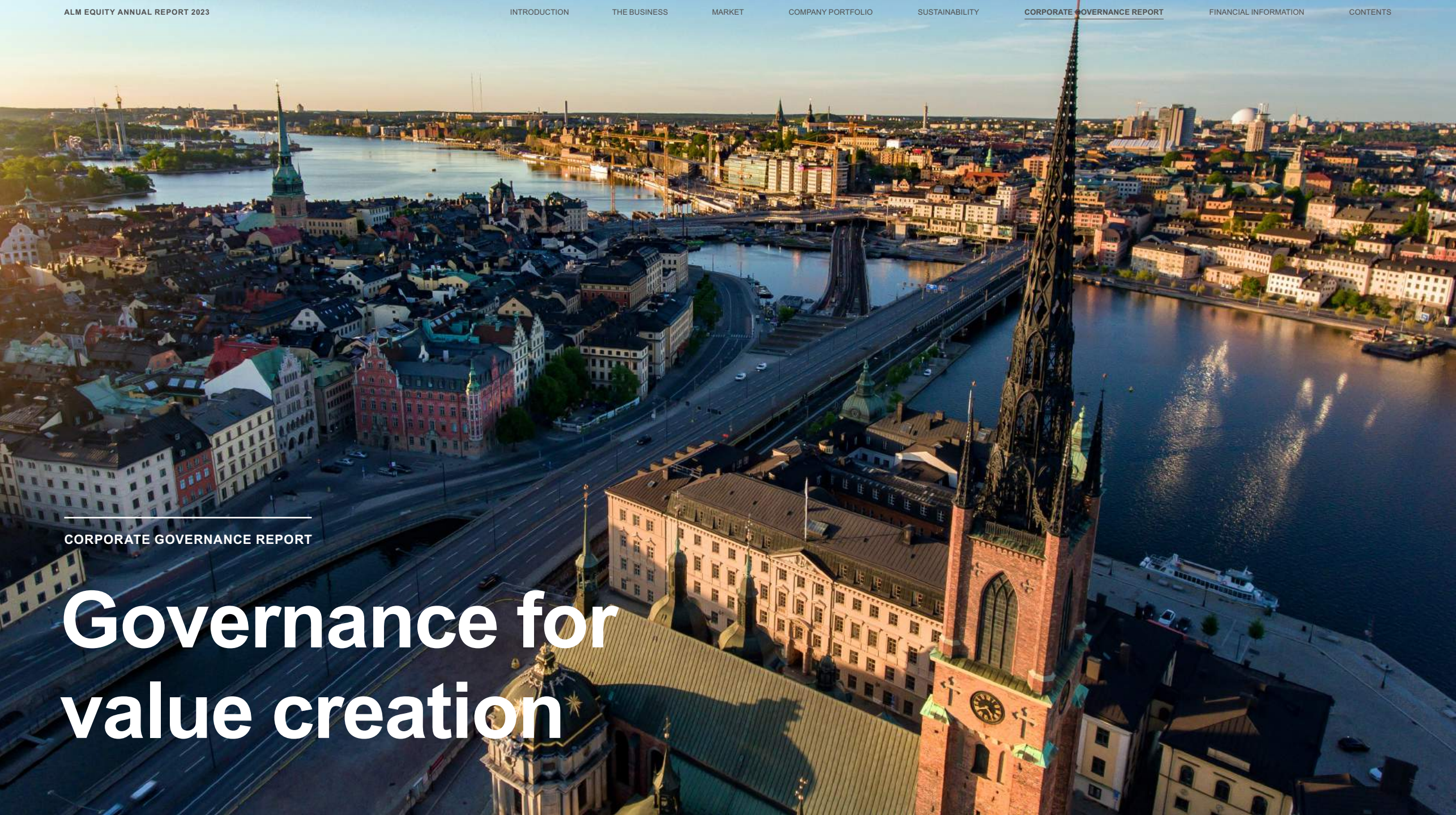
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 "The auditor's opinion regarding the statutory sustainability report". This means that our examination of the statutory sustainability report is different and substantially smaller in scope than an audit conducted in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

Opinions

A statutory sustainability report has been prepared.

Stockholm 18 April 2024
Ernst & Young AB

Fredric Hävrén
Authorized Public Accountant









CORPORATE GOVERNANCE REPORT

Governance for value creation

Board of Directors and auditor

The Board is composed of members with business development, property sector, financing and capital market expertise and experience.

					
Maria Wideroth Chair of the Board	Joakim Alm, Member of the Board and CEO of ALM Equity	Gerard Versteegh Board member	Johan Unger Board member	Johan Wachtmeister Board member	Fredric Hävrén Principal auditor
Born 1967. Elected in 2006.	Born 1961. Elected in 2006	Born 1960. Elected in 2006	Born 1961. Elected in 2006	Born 1959. Elected in 2006.	
Bachelor of Law, Stockholm University	Studied economics at Uppsala University	Business and Economics degree, Stockholm University	Business and Economics degree, Uppsala University	Master's in Engineering, KTH Royal Institute of Technology, and MBA, IMD	Business and Economics degree, Linköping University
Lawyer and partner, Landahl Advokatbyrå. Chair of the Board of EFIB (Enskilda fastighetsägare i Bromma) and the property and construction company Frentab.	Board member of Svenska Nyttobostäder AB, Klöver AB, Aros Bostadsutveckling AB, Kakelmax and 3E Property AB.	Chair of the Board and principal owner of Commercial Estates Group Limited, London, and Chair/Board member of a number of related companies.	He has been running his own business since 2006, in investment, financial advice and board work.	Has made his own investments, including through MJW Invest AB.	Authorized Public Accountant and partner at EY. Other significant offices: Aros Bostadsutveckling, Besqab, HEBA, Byggvesta, Fastpartner, HSB Bostad and Magnolia.
Has worked for a law firm since 1998. Specialized in property law and transactions.	Founder and CEO of the following free newspapers: Bargain Pages Ltd in England, 1989–1995, Admag Holding in India, and Admag Holding in Australia, 1997–1999. Business developer at Interline Phone, 1999–2002. CEO of Skarnvest AB, 2004–2006. Founder of ALM Equity AB, 2006.	Founder of Commercial Estates Group Limited in 1989. Previously worked in the banking sector in London, and invested in office and industrial properties.	Auditor at Arthur Andersen & Co 1985–1989. 1990–2005 employed by Hagströmer & Qviberg Fond-kommission AB, partner 1992–2005, Head of Corporate Finance 1996–2005.	SEB/Enskilda 1989–1999: Executive Vice President, SEB, Head of Corporate Banking in the Merchant Banking business area. President of Ledstierman, 1999–2006. Co-founder of GHP Speciality Care AB, Executive Vice President 2006–2012.	More than 20 years' auditing and consulting experience in the property and construction sectors.
Attendance at Board meetings: 16/16	Attendance at Board meetings: 16/16	Attendance at Board meetings: 16/16	Attendance at Board meetings: 16/16	Attendance at Board meetings: 16/16	Attendance at Board meetings: 2
Independent of the company, company management and the company's major shareholders.	Not independent of the company, company management or the company's major shareholders.	Independent of the company, company management and the company's major shareholders.	Independent of the company, company management and the company's major shareholders.	Independent of the company, company management and the company's major shareholders.	Independent of the company, company management and the company's major shareholders.
Holdings in ALM Equity: 8,700 ordinary shares and 1,290 preference shares.	Holdings in ALM Equity: 6,047,623 ordinary shares, 611,023 preference shares and 4,000 warrants.	Holdings in ALM Equity: Indirect beneficiary of Dooba Investments Ltd, which has a holding in ALM Equity of 990,494 ordinary shares and 155,696 preference shares.	Holdings in ALM Equity: 154,360 ordinary shares and 32,674 preference shares.	Holdings in ALM Equity: 619,492 ordinary shares and 64,953 preference shares.	Holdings in ALM Equity: No holdings.

Their holdings in ALM Equity AB are stated as of 31 December 2023 and include the holdings of related party natural and/or legal persons.

Group management




An organization with a wide range of knowledge

ALM Equity consists of Group management, Group staff and a finance section that provide global Finance, HR, Marketing and IT services to the entire Group. Within each portfolio company, there is a wide range of skills related to the respective business area, which is complemented by a network of partners based on what each portfolio company and project requires to achieve the best result.

When recruiting, ALM Equity strives to find employees with different specialties. In this way, a wide-ranging knowledge base can be built up that is very valuable for the Group, allowing us to work professionally and in an organized way.

Management

ALM Equity's management consists of a small, closely-knit team with a wide range of expertise and experience. Management takes overall decisions within the Group.

			
John Sjölund CFO	Carolina Karlström Business Controller	Joakim Alm CEO	Fredrik Arpe Deputy CEO (on leave)
Born 1977 Employed since 2018	Born 1986 Employed since 2012	See under Board of Directors	Born 1969 Employed since 2021, on leave starting February 2023 in order to serve as acting CEO of Svenska Nyttbostäder.
Business and Economics degree, Luleå University of Technology	Accountant, IHM Business School		Business and Economics degree, Uppsala University
Broad financial background with 15 years in corporate banking in various positions at Swedbank, including project finance for property projects. Also has experience of the housing development industry as CFO at Serafim Fastigheter.	Previously Accounting Manager at ALM Equity, after holding various positions in the company's finance function.		Broad background with over 30 years in the property sector with property management and housing development experience. Has a background in the sector, with several CEO roles, including at Byggvesta, Småa and Järntorget.
Holdings in ALM Equity: 3,000 warrants.	Holdings in ALM Equity: 200 ordinary shares, 91 preference shares and 2,000 warrants.		Holdings in ALM Equity: 1,318 ordinary shares, 4,112 preference shares and 3,000 warrants.

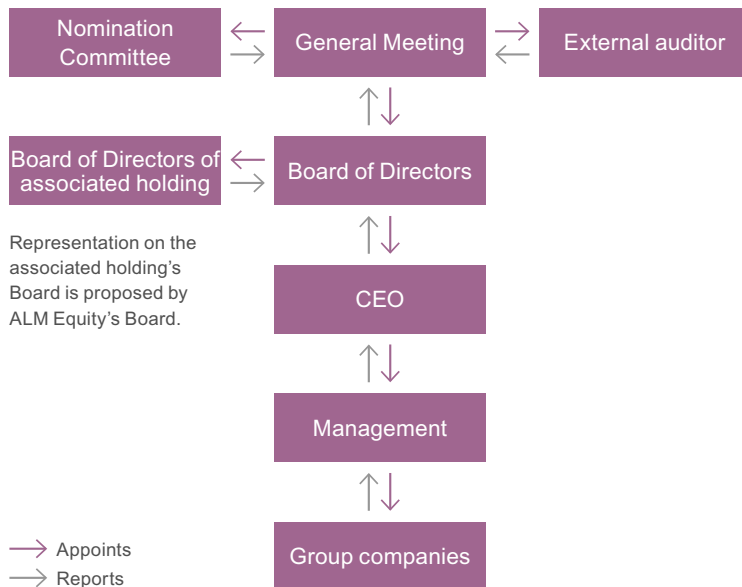
Their holdings in ALM Equity AB are stated as of 31 December 2023 and include the holdings of related party natural and/or legal persons.

Corporate governance in ALM Equity

Good corporate governance is about ensuring that ALM Equity conducts its business sustainably, responsibly and as efficiently as possible. Corporate governance also aims to meet shareholders' return requirements and stakeholders' need for information about the company and its development.

Corporate governance structure

To ensure good corporate governance of the Group, responsibilities are clearly divided between the owners and the Board of Directors, and the CEO and management.



Regulatory framework

ALM Equity's corporate governance is based on Swedish legislation, Nasdaq First North Growth Market's regulations and other applicable laws, ordinances and regulations. Governance is also based on the

Articles of Association, the Board's rules of procedure, including instructions to the CEO, and other policies and guidelines adopted.

As ALM Equity's shares are listed on Nasdaq First North Growth Market, the company is not subject to the legal requirements for trading on a regulated market. The company is therefore not required to prepare this Corporate Governance Report in accordance with the Swedish Corporate Governance Code. The Code is nevertheless an important part of ALM Equity's corporate governance guidelines and is taken into account where appropriate.

Certified Adviser

All companies whose shares are registered for trading on Nasdaq First North Growth Market must have a Certified Adviser who monitors compliance with Nasdaq's rules. ALM Equity AB's Certified Adviser is Carnegie Investment Bank AB.

Carnegie Investment Bank took over as Certified Adviser after ALM Equity terminated the engagement with Erik Penser Bank on November 30, 2023.

Articles of Association

The company's name according to the Articles of Association is ALM Equity AB (publ). The registered office of the Board of Directors is in Stockholm. The company will pursue activities relating to property and associated activities through wholly-owned and co-owned companies.

The share and shareholders

ALM Equity has been listed on Nasdaq First North Growth Market since 2012. The share capital amounted to SEK 253 million at year-end, divided into 11,003,163 ordinary shares and 14,330,071 preference shares. One

ordinary share entitles its holder to ten votes, and one preference share entitles its holder to one vote. ALM Equity's main shareholder is Joakim Alm who, together with his family and companies, held 26.3% of the capital and 49.1% of the votes at year-end. The largest shareholders had a total shareholding of around 40% of the capital and around 75% of the votes. More information about the ALM Equity share and its shareholders can be found in the Annual Report on page 58.

New share issue

On 10 July 2023, the Board of Directors decided, in accordance with the authorization from the Annual General Meeting, to carry out a directed new issue of 288,173 ordinary shares for investors as a set-off for outstanding liabilities of SEK 118 million. The issue resulted in an increase in the share capital of SEK 2,881,730.

Stock market information

At ALM Equity, information is disclosed in line with an information policy and insider information policy adopted by the Board of Directors. ALM Equity must provide prompt, accurate, relevant and reliable information to existing and potential shareholders and other stakeholders. The company publishes interim reports on the business every quarter, as well as a year-end report and an Annual Report for the full financial year. ALM Equity uses Nasdaq First North Growth Market and its own website in order to release timely information to the stock market. Significant events are made public via separate press releases.

Trading

ALM Equity's shares are traded on Nasdaq First North Growth Market under the ticker symbols ALM for ordinary shares and ALM PREF for preference shares.

ALM Equity's corporate bonds were listed on NASDAQ Stockholm and issued as follows: 2020/2025 bond: ALM 003, 3 February 2021
2021/2026 bond: ALM 004, 27 July 2021

General Meeting

The General Meeting is the company's highest decision-making body. At the General Meeting, all shareholders are granted the opportunity to exercise influence over the company relative to the number of shares held. Each ordinary share entitles the holder to ten votes, and each preference share entitles the holder to one vote at the General Meeting. At the General Meeting, each eligible voter has the opportunity to vote for the full number of their owned and represented shares without any restriction in voting rights.

Extraordinary General Meeting

On 10 May 2023, an Extraordinary General Meeting on a distribution in kind of 1,071,499 ordinary Aros Bostad shares, corresponding to approximately 1.9% of the total number of ordinary Aros Bostad shares and approximately 11.2% of ALM Equity's indirect holding of ordinary shares in the company. The distribution in kind took place at a rate of one ordinary Aros Bostad shares for every ten ordinary shares held in ALM Equity, corresponding to a total dividend of approximately SEK 39 million.

AGM, 23 May 2023

ALM Equity's Annual General Meeting was held on 23 May 2023 in Stockholm. The AGM resolved on the following matters:

- A dividend of SEK 8.40 per preference share payable quarterly.
- The re-election of Board members Maria Wideroth, Johan Unger, Gerard Versteegh, Johan Wachtmeister and Joakim Alm.
- Maria Wideroth was re-elected Chair of the Board.
- Ernst & Young AB was elected auditor with Fredric Hävrén as principal auditor.
- The adoption of Board fees of SEK 180,000 to be divided up so that the Chair receives SEK 60,000 and the other members, apart from Joakim Alm who receives the CEO's salary from the company, receive SEK 40,000 each.
- Principles regarding the composition of the Nomination Committee and its instructions.
- Authorization for the Board of Directors to decide on a new issue of a maximum of 3,000,000 preference shares and/or ordinary shares resulting in an increase in the share capital of a maximum of

SEK 30,000,000. The issue may entail a deviation from the shareholders' preferential rights.

- Amendment of the Articles of Association consisting of the following two additions: the Board of Directors may decide that the shareholders may exercise their voting rights by post before the General Meeting, and that the Board of Directors may collect proxies in accordance with the procedure set out in Chapter 7 (4) of the Swedish Companies Act (2005:551).

Minutes from the 2023 AGM are available on ALM Equity's website.

Nomination Committee

At the 2023 AGM, it was decided that the following principles and instructions should apply as regards how members of the Nomination Committee are appointed, and committee procedures.

Election of members, etc.

The Chair of the Board must, no later than the end of the third quarter each year, ensure that the company's three largest shareholders or groups of owners in terms of votes are each offered the opportunity to appoint their own representative to sit on the Nomination Committee.

Such shareholders are identified based on Euroclear Sweden AB's shareholder register (owner-grouped) on the last business day in August. Should one or more shareholders waive their right to appoint a member of the Nomination Committee, shareholders are contacted in proportion to the size of their holding to appoint a member of the Nomination Committee.

The Chair of the Board is a member of the Nomination Committee and convenes the committee's first meeting. The composition of the Nomination Committee is published as soon as its members have been appointed. Unless the members agree otherwise, the Nomination Committee is chaired by the member who represents the largest shareholder in terms of votes. The Nomination Committee retains its mandate until a new Nomination Committee has been appointed. No fee is paid to the members of the Nomination Committee. The Nomination Committee can appoint a special nomination committee, from among its members, and by co-opting additional members as required, to elect an auditor. If such a committee is appointed, this must also be published as set out above in this paragraph. This ensures that all shareholders will know who to contact about nomination issues. A member must step down from the Nomination Committee if the shareholder who appointed the

member is no longer one of the three largest shareholders, after which the new shareholder by order of size will be offered the opportunity to appoint a member. However, unless there is a specific reason, no changes should be made to the composition of the Nomination Committee if only minor changes in the number of votes have occurred, or if the change occurs less than two months prior to the AGM. Shareholders who have appointed representatives as members of the Nomination Committee are entitled to dismiss such members and appoint a new representative as a member of the Nomination Committee.

The following have been appointed as members of the Nomination Committee for the period until the AGM 2024:

- Maria Wideroth (Chair of the Board of ALM Equity AB and Chair of the Nomination Committee),
- Gerhard Versteegh (Board member, ALM Equity AB, appointed by Dooba Investments Ltd),
- Johan Wachtmeister (Board member, ALM Equity AB, appointed by MJW Invest)
- and Joakim Alm (CEO and Board member, ALM Equity AB, appointed by Joakim ALM GPJ AB).

The Nomination Committee's duties:

The Nomination Committee must prepare and submit proposals to the AGM regarding:

- the election of a Chair to lead the AGM;
- the election of Board members and, where applicable, any other special committees that the AGM resolves to appoint;
- the election of an auditor and, where applicable, deputy auditors;
- Board member fees, auditor fees and, where applicable, fees to members of any other special committees that the AGM resolves to appoint; and
- any changes to procedures for appointing the Nomination Committee.

The Chair of the Board must, in an appropriate manner, inform the Nomination Committee of the skills profile and working methods of the Board of Directors. At the request of the Nomination Committee, the company must make available personnel resources such as secretarial support to facilitate the work of the Nomination Committee. Where necessary, the company must also bear reasonable costs for external consultants deemed to be necessary by the Nomination Committee in order for the Nomination Committee to complete its tasks.

Meetings

The Nomination Committee must meet when required to enable it to fulfil its duties, but at least once annually. The convening notice must be issued by the chair of the Nomination Committee (except in the case of the first meeting, which must be convened by the Chair of the Board of Directors). The Committee may be convened at the request of a member. The Nomination Committee has a quorum if at least three members participate. However, decisions on matters may not be taken unless, as far as possible, all members have had the opportunity to participate in discussions on the matter. A decision by the Nomination Committee refers to the opinion voted for by more than half of the members present, or if the number of votes is equal, the opinion voted for by the Chair of the Nomination Committee. An account of the work of the Nomination Committee must be published on the company's website in advance of the ordinary AGM.

Amendment of these instructions

The Nomination Committee must continually evaluate these instructions and the work of the committee, and submit proposals to the AGM regarding such changes to these instructions as the Nomination Committee has deemed to be appropriate.

Board of Directors

The Board of Directors is ultimately responsible for the Group's organization and management and for ensuring that the accounting, asset management and financial conditions generally are monitored in a satisfactory way. The Board of Directors must establish overall objectives, key policies and strategic plans for the Group, as well as address major issues related to financing, acquisitions, divestments and investments. The Board must also ensure that good controls are in place within the Group covering financial reporting, internal control and governance, and that reporting is prepared in accordance with the law, applicable accounting standards and other requirements for listed companies.

Composition of the Board

According to the company's Articles of Association, ALM Equity's Board of Directors must consist of at least three and no more than five members, with a maximum of three deputies. ALM Equity's Board of Directors has five members re-elected by the 2023 AGM. The company's CEO Joakim Alm is a member of the Board. In addition to the CEO, the Board consists of members Maria Wideroth, Gerard Versteegh, Johan

Wachtmeister and Johan Unger. Maria Wideroth was appointed Chair of the Board by the 2023 AGM. A description of the Board members can be found on page 44 of the Annual Report and on the company's website.

The Nomination Committee believes that the Board of Directors' composition is appropriate based on ALM Equity's operations and future development, and that it is sufficiently diverse and broad in terms of the members' expertise, experience and backgrounds.

Independence of the Board

There are no conflicts of interest between the Board of Directors or management and the company. Board members Maria Wideroth, Gerard Versteegh, Johan Unger and Johan Wachtmeister are independent of ALM Equity as a company and its major shareholders (according to the definition in the Swedish Corporate Governance Code). Board member and CEO Joakim Alm is the company's beneficial owner, having a significant percentage of ownership through direct and indirect holdings in the company. Joakim is therefore not independent of the company, company management or the company's major shareholders.

The Board of Directors' working procedures

The Board of Directors' work is regulated by the Swedish Companies Act and the company's Articles of Association. In addition, the Board's work is governed by the rules of procedure adopted by the Board each year at the first Board meeting following the AGM. According to the rules of procedure, the Board of Directors must meet in connection with the submission of interim reports and hold one statutory meeting a year. Extraordinary Board meetings are convened when necessary. The rules of procedure also set out an annual plan for the Board's work and the matters to be addressed at each Board meeting. The rules of procedure state the Board's duties and the division of responsibilities between the Board and the Chief Executive Officer. The CEO's instructions and instructions relating to financial reporting are adopted annually at the same time as the Board's rules of procedure.

The Chair's specific duties are to:

- Monitor the company's development through contact with the CEO.
- Ensure that Board members, at the instigation of the CEO, are continually provided with the information they need to monitor the Group's position, financial planning and performance.

- Consult with the CEO on strategic matters.
- Chair Board meetings and prepare agendas for , and convene such meetings, assisted by the CEO.
- Ensure matters are dealt with in accordance with the provisions of the Articles of Association and Swedish Companies Act.

The CEO's specific duties are to:

- Prepare the requisite information and decision-making documentation ahead of Board meetings and in other respects fulfil their obligations as stipulated in relevant decisions and instructions from the Board.
- Fulfil the function of rapporteur and submit reasoned proposals for decisions. Where appropriate, the CEO is entitled to delegate the role of rapporteur for individual matters to another person subordinate to the CEO.
- Ensure that Board members are continually provided with the information required to monitor the Group's position, liquidity and performance, and in other respects to fulfil their reporting obligation regarding financial position in accordance with details stipulated in the CEO's instructions regarding financial reporting to the Board.
- Be responsible for ensuring that obligations, contracts or other legal transactions that the company enters into or undertakes are documented in an appropriate manner, and that they are not in breach of Swedish or foreign mandatory statutes, including competition law rules within the EU and similar regulatory systems.
- Monitor compliance with the objectives, policies and strategic plans for the Group adopted by the Board, and ensure that such objectives, policies and plans are referred to the Board for updating or review as required.

The Board of Directors' work in 2023

In 2023, ALM Equity's Board of Directors held four ordinary meetings and one statutory meeting. In addition, 11 additional meetings were held during the year to discuss specific issues. The Board members' attendance at meetings in 2023 is shown in the table on page 44.

At the Board meetings held during the year, fixed agenda items were discussed, including the Group's development, financing, financial position and the current business and market environment. Furthermore, investment matters were discussed and significant events in the company portfolio, particularly the change in Svenska Nyttbostäder's

capital structure and the sale of ALM Equity's holding in Klöver. General issues concerning the Group's risk exposure, sustainability efforts and organization were also discussed, as well as the evaluation and adoption of ALM Equity's objectives, strategies and policies. Senior managers attended Board meetings to report on specific issues.

Remuneration of the Board of Directors

At the AGM on 23 May 2023, it was decided that fees totaling SEK 180,000 would be paid, including SEK 60,000 for the Chair of the Board and SEK 40,000 for each of the other Board members elected by the AGM who are not employed by ALM Equity.

No other remuneration is paid to the Board other than the Board fee. The auditor's fee is paid based on approved invoices.

Board committees

There are no designated committees within the Board of Directors, but there is a delegated division of responsibilities within certain areas, where Board members are responsible for issues in which they have expertise and are tasked with preparing matters for discussion.

Remuneration issues

The company has not set up a Remuneration Committee; the issues that would fall within the remit of such a committee are dealt with by the Board of Directors. At least every four years, present proposals for guidelines for senior managers' remuneration and other terms of employment, for resolution by the General Meeting, and then monitor and evaluate the application of these guidelines. The Board must also monitor and evaluate current remuneration structures and levels within the company.

Audit issues

The Board of directors carries out the tasks of an Audit Committee as part of its regular work. The Board must maintain and ensure effective contact with the Group's auditors, monitor accounting and financial reporting procedures, evaluate the work of the auditors and monitor the development of accounting policies and accounting requirements. The Board held two minuted meetings with the auditors in 2023. These meetings included reports on the auditors' examination of the company's financial statements and the company's internal control.

Audit

The auditors are required to examine the company's Annual Report and accounts as well as the Board and the CEO's management of the company. The auditors must attend and submit a report at the Board meeting at which a decision is made on the adoption of the annual accounts for the previous financial year. After the end of each financial year, the auditors are required to submit an audit report to the AGM. The 2023 Annual General Meeting elected the accounting firm Ernst & Young AB with the authorized public accountant Fredric Hävrén as principal auditor for the period until the 2024 Annual General Meeting. Ernst & Young has been the company's auditor since 2011 and this has been Fredric Hävrén's third year as principal.

Group management

ALM Equity's Group management manages the business in accordance with internal and external governance instruments. The CEO is responsible for producing information that enables the Board to make informed decisions, including regular reporting on the Group's financial and strategic development. Information about ALM Equity's Group management is provided on page 45 and on the website.

Remuneration of senior management

The 2020 AGM resolved that remuneration for the CEO and other members of company management should consist of a fixed salary, variable remuneration and other benefits, as well as a pension. Total remuneration should be market based and competitive, and reflect the level of responsibility and authority. Variable remuneration should never exceed six months of salary. In the event of termination of employment by the company, notice-period pay and severance pay combined should not exceed 12 months of salary. Pension benefits should be on a defined contribution basis, unless otherwise decided for specific reasons. The Board may deviate from the guidelines adopted by the AGM only if there are specific grounds in a particular case. A proposal for new guidelines for the remuneration of senior managers has been submitted to the 2024 AGM for resolution.

Internal control

The Board of Directors has overall responsibility for financial reporting and for ensuring that the company has adequate internal controls. This

responsibility is governed by the Swedish Companies Act and the Swedish Annual Accounts Act.

Risk assessment

Risk management within the ALM Equity Group is integrated into the processes and various methods used to evaluate and limit risks, and to ensure that the risks to which the Group is exposed are managed in accordance with established policies and guidelines. In accordance with the rules of procedure, the Board conducts an internal control review at least once a year together with ALM Equity's auditors and this review is discussed by the Board at the next Board meeting. Risks are identified and measures adopted to reduce them. See the separate section on risks on pages 51—55.

Control and monitoring

The foundation for internal control is the control environment, which is made up of various elements that together constitute the culture and values that govern ALM Equity. Internal control is guided by the decision processes, powers and responsibilities documented and communicated in governing documents such as the Board's rules of procedure, the CEO's instructions, the finance policy, authorization and reporting instructions and other internal policies, guidelines and manuals that guide internal activities.

Profit/loss outcomes are continuously monitored at several levels within the Group, from Group and company level down to management and project level. Monitoring is carried out in relation to budgets and forecasts. The results are analyzed by the relevant portfolio companies and by the Group staff. Reports are submitted to the CEO and Board of Directors. ALM Equity's auditors are tasked by the AGM with reporting directly to the Board at least once a year. The auditors must also report their observations from their audit and their assessment of internal control. These observations are then reported back to the Board. The Board takes minutes of these reports and then follows up on the minutes at a subsequent meeting.

Control activities

The financial reporting-related risks identified are managed via the company's control structures, resulting in a number of control activities.

These control activities aim to prevent, detect and correct errors and deviations. The activities include analytical follow-up at several levels in the organization and comparison of income statement items, account reconciliations, follow-up and checking of Board decisions and policies established by the Board, approval and reporting of business transactions, authorization structures, individuals authorized to sign for the company, Group-wide definitions, templates, reporting tools and accounting and valuation policies.

Information and communication

ALM Equity's information policy aims to provide effective and accurate information regarding the financial statements. The company's inside information policy and finance policy also deal with information regarding the Group's financial statements. Policies and guidelines relating to the financial statements, as well as updates and changes to these documents, are made available and disclosed to the relevant employees. The Board receives additional information regarding risk management, internal control and financial reporting from the auditors via information at Board meetings at which the auditors are present.

Performance management

According to its investment strategy, ALM Equity intends to continue growing by decentralizing its activities and allocating them to Group companies operating within the property sector. The Group invests in businesses that meet ALM Equity's requirements, namely good returns and balanced risk. Each investment is assessed separately when each decision is made. Furthermore, the Board must ensure that the Group has good internal controls in place, keep abreast of the internal control systems and continually evaluate their effectiveness. The Board must also maintain an ongoing dialog with ALM Equity's auditors and management to further ensure that the internal control systems are functioning effectively.

Need for an internal audit function

ALM Equity's financial, economic and reporting work is controlled from the company's head office in Stockholm. The Group companies' reporting is carried out via Ekonomipartner i Tranås AB, a Group company located in Tranås. The company's earnings and balance sheets are followed up quarterly by the various Group functions and by Group management. A specific internal audit function is therefore not deemed to be necessary.

Policy documents

ALM Equity's Board of Directors annually adopts Group-wide corporate governance and compliance policies, which are set out in this section. Policies must be revised in a way that ensures that all policies are relevant and support the business's purpose and goals. There are also a number of corporate governance policies, which cover areas such as the work environment, equal treatment, employee remuneration and IT and information security, which are decided on by Group management. In addition, the Board annually reviews potential revisions to the CEO's instructions, the financial reporting instructions, and the Board's rules of procedure.

Finance policy

The finance policy sets out guidelines and rules for how the Group's financial activities are to be conducted. It is adopted by the Board and states how the various risks in the Group's financial activities are to be limited and what risks it may take. The finance policy establishes the division of responsibilities and administrative rules and also serves as a guide in the daily work of personnel in the finance function.

Dividend policy

The purpose of the dividend policy is to provide guidelines for the determining of dividend proposals. ALM Equity is a growth company and its intention for the foreseeable future is to focus on investing excess liquidity back into the business. Dividend proposals are based on the company's liquidity and anticipated future financial position, taking account of current economic conditions. Its ambition is to at least propose a dividend for preference shares every year.

Policy on related parties

This policy is intended to provide guidelines for situations in which the Group carries out transactions with related parties. The policy is grounded in the relevant regulations that ALM Equity is subject to. It also sets out the Group's procedures for managing issues concerning related parties, including procedures covering the reporting requirements for individuals in senior management and those closely related to them at the company.

Inside information policy

ALM Equity's inside information policy is intended to provide guidelines on how the company should manage inside information so that

ALM Equity and the Group's employees do not breach any laws, regulations, rules for issuers or good equity market practice. Compliance with these guidelines is vital for maintaining the confidence of both the capital market and the general public. The inside information policy covers all persons with managerial responsibilities, those closely related to them and other persons notified that they are covered by the policy. All employees and consultants are obliged to report inside information to ALM Equity's CEO.

Information policy

ALM Equity's information policy has been drawn up to meet the requirements to which companies listed on Nasdaq First North Growth Market, Stockholm, are subject. The purpose of ALM Equity's information policy is to provide equity market operators with quick, up-to-date, accurate, relevant and reliable information about the Group. The information policy must be followed by all employees, Board members and externally hired consultants within the Group. Information issued by ALM Equity should primarily be provided in the form of press releases and financial reports.

Sustainability policy

The sustainability policy is a governing document that covers ALM Equity's engagement and strategy in every area of sustainability, and is grounded in the needs of stakeholders and in the Group's core values. The policy describes ALM Equity's global principles for the management of sustainability issues and ALM Equity's expectations of portfolio companies in the sustainability area.

Code of Conduct and Supplier Code

ALM Equity's Code of Conduct collates the Group's business ethics principles to help employees decide what is right in different situations from a legal and ethical perspective. The Code is based on the Group's own core values and the ten principles of the UN Global Compact. ALM Equity also has a code of conduct for suppliers, known as the Supplier Code, which is based on the company's internal Code of Conduct and sets out basic requirements with regard to human rights, recognized anti-corruption principles, working conditions, the environment and business ethics. The Supplier Code is applicable to all business relationships between ALM Equity and Group suppliers.

Risks and risk management

ALM Equity and the company portfolio carry out activities in which both external factors and internal processes affect profitability and the possibility of doing business that generates a healthy risk-adjusted return.

Successfully doing business requires the responsible and controlled management of risks that could adversely affect the business's activities. With proper management, these risks may be turned into opportunities and add value to the business. This also increases the likelihood of achieving the business objectives set.

ALM Equity and its portfolio companies are active in the property sector, where there are internal and external risks that may affect the business's activity, financial position and profits. Risk awareness is therefore prevalent through the business and is always part of the decision-making process.

Risk management

Group companies are responsible for risk management in their respective businesses. They ensure that risk management becomes an integral part of the company's various processes and projects. Significant risks are reported to Group management and are regularly monitored. In the associated holdings, risks are mainly overseen through ALM Equity's participation in the companies' Board meetings.

Each year, Group management conducts a structured review of ALM Equity's and its company portfolio's overall risk exposure. The aim is to provide an overview of the main risks, as well as a basis for making informed decisions and prioritizing the right issues. The table on the next page presents ALM Equity's most significant risks, which mainly consist of the portfolio companies' overall risk exposure. If these risks materialized, this could ultimately have a negative impact on ALM Equity's activities, profitability and financial position.

Method

The annual risk assessment takes a broad perspective and includes strategic, financial, operational and compliance risks. Risk management activities are based on the principles of Enterprise Risk Management (ERM), which is a good method for ensuring a good overview and proactive management of the main risks to which ALM Equity and the portfolio companies are exposed.

Identified risks are evaluated based on the likelihood of their occurrence and their impact on the company. The risk value determines whether a risk should be monitored more closely, whether action needs to be taken or whether it can be managed through normal oversight and management.



Categorization of risks

ALM Equity's main risks are divided into the following four categories. Sustainability risks are integrated into the risk categories.

Strategic risks

Risks with a material impact on the company's strategy and long-term value creation, which are mainly due to changes in the external environment, but also to internal factors that may hamper the achievement of the overall business objectives.

Operational risks

Risks that may affect current activities and the company's ability to achieve short-term objectives. These are largely risks that the company can control and prevent itself or through partners.

Regulatory risks

Risks that may result in financial and legal consequences for the company, as a result of non-compliance with laws, external regulations or internal rules, or due to political decisions or new regulations that lead to changes in business conditions.

Financial risks





Risks related to tax changes, losses of value and inaccuracies in financial reporting. ALM Equity's most significant financial risks are interest rate risk, liquidity and financing risk, credit risk and share price risk. These are described in Note 30 on pages 90–91.

Significant risks





● Low ● Medium ● High

STRATEGIC RISKS	DESCRIPTION	MITIGATING MEASURES	RISK VALUE
Macroeconomic factors	The property sector is greatly affected by macroeconomic factors such as general economic trends, developments in the financial market, growth, inflation and interest rates. The deterioration of one or more of these factors could have an adverse effect on ALM Equity's profits, financial position and ability to invest. Unexpected, fast-moving macro-political events may also lead to a fall in profitability.	<ul style="list-style-type: none"> Analyses of the external environment and market conditions, and of the micro-markets in which the Group holds or is considering acquiring properties, are carried out continuously. The conclusions of the analyses in turn affect ALM Equity's and the portfolio companies' strategic decisions and considerations. The portfolio companies are mainly active in the Stockholm market, where future demand is expected to be good in both economic upturns and downturns. 	●
Change in demand	ALM Equity's portfolio companies are active in various ways in the property sector, which is a competitive and changing market. Failure to anticipate changing customer needs and to adapt quickly to new conditions may result in a weaker market position, lost business opportunities and lower margins. The ability to sell homes may also be affected by changing demographics and population flows.	<ul style="list-style-type: none"> Demographic changes, and changes in demand and supply in the rental, succession and new build markets, are closely monitored. Risks in the conceptualization phase are minimized through market analyses and research via brokers. Customers' willingness to pay and demand are key factors when conceptualizing existing building rights or acquiring new ones. During the development stage, a degree of flexibility is maintained in concepts and products for as long as possible to make them adaptable to changing conditions. 	●
Acquisitions and divestments of assets	ALM Equity acquires and develops assets into new businesses and independent companies. There is a risk that changing market conditions will make it more difficult to find attractive investment opportunities. It may also lead to difficulties divesting at the right time. Inaccurate assessments of acquisitions and higher than expected costs may mean that there are no positive earnings effects or it takes longer to realize them. Additional risks associated with acquisitions are integration risks and exposure to unknown obligations.	<ul style="list-style-type: none"> ALM Equity believes that the Group has enough expertise and experience to make acquisitions and integrate them into the business. External experts are also brought in for advice. Each acquisition is subject to a thorough due diligence process covering financial, legal and technical aspects. Investments are evaluated based on value, potential and risk, as well as how well they complement the portfolio and the company's strategy. Good contact with the market and a high level of market knowledge are prioritized to access good acquisition and divestment opportunities. 	●
Property transactions	The Group carries out property transactions on an ongoing basis, which involves a variety of legal, financial, tax and technical risks. There is also the risk of not being able to achieve the desired composition of the building rights portfolio, i.e. of not being able to find suitable properties for purchase, not being able to finance property acquisitions on acceptable terms, or not being able to sell the desired properties.	<ul style="list-style-type: none"> The Group has a clear decision-making process with regard to the risks and opportunities of each property transaction. All property acquisitions are preceded by a structured review and careful market analyses of competition and demographics. External experts are always brought in when this is deemed to be necessary. Active efforts are made to find new project opportunities, including through ongoing dialog with municipalities and other market players. The Group's overall building rights portfolio is continually reviewed to check that it contains the right mix of building rights in terms of possible construction starts, locations and intended target groups. 	●






SIGNIFICANT RISKS, CONTINUED:

OPERATIONAL RISKS	DESCRIPTION	MITIGATING MEASURES	RISK VALUE
Development of property projects	The company portfolio includes property development activities, which are associated with several risks that increase with the complexity of projects. Errors in calculations and contracts may lead to increased costs. Planning processes are time-consuming and there is a risk that building and other permits will not be granted. Delayed projects also lead to an increased risk of prices falling and changes in demand while projects are being completed, which may hamper sales and reduce the profitability of projects. The materialization of these risks may lead to an increase in tied-up capital, and also to losses or the need for impairment.	<ul style="list-style-type: none"> Each development project follows a structured process, with decision-making, financial monitoring and risk control procedures. There is a high level of expertise in the project organization, with solid experience in the property business. A continuous dialog is held with municipalities and other stakeholders in order to best manage the challenges and opportunities that projects face during the zoning plan phase. The companies are actively working to shorten lead times, from land acquisition to the completed project, which reduces exposure to changing market conditions. A high sales rate is required before the start of construction to minimize the financial risk. 	
Construction of properties	Contracting risk is a great significance during project implementation. Shortcomings in project planning and procurement documents could lead to increased costs for changes and/or additional work. Rising material prices can make projects more expensive to varying degrees, depending on the form of contracting used. There is also a significant supplier risk that could lead to quality deficiencies and delayed or no delivery, which could adversely affect the company's activities as well as project profitability.	<ul style="list-style-type: none"> Risks in the construction process are managed through a high level of internal project management expertise and well-developed internal control procedures and calculation models. In addition, there is a rigorous project planning and procurement process to reduce counterparty risks in projects. During the procurement process, the quality and financial strength of subcontractors is carefully checked to ensure that they are both willing and able to rectify any errors that may arise. Purchases are dividend between a number of parties to limit dependency. A high proportion of the cost base is kept at a fixed price in contracts. The contracts are supplemented, if necessary, by sureties in the form of guarantees or similar, and contracts with subcontractors are designed so that the contractor bears the guarantor liability. 	
Property management	Most of the portfolio companies are active in property management, for which a major item of cost is the operation and maintenance of the properties. Unless cost increases are able to be offset through adjustments to rental agreements, this may have a negative impact on the financial result. There is also a risk of rent losses and vacancies, exposure to which is increased by only having a few tenants, which may also have a negative impact on the value of properties.	<ul style="list-style-type: none"> The portfolio managed by the companies consists mainly of newly built properties whose energy and maintenance costs are lower than for older properties. The companies reduce the risk of extensive repair needs through structured maintenance work to maintain and improve the condition of their properties. Cost increases are controlled as far as possible through the rental agreements, which also have different terms to create a good maturity structure. As the companies' portfolio of completed investment properties grows, the importance of individual counterparties decreases. The companies' rental stock is mainly concentrated in Stockholm, which reduces the risk of vacancies. 	
Climate and the environment	The effects of climate change may affect ALM Equity and its portfolio companies, both through physical damage to properties and disruptions to the supply chain, and through a lack of climate action that may negatively affect both the brand and earnings. Property activities are regulated by extensive environmental legislation, due to which stricter requirements, for example regarding soil remediation, material handling and the protection of ecological values may lead to increased costs and unforeseen investments for the Group. In addition, new climate regulations may lead to increased taxes and higher material and energy prices.	<ul style="list-style-type: none"> Sustainability is integrated into ALM Equity's business model and is taken into consideration both in the evaluation of new business opportunities and in the continuing development of the companies in our portfolio. ALM Equity's overall climate objectives for its own activities and the company portfolio are in line with the Paris Agreement. The companies are actively working to reduce the impact of their own activities and to adapt their businesses to the climate transition, including through the environmental certification of properties and investments in energy efficiency. For a more detailed description of the Group companies' climate and environmental work, see pages 29–31. Identified climate risks and their management are described in greater detail in the section on the TCFD on pages 39–41. 	

SIGNIFICANT RISKS, CONTINUED:

OPERATIONAL RISKS	DESCRIPTION	MITIGATING MEASURES	RISK VALUE
Health and safety	In the Group's various activities, there are physical and mental work environment risks that may lead to injury and ill-health among employees. The risk of workplace accidents is particularly high in contracting operations. In addition to injuries and ill-health at an individual level, deficiencies and incidents may lead to fines, legal penalties and a loss of confidence in the organization.	<ul style="list-style-type: none"> ALM Equity works according to clear processes to ensure a safe and healthy work environment for the Group's employees. These are based on policies, procedures and checklists that have been collated in a work environment handbook. The actions taken include regular risk assessments, work environment training and health checks. Agreements are in place with external occupational health care providers and crisis services. For contracting operations, there are specific safety rules and regulations on the construction sites. The Group company 2xA Entreprenad is also certified according to ISO-45001, which shows that the company systematically works to prevent workplace accidents and improve the work environment in its operations. 	
Skills and succession	Employees are central to the long-term success of ALM Equity and its portfolio companies. If an attractive and motivating work environment is not maintained, there is a risk of not being able to attract and retain employees with the right skills. The Group has a relatively small organization, which also means dependence on individual employees in key positions.	<ul style="list-style-type: none"> ALM Equity and the companies continuously work to develop and strengthen the employee offering. The pay structure is monitored to ensure market-based and fair working conditions and benefits. Opportunities for career and skills development are provided on an ongoing basis. Individual objective and performance reviews are held annually. The Group works with a broad network of external partners, which, together with a continuous transfer of knowledge and clear job descriptions, reduces the risk of dependence on specific personnel. 	
IT and information security	As digitalization increases, so does vulnerability to security incidents, cyber attacks, data breaches and information leaks, which may have a direct impact on the business activities of ALM Equity and the portfolio companies. This makes it increasingly important to be able to protect information and customer data and ensure the stable operation of the IT environment.	<ul style="list-style-type: none"> IT and information security is a priority area for ALM Equity and there is a central IT organization that works actively on these issues for the entire Group. Vulnerability tests, authorization checks and security updates are carried out continuously. Three-factor authentication and a strict user and login policy are other examples of measures implemented. There are clear evaluation criteria for the procurement of new systems and services from new service providers. Information about current threats is communicated internally and digital IT security training is provided to increase staff awareness and knowledge of these issues. 	
Insurance	If adequate insurance coverage cannot be maintained or obtained on acceptable terms, ALM Equity and its portfolio companies may be exposed to uninsured losses, which could have a material adverse effect on its business and financial position.	<ul style="list-style-type: none"> ALM Equity works closely with insurance brokers to ensure that there is adequate insurance coverage on good terms. The Group's insurance policies are reviewed and renewed annually. 	

SIGNIFICANT RISKS, CONTINUED:

REGULATORY RISKS	DESCRIPTION	MITIGATING MEASURES	RISK VALUE
Legal factors	Political decisions and new regulations may lead to changed conditions for ALM Equity and the portfolio companies' activities. For example, laws and regulations on house purchases, types of tenure and land development may negatively affect asset values and project profitability. Non-compliance may also lead to financial consequences, penalties or a loss of confidence.	<ul style="list-style-type: none"> ALM Equity and the portfolio companies monitor political opinion on issues that may affect the business, as well as changes in the applicable regulations. A continuous dialog is maintained with municipalities, authorities and legal advisors on issues that may affect the business. Possible effects of regulatory changes are analyzed and prepared for in order to decide on and take the necessary measures as early as possible. The legal structure and type of tenure are decided on as late as possible for property projects. 	
Business ethics	ALM Equity's and the portfolio companies' reputation is of central importance and we are dependent on suppliers, customers and other stakeholders associating us with positive values and good quality. Irregularities or unethical business conduct would result in damage to the brand and business, which in turn could lead to financial consequences and a loss of confidence.	<ul style="list-style-type: none"> ALM Equity's Code of Conduct and other internal governance documents contain guidelines to ensure responsible and ethical behavior both within the Group and in relation to external contacts. Building contractors and suppliers are continuously evaluated and the Group's Supplier Code must be appended to all supplier contracts. ALM Equity's whistleblowing function can be used by both Group employees and external parties to anonymously report suspected unethical behavior. 	
FINANCIAL RISKS	DESCRIPTION	MITIGATING MEASURES	RISK VALUE
Financial reporting	Financial reporting is an important basis for decision-making and deficiencies in this reporting may lead to incorrect decisions being made internally, and also by external parties such as lenders and investors.	<ul style="list-style-type: none"> ALM Equity has well-established procedures for valuations and checking the data used in financial statements, budgets and forecasts. Profit and loss and balance sheet outcomes are monitored quarterly at different levels within the Group. ALM Equity's Board of Directors reviews the Group's financial reporting and monitors internal controls. Regular reviews are also carried out by external auditors. A more detailed description of internal control-related work can be found in the Corporate Governance Report on pages 49–50. 	
Tax	Changes in tax legislation, such as corporate taxation, property taxation, tax on property and company transactions or the possibility of using tax loss carry-forwards, may affect future tax expenses and therefore also profits.	<ul style="list-style-type: none"> ALM Equity and the portfolio companies continuously monitor changes in tax legislation and try to adapt accordingly in order to create an efficient tax situation. External experts are retained for both tax and VAT matters. 	
Valuation of assets	Falling asset values may lead to impairment losses, which has a negative impact on earnings and net asset value. The Group's significant assets are mainly property related and related to participations in associated holdings and financial assets. The value of the Group's property assets is affected by both property-specific and market-specific factors. Holdings in associated companies are affected by the value of their shares, which is linked to the value of the companies' property and project portfolios. Values are also affected by external factors that affect trends on the trading platforms on which the companies operate.	<ul style="list-style-type: none"> The property assets have a book value corresponding to the acquisition cost plus costs incurred. If their estimated market value is less than this, their value is impaired. Consequently, activities that have positively affected market value do not have an impact until all the parameters for value creation have been met. Cost estimates for acquisitions of development rights include both a project and construction margin, which reduces the risk of building rights declining in value. Account is also taken of demographic trends in the areas in which building rights are acquired. Holdings of participations in associated companies are valued quarterly to ensure that there are no permanent changes in value giving rise to impairment losses. 	

ALM Equity is also exposed to financing risks, liquidity risks, interest rate risks, credit risks and share price risks. For more information about these, see Note 30 on pages 90–91.

Auditor's report on the corporate governance statement

To the Annual General Meeting of the shareholders of ALM Equity AB (publ), Corporate ID number 556549-1650

Engagement and responsibility

The Board of Directors is responsible for the corporate governance statement for the year 2023-01-01 – 2023-12-31 on pages 43–55 and that it has been prepared in accordance with the Annual Accounts Act.

Scope and focus of the audit

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

Opinions

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

Stockholm 18 April 2024
Ernst & Young AB

Fredric Hävrén
Authorized Public Accountant

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ALM Equity's shares

The share capital in ALM Equity AB amounted to SEK 18,640,860 on December 31, 2023, divided into 11,003,163 ordinary shares. Each ordinary share entitles the holder to ten votes at the AGM. The company has 14,330,071 preference shares. Each preference share entitles the holder to one vote at the AGM. At the AGM, each eligible voter has the opportunity to vote for the full number of their owned and represented shares without any restriction in voting rights. The company's ordinary and preference shares have been listed on NASDAQ First North Growth Market since 8 June 2012.

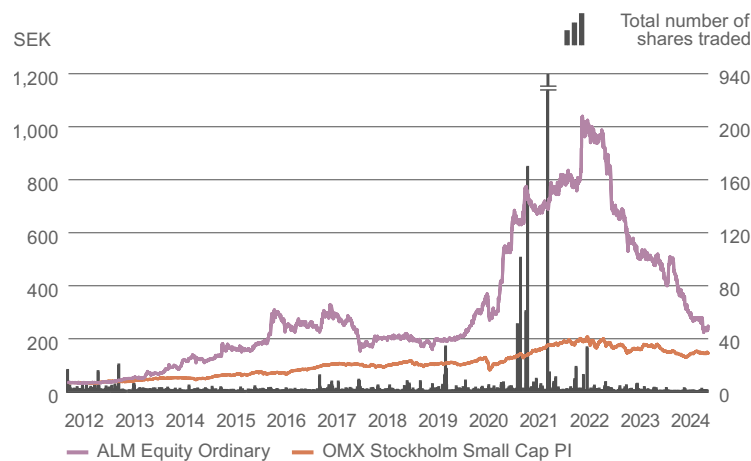
The closing prices on December 31, 2023 were SEK 280 per ordinary share and SEK 82 per preference share, which means a decrease in the ordinary share price of 47% in 2023. Based on the closing prices, ALM Equity had a market capitalization of SEK 4,256 million on 31 December. In total, ALM's shares were traded on First North for around SEK 273 million in 2023. No direct return on ordinary shares was paid in 2023. The dividend on the preference share amounted to SEK 8.40 per year, payable quarterly.

Dividend policy

ALM Equity is a growth company and its intention for the foreseeable future is to focus on investing excess liquidity back into the business. Dividend proposals are based on the company's liquidity and anticipated future financial position, taking account of current economic conditions. The ambition is to at least propose a dividend for preference shares every year. For 2023, the Board of Directors proposes a dividend of SEK 8.40 (8.40) as a cash dividend per preference share of SEK 2.10 (2.10) payable quarterly. No dividend is proposed for the ordinary shares.

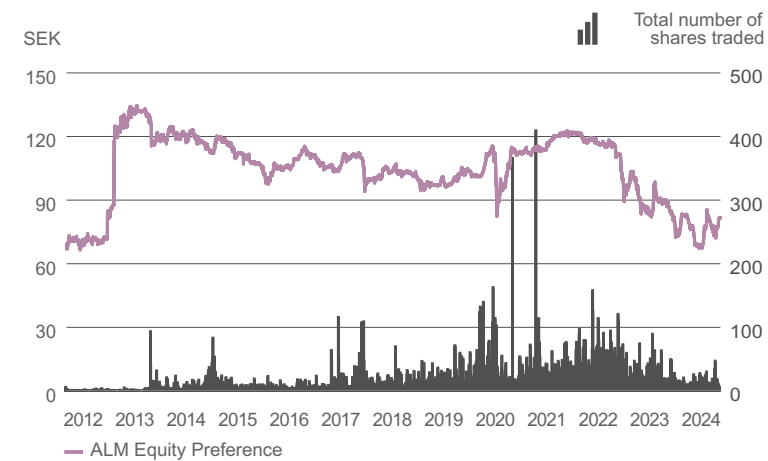
Shareholders as of December 31, 2023	Number of ordinary shares	Number of preference shares	Percentage of share capital, %	Percentage of votes, %
Joakim Alm incl. company and family	6,047,623	611,023	26.3	49.1
Dooba Investments Ltd HSBC Luxemburg	990,494	155,696	4.5	8.1
Johan Wachtmeister incl. companies (MJW Invest)	619,492	64,953	2.7	5.0
Dammskogen Förvaltning AB	412,883	4,128	1.6	3.3
Aeternum Capital AS	388,000	–	1.5	3.1
John Rosén	328,229	66,604	1.6	2.7
Verdipapirfondet Odin Eiendom	279,000	–	1.1	2.2
Johan Unger incl. family	154,360	32,674	0.7	1.3
Other shareholders	1,783,082	13,394,993	59.9	25.1
Total	11,003,163	14,330,071	100	100

Ordinary share trend from 8/6 2012 until 20/3 2024¹



¹ On 12/16/2013 a lot of 600,000 shares was traded, which is not included in the above data.

Preference share trend from 6/8/2012 until 3/3/2024²



² The graph was adjusted in 2013 to take account of a restructuring of the preference share capital. Sales of a large number of shares on specific days in March, April and May 2017 are excluded from the chart above.

ALM Equity's shares capital trend over 10 years

Share capital trend over 10 years

Year	Event	Increase in the number of shares	Ordinary shares			Preference shares		
			Increase in ordinary share capital, SEK	Total ordinary share capital, SEK	Number of ordinary shares	Increase in preference share capital, SEK	Total preference share capital, SEK	Number of preference shares
2014	Bonus issue, preference shares	50,773	–	–	–	507,730	113,662,150	2,227,138
2014	New issue, preference shares	273,000	–	–	–	2,730,000	116,392,150	2,500,138
2014	New issue, preference shares	545,455	–	–	–	5,454,550	121,846,700	3,045,593
2015	Bonus issue, preference shares	101,546	–	–	–	1,015,460	122,862,160	3,147,139
2015	New issue, preference shares	280,000	–	–	–	2,800,000	125,662,160	3,427,139
2016	Bonus issue, preference shares	101,546	–	–	–	1,015,460	126,677,620	3,528,685
2017	New issue, preference shares	2,341,144	–	–	–	23,411,440	150,089,060	5,869,829
2017	New issue, preference shares	150,660	–	–	–	1,506,600	151,595,660	6,020,489
2017	Bonus issue, preference shares	101,546	–	–	–	1,015,460	152,611,120	6,122,035
2017	New issue, preference shares	182,874	–	–	–	1,828,740	154,439,860	6,304,909
2017	New issue, preference shares	18,365	–	–	–	183,650	154,623,510	6,323,274
2017	New issue, preference shares	1,798,761	–	–	–	17,987,610	172,611,120	8,122,035
2018	Bonus issue, preference shares	101,546	–	–	–	1,015,460	173,626,580	8,223,581
2019	New issue, preference shares	207,222	–	–	–	2,072,220	175,698,800	8,430,803
2019	Bonus issue, preference shares	101,546	–	–	–	1,015,460	176,714,260	8,532,349
2019	New issue, preference shares	1,285,926	–	–	–	12,859,260	189,573,520	9,818,275
2020	Bonus issue, preference shares	102,076	–	–	–	1,020,760	190,594,280	9,920,351
2020	Redemption of warrants	53,000	530,000	10,685,230	10,207,600	–	190,594,280	9,920,351
2020	New issue, preference shares	641,225	–	–	–	6,412,250	197,006,530	10,561,576
2021	New issue, preference shares	3,000,000	–	–	–	30,000,000	227,006,530	13,561,576
2021	Bonus issue, preference shares	102,076	–	–	–	1,020,760	228,027,290	13,663,652
2021	New issue, ordinary shares	422,272	4,222,720	14,907,950	10,629,872	–	228,027,290	13,663,652
2021	New issue, preference shares	50,350	–	–	–	503,500	228,530,790	13,714,002
2021	New issue, preference shares	509,770	–	–	–	5,097,700	233,628,490	14,223,772
2022	Bonus issue, preference shares	106,299	–	–	–	1,062,990	234,691,480	14,330,071
2022	New issue, ordinary shares	28	280	14,908,230	10,629,900	–	234,691,480	14,330,071
2022	Redemption of warrants	85,090	850,900	15,759,130	10,714,990	–	234,691,480	14,330,071
2023	New issue, ordinary shares	288,173	2,881,730	18,640,860	11,003,163	–	234,691,480	14,330,071

Directors' report

The Board of Directors and the Chief Executive Officer of ALM Equity AB (publ), corporate identity no. 556549-1650, hereby submit the annual report and consolidated financial statements for 2023.

Operations

Description of ALM Equity AB's operations

ALM Equity AB (publ) is a company in the property sector that creates value by acquiring, refining and investing in assets that become new businesses and independent companies. The holdings in the company portfolio are active in property development, property management, contracting and digital services.

Investment and development take place in assets within the property sector based on the needs of the future market. ALM Equity drives and develops the initiatives that create maximum value in the longer term. Its strength lies in being able to quickly adapt the portfolio, act and adapt to changes and dare to challenge and find new paths. Investments are made in business opportunities and assets with good growth potential where ALM Equity can add value and work for sustainable development.

Investments are evaluated based on value, potential and risk, as well as how well they complement the company's current strategy. Value creation is achieved by packaging, financing and restructuring assets to maximize returns. Capital that is freed up in the event of returns from businesses, a shareholding spread, a stock market listing or divestment is reinvested in existing operations and new business opportunities.

For more about the business, see pages 7–9 and the company portfolio on pages 16–22.

Significant events during the year

Financial restructuring in Svenska Nyttobostäder resulted in 82% of the preference share capital in the company being converted into ordinary share capital. One preference entitled the holder to two ordinary shares.

ALM Equity converted all preference shares. The subscription price was SEK 50 and the acquisition price SEK 25.40 per ordinary share, which resulted in a negative earnings of SEK 58 million.

The terms of the agreed future deliveries from ALM Småa Bostad were changed, with the investors' commitments for contributions becoming ordinary shares instead of preference shares. Furthermore, 13 projects were exited as building rights at a value of SEK 1,270 million instead of as completed properties. It was also agreed to set the commitment for properties in progress at 35% of the previously agreed surplus realizable value and to pass it on in advance. The changes in acquisition agreements have a negative effect on earnings of SEK -827 million, including effects owing to a lower share price at the exit time, of which the minority share amounts to SEK -627 million. Shares in Svenska Nyttobostäder attributable to external investors are recognized as other current assets until the time of the respective exit, when they are distributed from the project companies and are expected to reduce equity by SEK 503 million. More information is available in Notes 22 and 37.

ALM Equity provided credit facilities totaling SEK 147 million to Svenska Nyttobostäder for short-term financing. The first credit of SEK 80 million was repaid in connection with the company's new issue of SEK 204 million in July, with ALM Equity subscribing for a total of SEK 98 million worth of ordinary shares.

The holding in Svenska Nyttobostäder was written down in the annual accounts with a non-cash effect of SEK 64 million as a result of increased yield requirements and tougher financing conditions.

ALM Equity, Corem Property Group and Broskeppet Bostad sold 51% of the shares in Klövern for SEK 2,497 million to Nrep, which intends to contribute SEK 4,000 million to the company over time. For ALM Equity, this meant a liquidity injection of SEK 775 million and, including impairment of carrying amounts, a negative effect on earnings of SEK -723 million. More information is available in Note 22. Prior to the transaction with Nrep, liabilities to

investors were renegotiated which, in connection with ALM Equity's sale of building rights to Klövern, were redeemed from projects against promissory notes which, according to the agreement, would later be offset against shares in Klövern in connection with a listing of the company. The outstanding liabilities of SEK 170 million were settled in the third quarter with newly issued ordinary shares in ALM Equity of SEK 118 million and cash.

During the year, 2xA Entreprenad broadened its business to include external customers and signed new turnkey contracts worth approximately SEK 1.5 billion. They started construction of 381 units during the year and another 424 units after the end of the year. They obtained ISO certification compliant with the ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (health and safety) standards. The certification is proof that the company is working to continuously improve its operations, maintain high quality and meet the demands of the business environment.

An Extraordinary General Meeting of ALM Equity resolved on a distribution in kind of ordinary shares in Aros Bostad in accordance with the agreement in the structure transaction for the transfer of building rights in 2022.

ALM Equity repaid in full the SEK 600 million bond loan that matured on December 31, 2023.

Significant events after the end of the year

Aros Bostad is merging with Besqab to form a new leading player in housing development in Greater Stockholm and Uppsala. ALM Equity's holding in the merged company, which will be called Besqab, amounts to approximately 15%. ALM Equity no longer has a Board representative in the company and therefore has limited influence, so the holding is reclassified as a financial asset.

ALM Equity intends to merge with the associated company Svenska Nyttobostäder AB (publ). The Boards have adopted a joint merger plan. The proposal will be submitted for resolution to the companies' AGMs in June. More information is available in Note 40.

Finances

Income statement, January – December 2023

Revenue for the year amounted to SEK 2,386 million (6,902) with an operating loss of SEK -1,656 million (-712), corresponding to a negative operating margin of -69%. Last year it amounted to -10%. The loss for the period amounted to SEK -2,708 million (-576). The periods are not comparable owing to large non-recurring items and structural changes.

The holding in Klöveren had a negative effect on earnings of SEK -975 million, of which SEK -723 million relates to earnings effects in connection with the sale of shares to Nrep, including impairment of the holding's carrying amounts. The share of earnings from Klöveren as an associated company amounts to a total of SEK -252 million for six months. The holding in Klöveren was reclassified in the third quarter to non-current financial assets at fair value, which resulted in unrealized changes in value of SEK 15 million. More information is available in Notes 22 and 37.

The holding in Svenska Nyttobostäder contributed a negative share of earnings of SEK -291 million and the recognized share value was impaired by SEK -64 million after impairment testing in the annual accounts.

ALM Småa Bostad renegotiated the agreement with Svenska Nyttobostäder for the remaining deliveries of properties. Properties on which construction had not started were delivered as building rights. Advances were received for production in progress and payment was made in ordinary shares instead of preference shares in Svenska Nyttobostäder. This had a positive impact on gross profit of SEK 365 million.

Lower acquisition prices in relation to subscription prices for the amended agreements for ALM Småa Bostad, the conversion of preference shares into ordinary shares and the new issue resulted in earnings effects of SEK -523 million recognized as revenue from associated companies and SEK -835 million recognized as profit/loss from other current assets. More information about the transactions is available in Notes 22 and 37.

The holding in Aros Bostad accounts for SEK 35 million, including SEK -18 million for the sale of shares. In 2023, an updated assessment was made of the recognition of convertibles, which resulted in an adjustment of

SEK -6 million attributable to the comparative period. No correction of the comparative period was made as the amount is not considered material. During the year, ALM Småa Bostad valued the building rights and project portfolio, which resulted in impairment of SEK 86 million. Unrealized changes in value on investment properties of SEK -17 million are recognized in the annual accounts. ALM Småa Bostad handed over three projects to Aros Bostad during the year, which resulted in a negative earnings effect of SEK 75 million owing to lower share prices in relation to the subscription price of SEK 60 per ordinary share according to the agreement from 2022.

Balance sheet as of 31 December 2023

Assets

The balance sheet total at the end of the year was SEK 7,657 million (11,518), of which major items primarily refer to shares in associated companies of SEK 2,683 million (6,295), non-current financial assets of SEK 1,267 million (0), development properties of SEK 258 million (1,478) and housing projects in progress of SEK 1,860 million (1,831).

The change in shares in associated companies is mainly on account of 51% of Klöveren having been divested, adjusted downwards and reclassified as a financial asset, which reduced this item by SEK 3,321 million. In addition, there were negative shares of earnings during the year of SEK -252 million from Klöveren and SEK -291 million from Svenska Nyttobostäder, mainly because they recognized downwardly adjusted property values. At the end of the year, a need for impairment of SEK -64 million was identified for the holding in Svenska Nyttobostäder.

The change in development properties came mainly from the transfer of large parts of the building rights portfolio to Svenska Nyttobostäder in connection with the amendment of agreement terms for the delivery from ALM Småa Bostad.

Equity

Equity amounted to SEK 2,972 million (5,756) with an equity/assets ratio of 39% (50) at the end of the year. The negative change is mainly related to the year's negative earnings, dividend to preference shareholders of SEK 120 million, distribution in kind of SEK 39 million and dividend to

investors in completed projects during the year of SEK 67 million. Part of the financing of ALM Småa Bostad is by investors making direct investments in projects with preference capital. These amount to a total of SEK 989 (1,287) million. In the event of positive cash flows, the preference capital is granted precedence for dividend in each project; in the event of a deficit, repayments are reduced by the corresponding amount.

Liabilities

Interest-bearing financing at the end of the year amounted to SEK 3,379 million (4,280), of which bond loans amounted to SEK 1,600 million (2,200). The change comes from the repaid bond loan of SEK 600 million.

Non-current liabilities to credit institutions amounted to SEK 296 million (427) and current liabilities to credit institutions amounted to SEK 1,464 million (1,425). During the year, the other non-current liability to Klöveren was settled. It was recognized at year-end 2022 at SEK 568 million. Financing linked to properties and projects is primarily in the form of shorter project financing during construction.

Financial position and cash flow

The Group's cash and cash equivalents at the end of the period amounted to SEK 444 million (1,073). The cash flow for the year was SEK -629 million (-881). Financing properties and development projects takes place primarily through bank loans, construction loans, bonds, external shareholder contributions and preference capital based on acquisition, operating and project calculations.

Liquidity flows at ALM Equity can vary considerably between periods in connection with transactions, project completion and other events that create large non-recurring effects. During periods of excess liquidity, the liquidity is invested in projects and company development, used to repay bank loans, or invested in such a way that it can be quickly converted into cash and cash equivalents if necessary. All project financing is mainly short-term as it is renegotiated on an ongoing basis while the financing of investment properties is long-term.

More information about financing, interest rates, financial risks and a more detailed description of bond loans can be found in Notes 29 and 30.

Comparative overview

Group	2023 Jan–Dec	2022 Jan–Dec	2021 Jan–Dec	2020 Jan–Dec	2019 Jan–Dec
Revenue (SEK m)	2,386	6,902	2,096	1,759	1,681
Operating profit/loss (SEK m)	-1,656	-712	3,315	231	139
Profit/loss for the year (SEK m)	-2,708	-576	3,423	229	434
Operating margin (%)	neg	neg	158	13	8
Basic earnings per ordinary share (SEK)	-193.78	-78.63	314.42	10.55	19.79
Earnings per ordinary share after dilution (SEK)	-193.78	-78.63	312.40	10.52	19.79
Cash and cash equivalents (SEK m)	444	1,073	1,954	722	699
Equity (SEK m)	2,972	5,756	7,154	3,790	3,310
Balance sheet total (SEK m)	7,657	11,518	13,132	9,465	8,502
Equity/assets ratio (%)	39	50	54	40	39
Return on equity (%)	-44	-10	51	4	10
Equity per ordinary share (SEK)	65.88	300.54	395.33	101.47	97.91
Equity per preference share (SEK)	122.10	122.10	122.10	122.10	122.10
Share price on the closing day per ordinary share (SEK)	280	525	986	700	310
Adjusted net asset value ¹ per ordinary share (SEK)	281	558	986	n/a	n/a

Definitions of KPIs and calculations of alternative KPIs can be found on pages 102–103.

¹ Adjusted net asset value is based on actual net asset value adjusted for estimated market value of the operations at ALM Equity.

Parent company

The parent company ALM Equity AB's loss for the year was SEK -852 million (-421) and the company had over SEK 217 million (740) in cash and cash equivalents at the end of the period. Guarantees for bank loans and advances amounted to SEK 1,843 million (3,159) at the end of the period. Equity amounted to SEK 1,802 million (2,696). The equity/assets ratio was 52% (51) on the balance sheet date.

Dividend

The Board proposes that no dividend be paid to holders of ordinary shares. Furthermore, the Board proposes a cash dividend of SEK 8.40 (8.40) per preference share, payable quarterly and amounting to SEK 2.10 (2.10) per quarter. Record dates are shown on page 104.

Proposed appropriation of profits

At the disposal of the Annual General Meeting (SEK):

Retained earnings incl. share premium reserve	2,400,723,679
Profit/loss for the year	-852,171,650
	1,548,522,029

To be appropriated as follows:¹

Dividend to holders of ordinary shares	—
Dividend to current holders of preference shares	120,372,596
To be carried forward	1,428,179,433
	1,548,552,029

¹ According to the proposal of the Board of Directors to the Annual General Meeting.

Sustainability report

ALM Equity's sustainability strategy is a continual process and covers all aspects of the business. Sustainability work encompasses financial, social and environmental responsibility, where the goal is to constantly strive to achieve a good balance between these aspects. In accordance with Chapter 6, Section 11, of the Swedish Annual Accounts Act, ALM Equity AB (publ) has chosen to prepare the statutory sustainability report as a report separate from the Annual Report. The Sustainability Report can be found on pages 24–42.

The Board of Directors' work

ALM Equity annually adopts rules of procedure for the Board of Directors and the CEO's instructions. The rules of procedure set out the obligations of the Board of Directors, division of responsibility, a meeting plan and the type of matters to be brought before the Board of Directors. During the year the company held 16 Board meetings, at which the primary issues dealt with included reports to the market, the status of the projects and major capital expenditure decisions. In addition, Board members maintain regular contact with the company's CEO.

Risks and uncertainties

ALM Equity and the company portfolio carry out operations in which both external factors and internal processes affect the profitability and the opportunity to do business that generates a healthy risk-adjusted return.

The company continually monitors behavior, trends, laws and rules, in order to respond to new circumstances. In a constantly evolving operating environment, it is important to be adaptable and be able to manage the risks and opportunities that arise. ALM Equity is of the opinion that the organization has good capacity to adapt to changes in the world around us.

The business model and internal processes for doing business are of great importance for long-term success. The entire business is risk-aware, and this approach is an important part of decision-making at all levels. The business model and procedures for monitoring the various activities of the holdings are designed to identify and minimize operating risks in the specific businesses, while changes in the company's operating environment are monitored. The significant risks identified by the Group are described in the section on Risks and Risk Management on pages 51–55.

Higher production costs, higher financing costs, volatile energy prices and restrictive lenders are a fact and may remain so for some time before the external environment stabilizes. In contracting and property development operations, this means that projects are reworked to meet the challenges, often resulting in delayed schedules. Discussions are continuing on how the observed cost increases as a result of war and the pandemic can be distributed in the value chain depending on the stage of the project, contract type, target group and product.

Changes in external factors have pushed up inflation and interest rates, which means that financing costs have increased and valuations come in lower owing to higher required returns and discount factors.

Although the situation at the year-end suggests that the increases have stopped and indicates a turnaround in 2024, the transition and effects will take time to fully materialize. Refinancing during 2024 will continue to be subject to some restrictions and will have to be on less favorable terms for the borrower. To reduce the risk, various funding sources are continually evaluated.

In recent years, the restructuring of ALM Equity has meant that a large part of the property assets are now via shares in listed or unlisted associated companies and other holdings. As a result, the liquidity impact of strategic transactions is even more significant than before.

There are two outstanding bond loans totaling SEK 1,600 million, which mature in 2025 and 2026. The bond loans increase the Group's refinancing/liquidity risk. To reduce the risk, financial planning is based on bond maturities being able to be covered with internally generated funds if the conditions on the capital market are not attractive.

Disputes

ALM Equity has no pending disputes of material or financial significance.

Consolidated statement of comprehensive income

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Revenue	1, 2, 3, 38 3, 4, 9	2,386	6,902
Production and operating costs	3, 5, 10	-2,144	-5,175
Gross profit		242	1,727
Selling and administrative costs	3, 6, 7, 8, 10	-80	-121
Profit/loss from participations in subsidiaries		–	-14
Profit/loss from shares in associated companies	22	-1,818	-2,304
Operating profit/loss		-1,656	-712
<i>Profit/loss from financial items</i>			
Financial income	3, 12	31	8
Financial expenses	3, 13	-271	-212
Profit/loss from other current assets	37	-835	–
Profit/loss after financial items		-2,731	-916
Unrealized changes in value	3, 14	-5	257
Profit/loss before tax		-2,736	-659
Tax	3, 16	28	83
Profit/loss for the year		-2,708	-576
<i>Other comprehensive income</i>			
Other comprehensive income		–	–
Other comprehensive income for the year after tax		–	–
Comprehensive income for the year	3	-2,708	-576

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Profit/loss for the year attributable to:			
Parent Company shareholders		-1,982	-717
Non-controlling interests		-726	141
Comprehensive income for the year attributable to:			
Parent Company shareholders		-1,982	-717
Non-controlling interests		-726	141
Basic earnings per ordinary share (SEK)	17	-193.78	-78.63
Earnings per ordinary share after dilution (SEK)	17	-193.78	-78.63

Consolidated statement of financial position

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Assets			
	1, 2, 3		
Non-current assets			
Intangible assets	18	17	19
Machinery and equipment	19	3	5
Investment properties	21	84	92
Managed portions of tenant-owned premises	20	44	45
Right-of-use assets	10	24	29
Shares in associated companies	22	2,683	6,295
Non-current financial assets	24	1,267	–
Deferred tax assets	16	3	1
Total non-current assets		4,125	6,486
Current assets			
Development properties	25	258	1,478
Residential projects in progress	26	1,860	1,831
Interests in tenant-owner apartments and property rights	27	73	108
Production in progress on behalf of others		0	4
Trade receivables	29, 30	107	135
Claims, associated companies	22, 29, 30	22	7
Current tax assets	29, 30	0	1
Other current receivables	28, 29, 30	235	332
Prepaid expenses and accrued income	29, 31	30	63
Other current assets	32	503	–
Cash and cash equivalents	29, 33	444	1,073
Total current assets		3,532	5,032
Total assets		7,657	11,518

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Equity and liabilities			
Equity	34		
Share capital		253	251
Other contributed capital		1,461	1,855
Retained earnings including profit/loss for the year		762	2,864
Equity attributable to Parent Company shareholders		2,476	4,970
Non-controlling interests		496	786
Total equity		2,972	5,756
Non-current liabilities	29, 30, 38		
Non-current interest-bearing bond loans		1,600	1,600
Non-current interest-bearing liabilities to credit institutions		296	427
Other non-current liabilities		–	578
Lease liabilities	10	12	28
Deferred tax liabilities	16	29	74
Other provisions		20	19
Total non-current liabilities		1,957	2,726
Current liabilities	29, 30, 38		
Current interest-bearing bond loans		–	600
Current interest-bearing liabilities to credit institutions		1,464	1,425
Subordinated interest-bearing promissory notes		19	228
Trade payables		35	84
Liabilities, associated companies		773	–
Current tax liability		25	20
Other current liabilities	10	189	404
Accrued expenses and deferred income	35	223	275
Total current liabilities		2,728	3,036
Total equity and liabilities		7,657	11,518

Consolidated statement of changes in equity

Amounts in SEK m	Equity attributable to Parent Company shareholders					
	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	Total equity
Opening equity 01/01/2023	251	1,855	2,864	4,970	786	5,756
Profit/loss for the year	–	–	-1,982	-1,982	-726	-2,708
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	–	–	-1,982	-1,982	-726	-2,708
<i>Transactions with shareholders:</i>						
Dividend paid	–	–	-120	-120	–	-120
Distribution in kind	–	–	-39	-39	–	-39
Bonus issue/redemption of preference shares	–	–	–	–	–	–
New share issue	2	116	–	118	–	118
Issue costs	–	-0	–	-0	–	-0
Tax effect on issue costs	–	–	–	–	–	–
Warrants, redemption	–	–	–	–	–	–
Allocation to development fund	–	6	-6	–	–	–
Reclassification	–	–	–	–	–	–
Transactions with non-controlling interests ²	–	-516	45	-471	436	-35
<i>Total transactions with shareholders</i>	<i>2</i>	<i>-394</i>	<i>-120</i>	<i>-512</i>	<i>436</i>	<i>-76</i>
Closing equity 12/31/2023	253	1,461	762	2,476	496	2,972

Amounts in SEK m	Equity attributable to Parent Company shareholders					
	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year	Total	Non-controlling interests	Total equity
Opening equity 01/01/2022	249	1,733	3,957	5,939	1,215	7,154
Profit/loss for the year	–	–	-717	-717	141	-576
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	–	–	-717	-717	141	-576
<i>Transactions with shareholders:</i>						
Dividend paid	–	–	-120	-120	–	-120
Distribution in kind	–	–	–	–	–	–
Bonus issue/redemption of preference shares	1	–	-1	–	–	–
New share issue	–	–	–	–	–	–
Issue costs	–	–	–	–	–	–
Tax effect on issue costs	–	–	–	–	–	–
Warrants, redemption	1	29	-12	18	–	18
Allocation to development fund	–	–	–	–	–	–
Reclassification ¹	–	43	-43	–	–	–
Transactions with non-controlling interests ²	–	50	-200	-150	-570	-720
<i>Total transactions with shareholders</i>	<i>2</i>	<i>122</i>	<i>-376</i>	<i>-252</i>	<i>-570</i>	<i>-822</i>
Closing equity 12/31/2022	251	1,855	2,864	4,970	786	5,756

¹ Reclassifications during 2022 consist of a premium amount that was previously recognized under Retained earnings but moved to Other contributed capital.

² Transactions with non-controlling interests mainly consist of dividend in connection with the completion of projects in ALM Småa Bostad and unconditional shareholder contributions from preference shareholders in subsidiaries, primarily in ALM Småa Bostad.

Consolidated cash flow statement

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Operating activities			
Operating profit/loss		-1,656	-712
Adjustment for non-cash items	36	1,457	647
Interest received		43	8
Interest paid		-297	-212
Tax paid		-11	-16
Cash flow from operating activities before changes in working capital		-464	-285
<i>Cash flow from changes in working capital</i>			
Increase/decrease, development properties		-26	-20
Increase/decrease, residential projects in progress		-379	-480
Increase/decrease, interests in tenant-owner apartments and property rights		36	84
Increase/decrease, operating receivables		-41	51
Increase/decrease, operating liabilities		-240	262
Cash flow from operating activities		-1,114	-388
Investing activities			
Investments in investment properties		-11	-61
Acquisition of intangible assets/property, plant and equipment		-2	–
Divestment of subsidiaries		–	-354
Dividend from associated companies		134	4
Acquisition of non-current financial assets		-78	-213
Divestment of non-current financial assets		727	-13
Cash flow from investing activities		770	-637

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Financing activities	36		
Bonds, subscribed for		–	–
Bonds, repaid		-600	–
Raised borrowings		504	1,176
Repayment of loans		-166	-884
New issues/Warrants incl. costs		118	17
Dividend paid to holders of preference shares		-120	-120
Transactions, non-controlling interests		-21	-45
Cash flow from financing activities		-285	144
Cash flow for the year		-629	-881
Reconciliation of cash flow			
Cash and cash equivalents at beginning of year		1,073	1,954
Cash flow for the year		-629	-881
Cash and cash equivalents at year-end		444	1,073

Parent Company's income statement

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Revenue		–	–
Production and operating costs		–	–
Gross profit			–
Selling and administrative costs	6, 7, 8	-36	-30
Other operating income		–	–
Other operating costs		–	–
Operating profit/loss		-36	-30
<i>Profit/loss from financial items</i>			
Profit/loss from shares in Group companies	11	-632	-229
Other interest income and similar items	12	22	6
Interest expenses and similar profit/loss items	13	-231	-169
<i>Total financial items</i>		<i>-841</i>	<i>-392</i>
Profit/loss after financial items		-877	-422
Appropriations	15	25	1
Tax on profit for the year	16	–	–
Profit/loss for the year		-852	-421

Parent Company's statement of comprehensive income

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Profit/loss for the year		-852	-421
Other comprehensive income		–	–
Comprehensive income for the year		-852	-421

Parent Company's balance sheet

Amounts in SEK m	Note	12/31/2023	12/31/2022
Assets			
Non-current assets			
<i>Non-current financial assets</i>			
Shares in associated companies		–	–
Shares in Group companies	23	797	474
Total non-current financial assets		797	474
Total non-current assets		797	474
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	37	2,389	4,033
Other current receivables	28	33	31
Prepaid expenses and accrued income	31	18	31
Total current receivables		2,440	4,095
Cash and bank balances	33	217	740
Total current assets		2,657	4,835
Total assets		3,454	5,309

Amounts in SEK m	Note	12/31/2023	12/31/2022
Equity and liabilities			
Equity	34, 39		
<i>Restricted equity</i>			
Share capital (11,003,163 shares)		18	16
Preference share capital (14,330,071 shares)		235	235
Total restricted equity		253	251
<i>Unrestricted equity</i>			
Retained earnings		2,401	2,866
Profit/loss for the year		-852	-421
Total unrestricted equity		1,549	2,445
Total Parent Company equity		1,802	2,696
Non-current liabilities			
Non-current interest-bearing bond loans	29, 30, 38	1,600	1,600
Total non-current liabilities		1,600	1,600
Current liabilities	29, 30, 38		
Current interest-bearing bond loans		–	600
Trade payables		1	1
Liabilities to Group companies	37	8	368
Other current liabilities		30	30
Accrued expenses and deferred income	35	13	14
Total current liabilities		52	1,013
Total liabilities		1,652	2,613
Total equity and liabilities		3,454	5,309

Parent Company's statement of changes in equity

Amounts in SEK m	Share capital	Preference share capital	Retained earnings incl. share premium reserve	Profit/loss for the year	Total
Opening equity 01/01/2023	16	235	2,866	-421	2,696
Reversal of prior-year earnings	–	–	-421	421	–
Profit/loss for the year	–	–	–	-852	-852
Other comprehensive income for the year	–	–	–	–	–
Comprehensive income for the year	–	–	-421	-431	-852
<i>Transactions with shareholders:</i>					
Bonus issue/redemption of preference shares	–	–	–	–	–
New share issue	2	–	116	–	118
Issue costs	–	–	-1	–	-1
Tax effect on issue costs	–	–	–	–	–
Dividend paid	–	–	-120	–	-120
Distribution in kind	–	–	-39	–	-39
<i>Total transactions with shareholders</i>	2	–	-44	–	-42
Closing equity 12/31/2023	18	235	2,401	-852	1,802

Amounts in SEK m	Share capital	Preference share capital	Retained earnings incl. share premium reserve	Profit/loss for the year	Total
Opening equity 01/01/2022	15	234	1,262	1,708	3,219
Reversal of prior-year earnings	–	–	1,708	-1,708	–
Profit/loss for the year	–	–	–	-421	-421
Other comprehensive income for the year	–	–	–	–	–
Comprehensive income for the year	–	–	1,708	-2,129	-421
<i>Transactions with shareholders:</i>					
Bonus issue/redemption of preference shares	–	1	-1	–	–
New share issue	1	–	17	–	18
Issue costs	–	–	–	–	–
Tax effect on issue costs	–	–	–	–	–
Dividend paid	–	–	-120	–	-120
<i>Total transactions with shareholders</i>	1	1	-104	–	-102
Closing equity 12/31/2022	16	235	2,866	-421	2,696

Parent Company's cash flow statement

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Operating activities			
Operating profit/loss		-36	-30
Adjustment for non-cash items	36	–	–
Interest received		25	6
Interest paid		-231	-168
Tax paid		–	–
Cash flow from operating activities before changes in working capital		-242	-192
Increase/decrease, operating receivables		1,652	1,007
Increase/decrease, operating liabilities		-401	-220
Cash flow from operating activities		1,009	595
Investing activities			
Acquisition of Group companies and associated companies		–	–
Divestment of Group companies and associated companies		–	40
Group contributions and shareholder contributions received		25	1
Group contributions and shareholder contributions paid		-955	-1,372
Cash flow from investing activities		-930	-1,331

Amounts in SEK m	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
Financing activities	36		
New issue/Warrants incl. costs		118	18
Bonds, subscribed for		–	–
Bonds, repaid		-600	–
Dividend received		–	643
Dividend paid		-120	-120
Cash flow from financing activities		-602	541
Cash flow for the year		-523	-195
Reconciliation of cash flow			
Cash and cash equivalents at beginning of year		740	935
Cash flow for the year		-523	-195
Cash and cash equivalents at year-end		217	740

Notes

NOTE 1 General information

This annual report and these consolidated financial statements cover the Swedish parent company ALM Equity AB, corporate identity number 556549-1650, and its subsidiaries. The Parent Company is a limited liability company registered and domiciled in Stockholm, Sweden.

The head office address is Regeringsgatan 59, SE-111 56 Stockholm, Sweden.

On 18 April 2024, the Board of Directors approved this annual report and these consolidated financial statements, which will be presented for adoption by the Annual General Meeting on 23 May 2024.

Currency

Unless otherwise stated, all amounts are rounded to the nearest million kronor (SEK million).

NOTE 2 Accounting policies, estimates and judgements

Regulations applied

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). In addition, the Group applies the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's recommendation RFR 1 'Supplementary accounting rules for groups of companies'.

Unless otherwise stated, the accounting policies specified have been consistently applied to all periods presented in the consolidated financial statements. The Group's accounting policies have been consistently applied by all Group companies.

The directly owned subsidiaries included in ALM Equity's consolidated financial statements are presented in Note 23 and the indirectly owned subsidiaries are presented in Note 41.

Changed accounting policies caused by new or amended IFRS

As of January 1, 2023, the changes in IAS 1 Presentation of financial statements must be applied where the Group must disclose material information concerning accounting policies instead of disclosing significant accounting policies. The change does not have a significant impact on the consolidated financial statements, but it does have a significant impact on how accounting policies, judgments and estimates are presented. In connection with the changes to IAS 1, the Company has chosen to disclose material information about accounting policies, judgments and estimates for specific areas in the respective note for the relevant area. This note contains information of a more general nature.

In each note, information about accounting policies, judgments and estimates has been labelled with the following symbols:

- Accounting policies
- Judgments
- ▲ Estimates

Changes to IAS 12 Income taxes are applied from January 1, 2023, entailing limitations to the exemption from initial recognition of temporary differences for cases in which transactions give rise to equal taxable and deductible temporary differences. The change has not had any significant impact on the consolidated financial statements.

Other changes to IFRS with application from January 1, 2023 have not had any significant effect on the consolidated financial statements.

New or revised IFRS standards not yet applied

The IASB has also published changes to IAS 1 regarding the classification of liabilities as current or non-current, while introducing new disclosure requirements for liabilities linked to covenants which come into force in 2024. The company is analyzing the effects on the financial reporting in the interim report for January to March 2024. No other forthcoming changes to IFRS or IFRIC interpretations with a significant impact on the Group have been identified. Therefore, no new or amended IFRS have been applied prematurely.

Valuation principles

Assets and liabilities are recognized at historical cost except in the case of investment properties and certain financial assets and liabilities measured at fair value. Financial assets and liabilities measured at fair value consist of managed shares in tenant-owned premises, non-current financial assets and bond loans. See Note 29 Financial assets and liabilities. The consolidated financial statements have been prepared on a going concern basis.

Cash flow statement

The cash flow statement is prepared according to the indirect method and details the Group's cash inflows and outflows during the period. The statement is divided up into operating activities, investing activities and financing activities.

Parent Company

The Parent Company has prepared its financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 'Accounting for Legal Entities' issued by the Swedish Corporate Reporting Board.

The differences between the Group's and the Parent Company's accounting policies are shown below or are described in the relevant notes. Unless otherwise stated, the accounting policies for the Parent Company described below have been applied consistently in all periods presented in the Parent Company's financial statements.

Classification and presentation

The Parent Company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act.

NOTE 3 Segment reporting

ALM Equity AB (publ) is a company developer in the property sector that creates value by acquiring, refining and investing in assets that become new businesses and independent companies. As of December 31, 2023, the holdings in the company portfolio comprised businesses in property development, property management, contracting and digital services.

During 2022, ALM Equity clarified its role as company developer by focusing reporting and presentations on the company portfolio and its significant holdings. In the first quarter of 2023, the company decided to also revise the segment presentation to adapt it to the new role and how the business is monitored based on it. The starting point is company development, which is presented in the tables in this note on the basis of Group and associated company holdings, with a specification of income and expense categories essential for the overall monitoring of Group activities.

More information on the major holdings' specific reporting is presented for each company on pages 16-22. To facilitate the link between the companies and the segment, the companies have specified tags in the company description for operations and segments so that a link can be made to previous segment reporting and the tables below. General information about ALM Equity's activities can be found on pages 8–10.

Adjustments to segment reporting

■ Monitoring takes place based on the Group's and associated companies' financial reporting with adjustments for how value is created over time in companies with property development activities such as ALM Småa Bostad and Aros Bostad. For the Group company ALM Småa Bostad, this means that the completion method's settlements are reversed and percentage of completion is calculated based on the degree of completion and agreements with end customers in the segment, which means that earnings are reported gradually from the start of construction to completion instead of the entire earnings being reported on completion.

For the associated company Aros Bostad, the share of earnings from the associated company in the segment is adjusted to be based on their segment reporting according to the latest known reporting in which they also apply a percentage of completion method as the projects are completed. More information about their reporting can be found on their website at www.arosbostad.se.

Information about the tables presented

In the following tables, ALM Equity's company development has been broken down according to how the company works and monitors the various holdings and their operations based on transparency and governance model. The segment tables for 2022 have been reorganized to enable comparison.

The tables in the segment report show income and expenses attributable to ALM Småa Bostad's operations on a more aggregated basis compared to the distribution in Note 4 Revenue and Note 5 Production and operating costs. The Contract revenue, property development line in the segment reporting corresponds to the Contract revenue, property development, Contract revenue, inventory sales of tenant-owned shares and Contract revenue, divested projects/properties lines in Note 4. The Expenses, property development line in the segment reporting corresponds to the Expenses, property development, Expenses, inventory sales of tenant-owned shares and Expenses, divested projects/properties lines in Note 5.

The following applies to the reorganization:

What was previously called Contracting is now mostly included in the 2xA Entreprenad column, with the remainder in Other Group holdings under Group holdings.

The 2xA Entreprenad column shows the 2xA Group's total financial reporting, of which ALM Equity's share amounts to 80%.

What was previously called Digital services is now included in the Other Group holdings column under Group holdings.

What was previously called Property development is now distributed so that the subgroup that owns the associated company Aros Bostad is found under Associated holdings and ALM Småa Bostad under Group holdings.

There has also been some reallocation between Group general and Other Group holdings under Group holdings.

The Group general column includes the Parent Company and overall Group adjustments.

NOTE 3 Segment reporting

Earnings monitoring, January – December 2023

Amounts in SEK m	Company development					Total by segment	Recalculated to IFRS	Total according to IFRS
	Group holdings				Group general			
	ALM Småa Bostad	2xA Entreprenad	Other Group holdings	Associated holdings				
Contract revenue, property development	2,221	–	–	–	–	2,221	-105	2,116
Contract revenue, contracting	–	315	68	–	-141	242	–	242
Lease income	11	–	2	–	–	13	–	13
Other income	10	–	13	–	-8	15	–	15
Intra-Group income	0	366	117	–	-483	–	–	–
Total revenue	2,242	681	200	–	-632	2,491	-105	2,386
Expenses, property development	-1,957	–	–	–	6	-1,951	88	-1,863
Expenses, contracting	–	-527	-183	–	494	-216	–	-216
Operating and management costs	-18	–	–	–	–	-18	–	-18
Other production and operating costs	-7	–	-5	-12	-23	-47	–	-47
Intra-Group expenses	–	-89	-5	–	94	–	–	–
Total production and operating costs	-1,982	-616	-193	-12	571	-2,232	88	-2,144
Selling and administrative costs	-33	-17	-43	–	27	-66	–	-66
Depreciation and amortization	-1	-3	-10	–	–	-14	–	-14
Profit/loss from participations in subsidiaries	–	–	290	–	-290	–	–	–
Profit/loss from shares in associated companies	–	–	–	-1,824	–	-1,824	6	-1,818
Operating profit/loss	226	45	244	-1,836	-324	-1,645	-11	-1,656
Financial income	5	5	1	2	18	31	–	31
Financial expenses	-15	-1	0	-24	-231	-271	–	-271
Profit/loss from other current assets	-835	–	–	–	–	-835	–	-835
Unrealized changes in value	-17	–	–	12	–	-5	–	-5
Appropriations and tax	53	-10	-2	-38	25	28	–	28
Profit/loss for the year	-583	39	243	-1,884	-512	-2,697	-11	-2,708
<i>Minority share of profit/loss</i>	<i>708</i>	<i>8</i>	<i>-2</i>	<i>–</i>	<i>-3</i>	<i>-705</i>	<i>-21</i>	<i>-726</i>

Amounts in SEK m	Company development					Total by segment	Recalculated to IFRS	Total according to IFRS
	Group holdings				Group general			
	ALM Småa Bostad	2xA Entreprenad	Other Group holdings	Associated holdings				
Shares in associated companies	10	–	–	2,682	–	2,692	-9	2,683
Non-current financial assets	–	–	–	1,267	–	1,267	–	1,267
Other non-current assets	135	1,192	33	–	-1,185	175	–	175
Development properties	258	–	–	–	–	258	–	258
Residential projects in progress	2,124	–	–	–	-122	2,002	-142	1,860
Other current assets	3,655	373	1,314	5	-4,377	970	–	970
Cash and cash equivalents	72	44	14	97	217	444	–	444
Total assets	6,254	1,609	1,361	4,051	-5,467	7,808	-151	7,657
Equity	3,089	1,481	537	-915	-1,069	3,123	-151	2,972
Non-current liabilities	78	8	22	249	1,600	1,957	–	1,957
Current liabilities	3,087	120	802	4,717	-5,998	2,728	–	2,728
Total liabilities and equity	6,254	1,609	1,361	4,051	-5,467	7,808	-151	7,657
<i>Minority share of equity</i>	<i>622</i>	<i>296</i>	<i>1</i>	<i>–</i>	<i>-356</i>	<i>563</i>	<i>-67</i>	<i>496</i>

KPIs as at 12/31/2023

Amounts in SEK m	Total by segment	Recalculated to IFRS	Total according to IFRS
Operating margin %	neg	–	neg
Basic earnings per ordinary share (SEK)	-194.64	0.86	-193.78
Earnings per ordinary share after dilution (SEK)	-194.64	0.86	-193.78
Equity per ordinary share (SEK)	73.55	-7.67	65.88
Return on equity (%)	-37.66	-5.96	-43.62
Equity/assets ratio (%)	40	-1	39

NOTE 3. Segment reporting, cont.

Earnings monitoring, January – December 2022

Amounts in SEK m	Company development					Total by segment	Recalculated to IFRS	Total according to IFRS
	Group holdings				Group general			
	ALM Småa Bostad	2xA Entreprenad	Other Group holdings	Associated holdings				
Contract revenue, property development	6,519	–	–	–	–	6,519	171	6,690
Contract revenue, contracting	–	352	235	–	-475	112	–	112
Lease income	19	–	12	–	–	31	–	31
Other income	66	–	4	–	-1	69	–	69
Intra-Group income	5	784	237	1	-1,027	–	–	–
Total revenue	6,609	1,136	488	1	-1,503	6,731	171	6,902
Expenses, property development	-4,952	–	-16	–	-106	-5,074	10	-5,064
Expenses, contracting	–	-816	-239	–	1,035	-20	–	-20
Operating and management costs	-18	–	-11	6	–	-23	–	-23
Other production and operating costs	-33	–	-2	-15	-18	-68	–	-68
Intra-Group expenses	-114	-224	-186	-9	533	–	–	–
Total production and operating costs	-5,117	-1,040	-454	-18	1,444	-5,185	10	-5,175
Selling and administrative costs	-66	-19	-51	–	34	-102	–	-102
Depreciation and amortization	-4	–	-15	–	–	-19	–	-19
Profit/loss from participations in subsidiaries	-10	–	-67	–	63	-14	–	-14
Profit/loss from shares in associated companies	10	–	–	-2,299	–	-2,289	-15	-2,304
Operating profit/loss	1,422	77	-99	-2,316	38	-878	166	-712
Financial income	2	5	23	–	-22	8	–	8
Financial expenses	-27	-23	-5	-16	-141	-212	–	-212
Unrealized changes in value	264	–	-10	3	–	257	–	257
Appropriations and tax	4	-12	–	93	-2	83	–	83
Profit/loss for the year	1,665	47	-91	-2,236	-127	-742	166	-576
<i>Minority share of profit/loss</i>	68	9	-8	–	-8	61	80	141

Amounts in SEK m	Company development					Total by segment	Recalculated to IFRS	Total according to IFRS
	Group holdings				Group general			
	ALM Småa Bostad	2xA Entreprenad	Other Group holdings	Associated holdings				
Shares in associated companies	66	–	–	6,244	–	6,310	-15	6,295
Other non-current assets	25	1,184	166	–	-1,184	191	–	191
Development properties	1,493	–	–	–	-15	1,478	–	1,478
Residential projects in progress	2,214	–	–	–	-258	1,956	-125	1,831
Other current assets	2,259	476	1,863	82	-4,030	650	–	650
Cash and cash equivalents	201	66	59	6	741	1,073	–	1,073
Total assets	6,258	1,726	2,088	6,332	-4,746	11,658	-140	11,518
Equity	3,417	1,442	1,292	968	-1,223	5,896	-140	5,756
Non-current liabilities	266	2	41	817	1,600	2,726	–	2,726
Current liabilities	2,575	282	755	4,547	-5,123	3,036	–	3,036
Total liabilities and equity	6,258	1,726	2,088	6,332	-4,746	11,658	-140	11,518
<i>Minority share of equity</i>	903	288	-5	–	-354	832	-46	786

KPIs as at 12/31/2022

Amounts in SEK m	Total by segment	Recalculated to IFRS	Total according to IFRS
Operating margin %	neg	–	neg
Basic earnings per ordinary share (SEK)	-86.73	8.10	-78.63
Earnings per ordinary share after dilution (SEK)	-86.73	8.10	-78.63
Equity per ordinary share (SEK)	309.22	-8.68	300.54
Return on equity (%)	-9.44	-0.64	-10.08
Equity/assets ratio (%)	51	-1	50

NOTE 4 Revenue

In the table below, revenue has not been broken down by segment. For breakdown information, see Note 3.

SEK m	Group	
	2023	2022
Contract revenue, property development	701	1,247
Contract revenue, contracting	242	112
Contract revenue, inventory sales of tenant-owned shares	60	173
Contract revenue, divested projects/properties	1,354	5,269
Lease income, rental income	13	30
Other income	16	71
Total revenue	2,386	6,902

Contract revenue, property development

■ The Group's revenue from property development is derived from the construction and sale of new residential units and the customers are mainly external property management companies and private individuals. Residential units are sold to private individuals via tenant-owners' associations which ALM Equity has judged to be subject to consolidation as the Group has a controlling influence over the tenant-owners' associations. Residential units are sold to property management companies by the properties containing the units being transferred in corporate form. Contracts with customers in both forms usually only include one performance obligation, to hand over a residential unit that is ready for occupation. The transaction price is essentially a fixed price. Revenue and costs must be recognized once commitments in the contract with the customer are fulfilled. For tenant-owned apartments, this is deemed to be when the residential units can be occupied. If a property development project consists of multiple stages, the commitment is deemed to be fulfilled once each stage is delivered to the customers.

During the year two sub-projects comprising 301 residential units were completed. With reference to the comparison period, there were four sub-projects comprising 653 units.

Contract revenue, contracting

■ The Group's contracting revenue is mainly attributable to contracting agreements with external customers where the commitment normally includes a turnkey contract at a fixed price with an estimated payment plan based on activities and an estimated schedule. The revenue is recognized over time based on completed performances based on expenditure incurred in the projects. During the year, revenue in this category increased owing to a higher share of external customers.

Contract revenue, inventory sales of tenant-owned shares

■ Revenue from sales of inventory of shares in tenant-owned apartments relates to ALM Småa Bostad's inventory of tenant-owned apartments from previously completed property development projects. The revenue comes from agreements with external customers on the sale of tenant-owned apartments from the inventory, and they are recognized when all contractual conditions for project handover have been met.

During the year, 17 (52) tenant-owned apartments were sold.

■ Accounting policies, ● Judgments, ▲ Estimates

Contract revenue, divested projects/properties

■ Revenue from the sale of potential property development projects and properties is recognized in the event of a binding agreement with an external party where all essential conditions are met and control passes to the buyer. This revenue does not include property development projects completed by ALM Småa Bostad, which are recognized on the Contract revenue, property development line.

In 2023, this type of revenue was mainly attributable to the Svenska Nyttobostäder transaction of SEK 1,270 million. In 2022, the transactions regarding Klövern of SEK 4,355 million and Aros Bostad of SEK 857 million contributed to divested projects/properties being significantly higher than in 2023.

Lease income

ALM Equity is the lessor for leases under which the Group rents out residential units and commercial premises. See Note 9 for more information about lease income.

NOTE 5 Production and operating costs

SEK m	Group	
	2023	2022
Expenses, property development	-716	-1,256
Expenses, construction contracts	-216	-20
Expenses, inventory sales of tenant-owned shares	-63	-180
Expenses, divested projects/properties	-1,084	-3,628
Operating and management costs	-18	-23
Other production and operating costs	-47	-68
Total revenue	-2,144	-5,175

Expenses, property development

■ Property development expenses mainly relate to expenses associated with developing and constructing the residential units sold to external property management companies and private individuals. The expenses are mainly related to property acquisition, development of zoning plans, preparation of building permits and construction expenses. During the property development phase, expenditure incurred is recognized as Residential projects in progress in the balance sheet. See Note 26. This expenditure is recognized as expenses in the same period as the revenue is recognized for these projects. See Note 4.

Expenses, construction contracts

■ The Group's construction expenses are mainly attributable to subcontracts and the purchase of materials and services for turnkey contracts with external customers. Expenses are recognized as they are incurred and are the basis for revenue recognition over time. See Note 4.

Expenses, inventory sales of tenant-owned shares

■ Expenses from sales of shares in tenant-owned apartments relates to ALM Småa Bostad's inventory of tenant-owned apartments (see Note 27) from previously

completed property development projects. The expenses relate to acquisition cost and other sales-related expenses and are recognized in the same period as revenue is recognized. See Note 4.

Expenses, divested projects/properties

■ Expenses to sell potential property development projects and properties relate to the expenditure incurred for land acquisition and planning. Expenses incurred are recognized in the balance sheet as Development properties. See Note 25. Expenses are recognized in the same period as the corresponding revenue. See Note 4. The expenses do not include property development projects completed by ALM Småa Bostad, which are recognized on the Expenses, property development line.

In 2023, this type of expense was mainly attributable to the Svenska Nyttobostäder transaction of SEK -917 million. In 2022, the transactions regarding Klövern of SEK -2,395 million and Aros Bostad of SEK -896 million contributed to divested projects/properties being significantly higher than in 2023.

Operating and management costs

■ Costs for operation and management of the properties and tenant-owned shares owned by ALM Equity are recognized in the period in which they arise.

NOTE 6 Employees and employee benefits

	Group		Parent Company	
	2023	2022	2023	2022
Average number of employees				
Women	27	42	–	–
Men	71	92	1	1
Total	98	134	1	1

Employee benefit expenses, SEK thousand

<i>Board of Directors and CEO</i>				
Salaries and other remuneration	2,987	4,039	2,987	4,039
Social security expenses	1,166	1,512	1,166	1,512
Pension expenses	756	720	756	720
Total	4,909	6,271	4,909	6,271

Other employees

Salaries and other remuneration	63,604	87,553	–	–
Social security expenses	22,118	30,366	–	–
Pension expenses	4,525	8,566	–	–
Total	90,247	126,485	–	–

NOTE 6 Employees and employee benefits, cont.

Gender distribution, senior management, %

	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Women on the Board	27	29	20	20
Men on the Board	73	71	80	80
Women in other senior management	33	25	–	–
Men in other senior management	67	75	–	–

In the gender distribution table, the Group also includes the distribution of women and men on the Boards of ALM Equity's Group companies. Board members of Group companies do not receive any remuneration.

Remuneration and conditions, senior management

The Chief Executive Officer (CEO) is an employee of the Parent Company. Remuneration to the CEO consists of basic salary and any bonus, a defined contribution pension expense (excluding special employer's contribution) corresponding to 30% of the salary and the right to a company car. There is a possibility of salary sacrifice for additional pension provision.

Remuneration to other members of senior management consists of basic salary, defined contribution pension plans and any bonus. Members of other senior management means the people who make up the Group management with the CEO.

The CEO of the Group has a mutual notice period of 12 months regardless of whether the notice is from the Group or the CEO chooses to terminate their employment. Other senior management have a notice period according to the Swedish Employment Protection Act if the notice is from the Group. There are no agreements on severance pay.

Warrants

The last opportunity to subscribe for shares under the employee incentive plan implemented in 2017 was in 2022. An incentive plan from 2021 for employees comprising 100,000 warrants remains in place. Under the terms and conditions, shares may be subscribed for as of September 30, 2026. See further information in Note 34 Equity.

Pensions

■ The Group offers primarily defined contribution pension plans classified as plans in which fixed contributions are paid and there are no obligations to pay anything additional to these contributions. Expenses for defined contribution plans are recognized as an expense during the period in which the employees perform the services on which the obligation is based. Two of the subsidiaries are covered by collective bargaining agreements with ITP plans including both defined contribution parts in ITP 1 and defined benefit plans in ITP 2. The defined benefit pension plans are recognized in the same way as the defined contribution pension plans when there is insufficient information to recognize them otherwise. The Group's aggregate cost for pensions amounted to SEK 5,281,000 (9,286,000).

Employee benefit expenses in the financial statements

The total employee benefit expenses of the Parent Company and the Group during the year are shown above. A large part of the staff's time is spent on the progress of the Group companies' activities. This means that the hours are charged to the projects and become part of the production costs, which are reflected partly in the income statement on completion or divestment of projects on the Production and operating costs line and partly in the balance sheet capitalized on the properties for projects in progress, on both the Development properties and Residential projects in progress lines. In total, SEK 45 million of the employee benefit expenses for the year remain, which are recognized on the Selling and administrative costs line in the income statement for 2023; the corresponding figure for the previous year was SEK 63 million.

■ Accounting policies, ● Judgments, ▲ Estimates

Remuneration to senior management 2023

Specified in SEK thousand	Basic salary, Board fee	Pensions expense	Variable remuneration	Share-based remuneration	Other remuneration	Total
<i>Chair of the Board</i>						
Maria Wideroth	60	–	–	–	–	60
<i>Board members</i>						
Johan Wachtmeister	40	–	–	–	–	40
Johan Unger	40	–	–	–	–	40
Gerard Versteegh	40	–	–	–	–	40
Joakim Alm	–	–	–	–	–	–
Other members of senior management		w				
CEO	2,520	756	345	–	138	3,759
Other members of senior management (2)	2,978	283	684	–	5	3,950
Total	5,678	1,039	1,029	–	143	7,889

Remuneration to senior management 2022

Specified in SEK thousand	Basic salary, Board fee	Pensions expense	Variable remuneration	Share-based remuneration	Other remuneration	Total
<i>Chair of the Board</i>						
Maria Wideroth	60	–	–	–	–	60
<i>Board members</i>						
Johan Wachtmeister	40	–	–	–	–	40
Johan Unger	40	–	–	–	–	40
Gerard Versteegh	40	–	–	–	–	40
Joakim Alm	–	–	–	–	–	–
Other members of senior management						
CEO	2,400	720	198	–	139	3,457
Other members of senior management (3)	4,759	477	1,255	–	56	6,547
Total	7,339	1,197	1,453	–	195	10,184

NOTE 7 Remuneration of auditors

Audit firms, SEK million	Group		Parent Company	
	2023	2022	2023	2022
Ernst & Young AB				
Audit engagement	-5	-7	-1	-1
Other fees	-2	-	-1	-
Öhrlings Pricewaterhouse Coopers AB				
Other fees	-1	-2	-	-
Total	-8	-9	-2	-1

Audit engagement refers to the audit of accounting records, annual reports, management by the Board of Directors and CEO and other tasks incumbent on the company's auditor.

Other fees include other audit activities in addition to the regular audit engagement, which is any other advice or assistance resulting from observations made during such an audit or the performance of such tasks.

NOTE 8 Selling and administrative costs

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Other external expenses	-21	-39	-31	-24
Employee benefit expenses	-45	-63	-5	-6
Depreciation, amortization and impairment	-14	-19	-	-
Total	-80	-121	-36	-30

Employee benefit expenses recognized as selling and administrative costs are part of the Group's total employee benefit expenses. See Note 6 Employees and employee benefits for more information.

NOTE 9 Leases – lessor

■ ALM Equity is the lessor for leases under which the Group rents out residential units and commercial premises. These leases are classified in their entirety as operating leases, as ALM Equity deems that the Group retains the economic benefits and economic risks associated with leasing.

The year's lease income relating to leases consists of the Group's open-ended leases under which the customer generally has the right to terminate the lease within 3–12 months. Lease income for the year was SEK 13 million (30). In 2022, rental income was included for properties that Klövernt took possession of during the year.

Future undiscounted lease income at December 31 for leases is distributed as follows:

SEK m	12/31/2023	12/31/2022
Within 1 year	6	6
Between 1 and 2 years	6	3
Between 2 and 3 years	5	1
Between 3 and 4 years	2	1
Between 4 and 5 years	2	-
Later than 5 years	9	-
Total future lease income	30	11

The Parent Company has no leases in which it is the lessor.

NOTE 10 Leases – lessee

The Group's leases consist mainly of leases for commercial premises, storage facilities, office machines, cars and garage spaces. Total lease expenses for the year amounted to SEK -17 million (-16). The term analysis for lease liabilities is in Note 30 Financial risks.

■ ALM Equity applies relief rules for short-term leases and leases for which the underlying asset is of low value, for example printers and defibrillators. Expenses arising in connection with these leases are recognized on the Selling and administrative costs line in the income statement on a straight-line basis over the term of the lease.

■ All leases are amortized over the term of the lease, as no title is deemed to be transferred in any of ALM Equity's leases.

■ The right-of-use assets' lease liabilities are calculated a present value at the Group's incremental borrowing rate and are recognized at that amount adjusted by prepaid lease payments. After the start date of a lease, the lease liability increases to reflect the interest on the lease liability and decreases as lease payments are paid. In addition, the lease liability is revalued as a result of contract modifications, changes to the lease term, changes to lease payments or changes in an assessment to buy the underlying asset.

Right-of-use assets 2022 SEK m	Commercial premises	Vehicles	Site lease- holds	Total
Opening carrying amount	17	3	43	63
Additional rights of use	6	1	-	7
Amortisation of rights of use	-8	-1	-	-9
Terminated rights of use	-6	-1	-43	-50
Revaluation of rights of use	18	-	-	18
Closing carrying amount	27	2	-	29

Right-of-use assets 2023 SEK m	Commercial premises	Vehicles	Site lease- holds	Total
Opening carrying amount	27	2	-	29
Additional rights of use	-	2	-	2
Amortisation of rights of use	-9	-1	-	-10
Terminated rights of use	-	0	-	0
Revaluation of rights of use	1	2	-	3
Closing carrying amount	19	5	-	24

At year-end, lease liabilities amounted to a total of SEK 24 (29) million, of which SEK 12 (28) million is non-current and SEK 12 (1) million current, of which the current liability is on the Other current liabilities line in the balance sheet.

■ The Parent Company applies the exemption in RFR 2 regarding leases, but a lease is nevertheless identified in accordance with IFRS 16. The Parent Company is the lessee of a car and its garage space for the benefit of the CEO and these expenses are recognized as operating leases on the Selling and administrative costs line in the income statement.

■ Deferred tax on leases is recognized net in the balance sheet; information on deferred tax attributable to leases in which ALM Equity is the lessee is provided in Note 16 Tax on profit for the year.

NOTE 11 Profit/loss from shares in Group companies

SEK m	Parent Company	
	2023	2022
Dividend received	–	643
Capital gain/loss on sales	–	40
Impairment	-632	-912
Total profit/loss from shares in Group companies	-632	-229

■ The Parent Company tests shares in Group companies for impairment in connection with the reporting periods, and a decision is made on the value of each share in relation to the subsidiaries' equity, asset values and project status.

A large part of the impairments during the year comes from unconditional shareholder contributions to subsidiaries to improve equity, primarily as a result of the transaction with Svenska Nyttobostäder, which caused negative effects as the acquisition costs were lower than the subscription prices. More information is available in Notes 22 and 37.

NOTE 12 Financial income

SEK m	Group		Parent Company	
	2023	2022	2023	2022
External interest income	26	7	21	5
Interest income from Group companies	–	–	–	–
Interest income from associated companies	5	1	1	1
Total financial income	31	8	22	6

■ Financial income consists mainly of interest income on bank deposits and is recognized in accordance with the effective interest method.

NOTE 13 Financial expenses

SEK m	Group		Parent Company	
	2023	2022	2023	2022
External interest expenses	-271	-212	-231	-169
Exchange differences	0	0	0	0
Total financial expenses	-271	-212	-231	-169

■ Financial expenses consist mainly of interest expenses on loans and are recognized using the effective interest method. Recognized interest expenses are net of capitalized interest expenses amounting to SEK 83 (64) million. Exchange gains and losses are recognized net in financial expenses.

NOTE 14 Unrealized changes in value

SEK m	Group	
	2023	2022
Derivatives	–	2
Financial instruments	12	3
Managed portions of tenant-owners' associations	0	-4
Investment properties	-17	-2
Management properties in production	–	258
	-5	257

● In 2023, unrealized changes in value regarding the convertibles in Aros Bostad were reversed in their entirety following a new assessment that they should be equated with ordinary shares and thus recognized according to the equity method. The correction had no significant impact on the earnings effect for unrealized changes in value and therefore the comparative figures were not adjusted. The earnings effect attributable to the previous year amounts to a total of SEK -6 million, of which SEK -3 million relates to unrealized changes in value and SEK -3 million is as a result of the convertibles being included in the calculation of the share of equity.

● The holding in Klövern was reclassified during the year to Non-current financial assets measured at fair value because the Group's holding decreased to less than 20%. An unrealized change in value of SEK 15 million is recognized for these. More information on measurement at fair value is available in Note 29.

No derivative instruments or investment properties under construction remained in the Group in 2023, hence there are only earnings effects in the comparative figures.

NOTE 15 Appropriations

SEK m	Parent Company	
	2023	2022
Group contributions received	25	1
Group contributions paid	–	–
Total appropriations	25	1

■ Group contributions paid and received are recognized as appropriations in accordance with the alternative method in RFR 2.

NOTE 16 Tax on profit for the year

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Current tax	-11	-13	–	–
Adjustment for previous year	0	–	–	–
Deferred tax	39	96	–	–
Tax recognized	28	83	–	–
Reconciliation of effective tax rate				
Profit/loss before tax	-2,736	-659	-852	-421
Tax at current rate	564	136	176	87
Non-taxable income	552	1,395	0	141
Non-deductible expenses	-928	-1,484	-130	-188
Non-deductible interest income and expenses	-66	-46	-45	-35
Change in loss carry-forwards	-133	-14	-1	-4
Change in deferred tax relating to temporary differences	39	96	–	–
Tax recognized	28	83	–	–
Effective tax rate, %	1.0	12.6	0.0	0.0

The Group has no tax items that are recognized in other comprehensive income.

Non-taxable income and non-deductible expenses come mainly from ALM Småa Bostad's revenue recognition and from divestments of properties and tenant-owned shares. Other non-taxable and non-deductible expenses may be attributed to holdings in Group companies and unrealized values of shares in associated companies.

The earnings effect for the year linked to deferred tax of SEK 39 million comes mainly from reversed reserves and surplus values recognized in the income statement in connection with the completion of projects and the sale of properties to Svenska Nyttobostäder. The corresponding effect of SEK 96 million in the previous year came mainly from the sale of properties to Klövern and Aros Bostad.

■ Financial expenses related to property development projects are capitalized on a consolidated basis from the time at which a project is financed externally, which affects deferred tax. These are reversed in connection with completion.

Disclosure of deferred tax assets and liabilities in the table below specifies the tax effect of the temporary differences:

Deferred tax liabilities, SEK m	12/31/2023	12/31/2022
Allocations for acquisition of Småa AB	11	19
Allocations for acquisition of Järntorget Byggtressenter AB	13	28
Unrealized changes in value	–	12
Capitalized financial expenses	24	23
Right-of-use assets	5	6
Other temporary differences	-19	-8
Carrying amount	34	80
Deferred tax assets, SEK m	12/31/2023	12/31/2022
Loss carry-forwards	–	1
Lease liabilities	5	6
Unrealized changes in value	3	–
Carrying amount	8	7

■ Deferred tax liabilities attributable to right-of-use assets amounting to SEK 5 million (6) have been offset against deferred tax assets attributable to lease liabilities amounting to SEK 5 million (6) according to the offsetting rules. The statement of financial position thus presents the following net deferred tax assets and liabilities:

Deferred tax	12/31/2023	12/31/2022
Net deferred tax assets	3	1
Net deferred tax liabilities	29	74

○ / ▲ At the end of 2023, accumulated loss carryforwards within the Group totalled SEK 1 552 million (906). The loss carryforwards deemed to be possible to use to reduce tax on future profits within the Group have been capitalized as tax assets at a level corresponding to deferred tax on unrealized changes in value. Future profits for the Group are largely expected to be generated from corporate transactions that are deemed to be non-taxable, which is why only a small deferred tax asset is recognized. Renewed evaluations as to whether or not deferred tax assets for loss carryforwards should be recognized are performed on a regular basis.

The source of uncertainty in estimates that poses a substantial risk of the value of assets and liabilities having to be significantly adjusted during the financial year to come is deferred tax assets.

NOTE 17 Earnings per share

SEK	Group	
	2023	2022
Basic earnings per ordinary share		
Profit/loss for the year attributable to Parent Company shareholders	-1,982,464,000	-716,807,000
Less dividend attributable to preference shareholders	120,372,000	120,149,000
Average number of ordinary shares outstanding	10,851,872	10,644,071
Basic earnings per ordinary share (SEK)	-193.78	-78.63
Earnings per ordinary share after dilution		
Profit/loss for the year attributable to Parent Company shareholders	-1,982,464,000	-716,807,000
Less dividend attributable to preference shareholders	120,372,000	120,149,000
Average number of ordinary shares outstanding	10,851,872	10,644,071
Effect of potential ordinary shares on warrants	–	–
Earnings per ordinary share after dilution (SEK)	-193.78	-78.63

■ Earnings per share before dilution is calculated by dividing the period's earnings attributable to the Parent Company's shareholders, reduced by the preference capital's share of earnings, by the weighted average number of ordinary shares outstanding during the year.

When calculating earnings per ordinary share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilutive effect of all potential ordinary shares. These potential ordinary shares are attributable to the warrants issued to staff in 2021. The dilutive effect of potential ordinary shares is recognized only if a recalculation of ordinary shares would lead to a reduction in earnings per share after dilution. There is no dilution effect in the annual accounts because the average value of the ordinary shares for the year was lower than the subscription price for the option scheme in 2021.

For information about changes in the number of shares outstanding, see Note 34 Equity.

NOTE 18 Intangible assets

	Group	
	2023	2022
Internally developed software, SEK million		
Opening cost	18	18
Reclassification	12	–
<i>Closing accumulated cost</i>	<i>30</i>	<i>18</i>
Opening amortization	-14	-9
Amortization for the year	-3	-5
<i>Closing accumulated amortization</i>	<i>-17</i>	<i>-14</i>
<i>Development work in progress</i>		
Opening costs incurred	15	9
Costs incurred during the year	3	6
Reclassification	-14	–
<i>Closing development work in progress</i>	<i>4</i>	<i>15</i>
Closing carrying amount	17	19

■ The intangible assets relate to the internal development of the Your Block app. Initially, development costs are classified as development work in progress and when a sub-project is commissioned, it is reclassified as a completed sub-project and amortization begins. The useful lives of completed sub-projects are estimated to be 3–5 years and straight-line amortization is applied. The acquisition costs at the year-end are calculated to be fully amortized by December 2027.

▲ The capitalized development costs are tested for impairment quarterly according to IAS 36. They are impaired if it is indicated that sub-projects will not be able to be completed, need to be reworked based on new conditions, or if future economic benefits are not deemed to accrue to the company.

The Parent Company has no intangible assets.

For more information about Your Block, see page 22.

NOTE 19 Machinery and equipment

	Group	
	2023	2022
SEK m		
Opening cost	15	17
Acquisitions during the year	0	3
Disposals during the year	-1	-5
<i>Closing accumulated cost</i>	<i>14</i>	<i>15</i>
Opening depreciation	-10	-12
Disposals during the year	1	4
Depreciation for the year	-2	-2
<i>Closing accumulated depreciation</i>	<i>-11</i>	<i>-10</i>
Closing carrying amount	3	5

The Group's machinery and equipment consists mainly of office furniture, gym equipment and cars. The estimated useful life of all machinery and equipment is 5 years.

■ Machinery and equipment are recognized in the consolidated accounts at cost, less accumulated depreciation and any impairment losses. The carrying amount of an asset is removed from the balance sheet upon retirement or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains and losses are recognized as other operating income/expenses. Depreciation is on a straight-line basis over the estimated useful life of the asset. Depreciation methods used, residual values and useful life periods are reviewed at each year-end.

The Parent Company has no machinery and equipment.

NOTE 20 Managed shares in tenant-owned premises

	Group	
	2023	2022
SEK m		
Opening cost	45	50
Unrealized changes in value	-1	-5
<i>Closing property values</i>	<i>44</i>	<i>45</i>
Closing carrying amount	44	45

○ / ▲ Tenant-owned premises held for long-term management have been measured at fair value based on external market values based on future cash flows. The effects have been recognized via profit or loss as unrealized changes in value.

More information about fair value is available in Note 29.

NOTE 21 Investment properties

SEK m	Group	
	2023	2022
Opening property values	92	94
Occupied properties	–	–
Unrealized changes in value	-17	-2
Investments for the year	13	–
Disposals during the year	–	–
Reclassifications	-4	–
<i>Closing property values</i>	<i>84</i>	<i>–</i>
Closing recognized fair value	84	92

Rateable value ¹ , SEK million	Group	
	2023	2022
Rateable value, buildings	11	–
Rateable value, land	–	–
Total rateable value	11	–

1 Part of the holdings of investment properties had no rateable value as of 31 December 2023 as the property formation is still an ongoing matter at Lantmäteriet.

Investment properties are properties that have been occupied and are owned and managed entirely or partly by intra-Group activities with the long-term aim of receiving rental income or achieving an increase in value or a combination of the two. Investment properties include buildings, land, land improvements and property fixtures.

■ Additional expenses are added to the carrying value of the investment property only if it is probable that the future economic benefits associated with the expenses will accrue to the Group and the cost can be reliably calculated. All other additional expenses are recognized as costs in the period in which they arise. Expenses relating to the exchange of identified components and addition of new components are added to the carrying amount based on the same principle. Repairs and maintenance are expensed as the expense arises. In connection with the annual accounts, some of the capitalized costs linked to the property were expensed as they are not considered to be value-enhancing. These are then reclassified to the Production and operating costs line in the statement of comprehensive income.

The portfolio consists of commercial premises and garages located in the Stockholm area with potential net operating income totaling SEK 5 million a year. A few commercial premises are vacant and being adapted for tenants. Investment properties are measured at fair value through profit or loss.

■ Accounting policies, ● Judgments, ▲ Estimates

▲ Valuation model

Investment properties are initially measured at cost plus any transaction costs and are subsequently measured in accordance with the fair value method.

Valuation is carried out in accordance with Level 3 of the valuation hierarchy via a cash flow analysis based on a present value calculation of estimated future cash flows, combined with a local price analysis. Valuations are carried out annually by an authorized valuer and followed up internally each quarter, or in the event of incidents that significantly impact the value. The value is adjusted through profit or loss and realized on divestment.

In 2023, all investment properties were externally valued by JLL. On the valuation dates they had access to information about current and newly signed leases, estimated operating and maintenance costs and estimated investments based on maintenance plans and anticipated future vacancies. A calculation period typically extends over ten years.

▲ Valuation assumptions

When assessing a property's future earning capacity, the following assumptions were used in the valuations. Where assumptions change during the calculation period or differ between investment properties, they are stated as a range. The rental income is based on existing rents and market rents. Operating and maintenance costs are assessed individually per property based on outcomes and the valuation institute's experience of similar properties.

Assumptions for valuation at year-end	2023	2022
Calculation period (years)	10	10
Yield requirement (%)	7.15–7.25	6.73–6.75
Average yield requirement (%)	7.20	6.74
Inflation forecast (%)	2 (3.0) ¹	2 (4.5) ¹
Cost of capital (%)	8.96–9.30	8.50–8.58
Long-term vacancies (%)	8.0–14.6	6.0–7.5

Sensitivity analysis, impact on value in SEK million	2023	2022
Change in net operating income +/-3%	+0/-0	+0/-0
Yield requirement +/-1 percentage point	-12/+18	-18/+29

1 Inflation estimated at 3.0% (4.5) in the first year and then 2%.

NOTE 22 Shares in associated companies

■ Participations in companies over which the Group has a significant influence are classified as associated companies and recognized in accordance with the equity method. According to this method, a holding is initially recognized at cost and the carrying amount subsequently increased or reduced to take account of the owner company's interest in the investment object's earnings following the date of acquisition. The acquisition cost includes the value of convertibles. See more information in the section on Aros Bostadsutveckling AB below.

SEK m	Group	
	2023	2022
Opening carrying amount	6,295	3,328
Acquisitions during the year	608	921
Share of profit/loss for the year ¹	-498	-804
Shareholder contributions	–	4,367
Dividend	-139	-6
Sales/disposals for the year ¹	-1,407	-14
Adjusted values ¹	-868	-1,497
Reclassification	-1,308	–
Closing carrying amount	2,683	6,295

1 Recognized under Profit/loss from associated companies in the income statement and included in operating profit/loss. The amount specified for sales/disposals for the year meets any revenues and transaction costs for disposals.

▲ Valuation of associated companies

ALM Equity works continuously to assess the carrying amounts of its assets and has developed cash flow models for its associated companies to assess the right-of-use value based on the respective associated company's available reporting. Valuation assumptions are given below:

Assumptions for valuation at year-end	Group 2023
Calculation period (years)	8-10
Inflation forecast (%)	2-5
Yield requirement (%)	4-5
Cost of capital (%)	10-12
Loan-to-value ratio ¹ (%)	34-65
Project margin (%)	20

1 The loan-to-value ratio in project portfolios is estimated to be an average of 34% and 65% for investment properties.

NOTE 22 Shares in associated companies, cont.

● The company continuously monitors developments with a continued assessment that all holdings and their assets are considered to have good conditions for increased values in a more stable situation when interest rates and the capital markets normalize. An increase or decrease in value of 5 percentage points at the balance sheet date would have an effect on profit/loss before tax of SEK +/- 137 million and an effect on equity after tax of SEK +/- 109 million.

Information about significant holdings

ALM Equity's significant holdings in associated companies at year-end are Svenska Nyttbostäder and Aros Bostad, both of which are listed on Nasdaq First North Growth Market. During the year, Klöver AB was reclassified as a financial asset.

Svenska Nyttbostäder AB (publ)

The holding consists of 51,518,291 ordinary shares, which corresponds to around 39% of the capital and 39% of the voting rights. The carrying amount of the total holding was SEK 1,838 million at year-end.

In 2023, Svenska Nyttbostäder contributed negative earnings of SEK -291 million, and the following transactions were carried out regarding the holding:

- acquisition of 75,000 ordinary shares at a cost of SEK 20.07 per ordinary share
- allocated 16,367,548 ordinary shares as payment for properties and building rights sold, subscription price SEK 50 per ordinary share and acquisition price SEK 24.40 per ordinary share
- converted the holding in preference shares into ordinary shares, with two ordinary shares being received for each preference share, a subscription price of SEK 50 per ordinary share and an acquisition price of SEK 25.40 per ordinary share
- allocated 2,787,956 ordinary shares in a preferential issue at a subscription price of SEK 35 per ordinary share and an acquisition price of SEK 25.80 per ordinary share
- wrote down the holding by SEK 64 million after impairment testing in the annual accounts using a discounted cash flow model.

● / ▲ After the year's transactions, the average book price amounts to SEK 35.67 per ordinary share, compared with the impairment test in the annual accounts, where the discounted cash flow valuation amounted to SEK 36.21 per ordinary share. The share price on the closing date was SEK 14.10 per ordinary share, which is significantly lower than the cash flow valuation. However, the share price is not considered to reflect the long-term value of the company. It is instead a snapshot based on very low trading in the shares. It is therefore considered that there is no further need for impairment of the book value at year-end.

● / ▲ The book value is reviewed quarterly using a discounted cash flow valuation to assess the right-of-use value based on the information available in the company's reporting. ALM Equity assesses that it is a continued long-term value-creating asset that holds a well-positioned property portfolio with good conditions to meet current market conditions. Now that the company has full control over the building rights on which construction has not yet started, it also has the opportunity to adapt and develop at the pace permitted by the prevailing business environment.

Aros Bostadsutveckling AB

The holding consists of 14,516,380 ordinary shares and 2,263,161 preference shares in class B, which corresponds to around 27% of the capital and 27% of the voting rights.

○ In addition, ALM Equity holds convertibles with the option to convert them into 2,141,725 ordinary shares. These are recognized as shares in associated companies and valued with other holdings in Aros. If all convertibles were converted, the holding would amount to around 29% of the capital and 29% of the voting rights. The carrying amount of the total holding was SEK 835 million at year-end.

In 2023, Aros Bostad contributed negative earnings of SEK 45 million, and the following transactions were carried out regarding the holding:

- distribution in kind of 1,071,499 ordinary shares in Aros Bostad to ordinary shareholders of ALM Equity
- sold 400,000 ordinary shares and 690,000 preference shares to an external party at a value of approximately SEK 65 million, corresponding to SEK 37 per ordinary share and SEK 75 per preference share
- received 583,333 ordinary shares and 425,630 convertibles in connection with a project exit in the third quarter, subscription price of SEK 60 per ordinary share/convertible and an acquisition price of SEK 28.10 per ordinary share/convertible
- converted 5,462,076 convertibles into ordinary shares at an acquisition price of SEK 28.70 per ordinary share
- received 1,716,095 convertibles in connection with two project exits in the fourth quarter, subscription price of SEK 60 per convertible and an acquisition price of SEK 26.80 per convertible

● / ▲ After the year's transactions, the average book price amounts to SEK 39.24 per ordinary share and SEK 80 per preference share in class B, compared with the impairment test in the annual accounts, where the discounted cash flow valuation amounted to SEK 40.40 per ordinary share and SEK 100 per preference share. The share prices at year-end were SEK 32.50 per ordinary share and SEK 83 per preference share in class B. There is deemed to be no need for impairment of the book value based on the cash flow valuation prepared to assess the right-of-use value based on the information available in the company's reporting.

● / ▲ The book value is reviewed quarterly using a discounted cash flow valuation to assess the right-of-use value based on the information available in the company's reporting. ALM Equity assesses that it is a continued long-term value-creating asset that holds a well-positioned project portfolio with good conditions to meet current market conditions.

Klöver AB

At the start of the year, the holding consisted of 59,556,450 ordinary shares, corresponding to around 46% of the capital and voting rights, with a carrying amount of SEK 3,573 million.

During the year, Klöver contributed a negative earnings of SEK -252 million during the period in which it was classified as an associated company and the following transactions were carried out:

- impairment of the holding by SEK 801 million as a result of the transaction initiated with Nrep
- divestment of 51% of the holding to Nrep for a purchase price of SEK 1,161 million. Including the above impairment of carrying amounts, the transaction had an earnings effect of SEK -723 million.

● The holding was reclassified during the third quarter of 2023 to Financial assets due to the fact that the shareholding is less than 20% and the influence over the company decreased after completion of the transaction with Nrep. More information on the remaining holding can be found in Note 24.

NOTE 22 Shares in associated companies, cont.

	Svenska Nyttobostäder AB (publ)		Klöver AB		Aros Bostadsutvecklings AB (publ)	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance sheet, SEK m						
Assets						
Non-current assets	4,460	4,896	–	9,337	193	199
Current assets	2,621	127	–	208	2,348	2,495
Total assets	7,081	5,023	–	9,545	2,541	2,694
Equity and liabilities						
Equity including minority interest	3,363	1,607	–	7,816	1,788	1,564
Non-current liabilities	1,371	3,084	–	881	348	169
Current liabilities	2,347	332	–	848	405	961
Total equity and liabilities	7,081	5,023	–	9,545	2,541	2,694
Income statement						
Revenue	231	188	–	140	1,488	41
Operating expenses	-250	-72	–	-105	-1,353	-120
Unrealized changes in value	-650	-146	–	-1,721	–	–
Profit/loss from shares in associated companies	–	–	–	4	74	17
Net financial items	-202	-98	–	-33	-41	-1
Tax	123	18	–	-20	0	–
Profit/loss for the year	-748	-110	–	-1,735	168	-63
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the year	-748	-110	–	-1,735	168	-63

	Svenska Nyttobostäder AB (publ)		Klöver AB		Aros Bostadsutvecklings AB (publ)	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance sheet, SEK m						
Market value						
Total value	1,936	3,426	n/a	n/a	2,457	2,614
Group's share ¹	726	1,372	n/a	n/a	660	635
Group's shareholding in %	39	44	–	47	27	23
Opening carrying amount	1,799	3,315	3,573	–	857	–
Acquisitions during the year	534	–	–	8	74	857
Group's share of capital	-291	-10	-252	-790	45	-3
Shareholder contributions	–	–	–	4,355	–	–
Dividend	-1	-6	-114	–	-24	–
Sales for the year	-139	–	-1,154	–	-114	–
Valuation effects	-64	-1,500	-801	–	-3	3
Reclassification	–	–	-1,252	–	–	–
Closing carrying amount	1,838	1,799	–	3,573	835	857
Information about individual immaterial holdings:					12/31/2023	12/31/2022
Total carrying amount for individual immaterial associated companies					10	66
<i>Total amount for the Group's share of:</i>						
Profit/loss from remaining operations					0	0
Profit/loss after tax from discontinued operations					–	–
Other comprehensive income					–	–
Total comprehensive income					0	0

¹ The Group's share of the market value of Aros Bostadsutveckling AB (publ) does not include the holding of convertibles as they are not issued and are not part of the total market value of Aros. The carrying amount includes the convertibles.

NOTE 23 Shares and participations in Group companies

■ Group companies are companies that are under ALM Equity AB's controlling influence and are recognized in the Parent Company using the acquisition method.

In connection with acquisitions, ALM Equity applies the option of making a simplified assessment of whether the fair value of the gross assets acquired can be attributed to an asset (property/properties) or a group of similar assets. In cases where the test shows that the fair value essentially relates to an asset (property/properties) or a group of similar assets, ALM Equity assesses that the acquisition should be classified as an asset acquisition. What essentially constitutes fair value is assessed on a case-by-case basis.

■ For business combinations where the consideration transferred exceeds the fair value of assets acquired and liabilities taken over that are recognized separately, the difference is recognized as goodwill. When the difference is negative, a so-called low-price acquisition, it is recognized directly in profit or loss for the year.

● An important assessment is the classification of the Group's holdings in Group companies. The Group is deemed to have a controlling influence over the majority of the holdings and regards them as subsidiaries. This assessment is based on the fact that ALM Equity has at least 50% of the votes in the companies and a governing project, management or business plan as the basis for shareholder agreements, the design of the project/management/companies and governance.

● Tenant-owners' associations are consolidated into the Group where ALM Equity deems them to be under the Group's control. Normally, the time at which the Group no longer has control over the association is deemed to be when the end customers take possession of completed projects.

SEK m	Parent Company	
	2023	2022
Opening carrying amount	474	15
Acquisitions	–	–
Shareholder contributions	955	1,371
Sales	–	–
Impairment losses	-632	-912
Closing carrying amount	797	474

Shares and participations wholly owned by Parent Company

The list below includes shares and participations directly owned by the Parent Company:

Company	Corporate identity no.	Registered office	Shares	Share of equity, %	Share of votes, %		Book value ¹	
					12/31/2023	12/31/2022	12/31/2023	12/31/2022
ALM Commercial AB	559158-4403	Stockholm	500	100	100	100	0	0
ALM Construction Management AB	559158-4395	Stockholm	500	100	100	100	748	457
ALM Equity Admin AB	556691-4056	Stockholm	100	100	100	100	0	0
A Equity Förvaltning AB	559152-1504	Stockholm	500	100	100	100	14	14
ALM Småa Bostad AB	559158-4361	Stockholm	500	100	100	100	32	0
ALM Digital AB	559158-4387	Stockholm	500	100	100	100	1	1
Elutera Fastighet AB	556719-6968	Stockholm	1,000	100	100	100	0	0
ALM Equity Management AB	556895-0140	Stockholm	500	100	100	100	2	2
Stadsterrassen AB	559003-8203	Stockholm	500	100	100	100	0	0
A Equity Finans Holding AB	559136-6744	Stockholm	500	100	100	100	0	0
Total wholly owned shares							797	474

¹ In some cases book value and financial information total SEK 0 as these amounts fall below SEK 500,000 and are therefore rounded down.

Share in Group companies are recognized in the Parent Company at cost less any impairment. This means that transaction expenses are included in the carrying amount of holdings in both wholly-owned and partly-owned companies. The activities of the Group companies are primarily to own and manage shares and properties and related activities.

ALM Småa Bostad AB is the parent company of a company structure that works within the Property development segment. The majority of the Group companies directly under ALM Småa Bostad AB represent top holding companies in company structures set up for their operations' property development projects. The basic structure consists of a tenant-owners' association or a co-operative and/or a property company. It is in these structures that the properties are found. The company structures consist of different numbers of companies, depending on the size and scope of the projects/properties.

A Equity Förvaltning AB is the parent company of a corporate structure that owns ALM Equity's associated companies and other financial assets, which consist of the holdings Svenska Nyttobostäder AB (publ), Aros Bostadsutveckling AB (publ) and Klöver AB.

ALM Construction Management AB is the parent company for companies in the Contracting segment, which includes the companies 2xA Entreprenad AB, Järntorget Bygg AB and Bomodul i Bodafors AB.

ALM Digital AB owns ALM Equity's share of the holding in Your Block AB, which works in the digital services segment.

Employees in the Group, apart from the company's CEO, are in ALM Equity Management AB, ALM Småa Bostad Management AB, 2xA Entreprenad AB, Järntorget Bygg AB, Bomodul i Bodafors AB and Ekonomipartner i Tranås AB.

During the financial year, SEK 67 million (99) was distributed from the company's Group companies to holders without controlling influence.

See Note 41 for ALM Equity's indirectly owned shares and participations in Group companies.

NOTE 24 Non-current financial assets

Non-current financial assets consist of the remaining holding in Klövern which was reclassified in Q3 2023 from shares in associated companies. See Note 22 Shares in associated companies. At year-end, the holding amounted to 29,182,659 shares, corresponding to 19% of the shares and votes. After directed issues of up to SEK 1,000 million to Nrep, the shareholding will amount to 16%.

SEK m	Parent Company	
	2023	2022
Opening carrying amount	–	–
Acquisitions during the year	–	–
Changes in value for the year ¹	15	–
Disposals during the year	–	–
Reclassification	1,252	–
Closing carrying amount	1,267	–

¹ Recognized on the Unrealized changes in value line in the income statement.

■ /▲ Non-current financial assets are recognized at fair value in accordance with Level 3 in the IFRS valuation hierarchy. Before the annual accounts were prepared, the holding was valued using a discounted cash flow model based on the information that the shareholders receive from Klövern. A positive unrealized change in value of SEK 15 million was recognized during the year since the reclassification from Shares in associated companies in the third quarter.

For information about valuation, see Note 29.

NOTE 25 Development properties

■ Development properties are properties over which the company has control and that are at pre-production phases. Acquisition of development properties is only fully entered in the accounts when legal title has been transferred, which normally occurs when a contract meets all conditions. Before impairment, development properties are measured at cost and direct costs incurred linked to the preparation of a zoning plan, conceptualization and building permits. They are valued according to the lowest value principle, which means that a property is recognized at the lower of acquisition cost, including capitalized expenses, and estimated net realizable value.

▲ The net realizable value is the estimated selling price less estimated costs for completing the property and achieving a sale. The sales value is assessed quarterly, at least once a year, by an external valuer. In the assessment, the key inputs are estimated income, costs, type of product, area and required return. The valuation is then based on cash flows calculated at present value.

● The Group's property holdings for development are recognized as current assets, since the holdings are included in the Group's normal business cycle and are regarded as part of a residential project and/or have customer occupation within 2–5 years. A development property is reclassified to Residential projects in progress when the project reaches the start of production.

SEK m	Group	
	2023	2022
Opening carrying amount	1,478	3,872
Recent acquisitions	35	408
Capitalized project expenses	32	92
Capitalized interest expenses	4	10
Initiated residential projects	–	-65
Divested properties	-1,235	-2,457
Impairment for the year	-87	-266
Reclassification of projects	32	-116
Closing carrying amount	259	1,478

In 2022, ALM Småa Bostad relinquished 11,000 building rights that were transferred to Klövern, which reduces the Divested properties line by SEK 1.6 billion. In the same year, it relinquished 181 building rights to Aros Bostad, contributing SEK -636 million to the decrease in the Divested properties line.

In total, development properties included 19 (21) projects in development at the end of 2023. The remaining projects include 7 projects comprising 849 building rights that are part of the transaction with Aros Bostad but have conditions that must be fulfilled before it can take possession. During the year, no projects were added and construction started on no sub-projects for the private housing market.

▲ During the year, the building rights portfolio was valued both by JLL and internally, which resulted in impairment of carrying amounts of SEK 16 million. Furthermore, a provision of SEK 71 million was made for remaining projects in the transaction with Aros Bostad due to the fact that the average price for 2023 was significantly lower than the transaction's subscription price of SEK 60 per ordinary share according to the agreement signed in 2022.

NOTE 26 Residential projects in progress

■ Residential projects in progress include all property development projects on which production has started that are intended for the external market. They are valued according to the lowest value principle, which means that a property is recognized at the lower of acquisition cost, including capitalized project expenses, and estimated net realizable value.

▲ The net realizable value is the selling price less estimated costs for completing the property and achieving a sale. Net realizable value is assessed internally on a quarterly basis to identify any need for impairment. The assessment compares the project's cost estimate with the actual outcome and updated forecast.

● The Group's property holdings for development are recognized as current assets, since the holdings are included in the Group's normal business cycle and are estimated to have customer occupation within 2–5 years. Before impairment, residential projects in progress are measured at cost and direct costs incurred linked to the preparation of a zoning plan, conceptualization, building permits and production.

SEK m	Group	
	2023	2022
Opening carrying amount	1,831	2,150
Residential projects acquired	–	–
Residential projects on which construction has started	–	65
Work in progress during the year	582	1,121
Capitalized interest expenses	79	54
Residential projects delivered	-590	-1,585
Impairment for the year	-7	-90
Reclassification of projects	-35	116
Closing carrying amount	1,860	1,831

During the year, no projects/sub-projects reached the start of production and were moved to Residential projects in progress; in the previous year there were two corresponding projects/sub-projects. At the same time, two projects/sub-projects were completed and the customers took possession during the year; in the previous year the corresponding figure was four projects/sub-projects. In 2022, five projects/sub-projects in progress were sold to Aros Bostad, which will complete them and deliver them to end customers. In total, this caused a reduction of SEK -645 million on the Residential projects delivered line.

NOTE 27 Interests in tenant-owned apartments and property rights

■ Interests in tenant-owned apartments and property rights consist of the units that are not sold when property development projects in ALM Småa Bostad have been completed and are thus part of the Group's inventory during the sales period. The interests are valued according to the lowest value principle.

SEK m	Group	
	2023	2022
Opening carrying amount	108	192
Acquisitions for the year	–	18
Impairment for the year	-6	-16
Sales for the year	-29	-86
Closing carrying amount	73	108

Acquisitions for the year from Group companies refer to the units that were not sold in connection with the completion of projects during the year.

▲ In 2023, 17 units were sold compared to 52 units in the previous year. During the year, the shares were valued by New Property, Fastighetsbyrån, Bo Sthlm Fastighetsmäklare and Notar, as well as internally, which resulted in impairment of SEK 6 million. Valuations are based on relevant local price analysis and assessments of condition, location, layout and standard.

NOTE 28 Other current receivables

The Group's other receivables are interest-free receivables from external parties.

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Deposits for property acquisitions	3	8	–	–
Property development costs	15	17	–	–
Receivables from buyers of inventory	45	64	–	–
Receivables from buyers of companies/properties	137	128	33	31
VAT receivables	19	43	–	–
Advances for contracting operations	–	11	–	–
Other external receivables	16	61	0	0
Total	235	332	33	31

Deposits in connection with acquisition of new properties for future property development projects are paid according to agreements for acquisitions where not all contract stipulations have been fulfilled and they have not been occupied.

Property development costs are project costs at early stages for projects that have not yet been occupied.

Receivables from buyers of inventory of tenant-owned apartments include receivables from buyers who acquired tenant-owned apartments ready for occupancy but did not complete full financial occupancy at the year-end.

Receivables from buyers of companies and properties are outstanding receivables that are due on the basis that specific conditions are met.

VAT receivables are all outstanding receivables from the Swedish Tax Agency.

Advances for contracting operations consist of the advances that the contracting company 2xA Entreprenad paid to suppliers for specific products, primarily module production.

Other external receivables consist mainly of lending to external parties and remaining receivables on tenant-owners' associations delivered.

NOTE 29 Financial assets and liabilities

The Group's financial assets and liabilities are mainly measured at amortized cost. The assets and liabilities recognized at fair value are shown in the tables below. Carrying amount is deemed to be equivalent to fair value.

ALM Equity's exposure to various risks associated with the financial assets and liabilities is described in Note 30. The maximum exposure for the assets corresponds to the carrying amount of the financial assets.

Fair value measurement

IFRS 13 Fair value measurement contains a valuation hierarchy for input data used to measure fair value. This valuation hierarchy establishes three levels as follows:

Level 1 – Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2 – Observable input data for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).

Level 3 – Input data for the asset or liability that is not based on observable market data (i.e. non-observable input data).

Below is an overview of financial assets and liabilities measured at fair value through profit or loss and information on supplementary notes for more information.

As at December 31, 2023	Note	Level	Method
Financial assets	24	3	DCF
Managed portions of tenant-owned premises	20	3	Local price

Bond loans

The bond loans are listed on a regulated market but are recognized at amortized cost as the instrument's trading is low. The carrying amount is deemed to correspond to the fair value based on an assessment of how pricing in a potential new transaction in line with the terms of the bonds can take place according to management's assessment.

NOTE 29 Financial assets and liabilities, cont.

The table below presents the Group's financial assets and liabilities classified in categories according to IFRS 9.

Financial assets and liabilities as at December 31, 2023

Group	Measured at fair value through profit or loss	Measured at amortized cost	Total carrying amount
Financial assets			
Managed portions of tenant-owned premises	44	–	44
Non-current financial assets	1,267	–	1,267
Trade receivables	–	107	107
Other current receivables	–	156	156
Accrued income	–	7	7
Cash and cash equivalents	–	444	444
Total	1,311	714	2,025
Financial liabilities			
Bond loans	–	1,600	1,600
Non-current interest-bearing liabilities	–	296	296
Other non-current liabilities	–	–	–
Lease liabilities	–	12	12
Current interest-bearing liabilities with credit institutions	–	1,464	1,464
Subordinated interest-bearing promissory notes	–	19	19
Trade payables	–	35	35
Other current liabilities	–	136	136
Accrued expenses	–	216	216
Total	–	3,778	3,778

Financial assets and liabilities as at December 31, 2022

Group	Measured at fair value through profit or loss	Measured at amortized cost	Total carrying amount
Financial assets			
Managed portions of tenant-owned premises	45	–	45
Non-current financial assets	–	–	–
Trade receivables	–	135	135
Other current receivables	–	216	216
Accrued income	–	27	27
Cash and cash equivalents	–	1,073	1,073
Total	45	1,451	1,496
Financial liabilities			
Bond loans	–	2,200	2,200
Non-current interest-bearing liabilities	–	427	427
Other non-current liabilities	–	578	578
Lease liabilities	–	28	28
Current interest-bearing liabilities with credit institutions	–	1,425	1,425
Subordinated interest-bearing promissory notes	–	228	228
Trade payables	–	84	84
Other current liabilities	–	383	383
Accrued expenses	–	274	274
Total	–	5,627	5,627

Assets and liabilities measured at fair value through profit or loss

The fair value of financial assets and liabilities not traded in an active market is determined using generally accepted valuation techniques based on the company's available inputs and market assumptions.

Managed portions of tenant-owned premises

The fair value of tenant-owned premises for management is based on market valuation using future cash flows. The holdings are valued by an external valuer at least once a year. At the year-end, this was performed by New Property. Material input data for valuation is area, location, rent levels, yield requirements and location price analysis.

Sensitivity analysis, impact on value in SEK million	2023
Change in net operating income +/-3%	1/-1
Yield requirement +/-1%	-4/5

Non-current financial assets

The non-current financial assets consist of the holding in Klövern, and the valuation is reviewed quarterly. The valuation is based on a discounted cash flow model. The main assumptions are set out below. The inputs come largely from third parties, which does not allow for sensitivity testing of all assumptions.

Assumptions for valuation at year-end	2023
Calculation period (years)	12
Cost of capital (%)	10
Inflation forecast (%)	2
Yield requirement (%)	4.9
Estimated lending rate (%)	5,0-8,15
Average sales price per square meter (SEK thousand)	67

Sensitivity analysis, impact on value in SEK million	2023
Return on equity +/- 1%	248/-194
Long-term inflation rate +/- 1%	102/-79

NOTE 29 Financial assets and liabilities, cont.

The table below presents the Parent Company's financial assets and liabilities.

Financial assets and liabilities as at December 31, 2023

Parent Company	Measured at fair value through profit or loss	Measured at amortized cost	Total carrying amount
Financial assets			
Receivables from Group companies	–	2,389	2,389
Other current receivables	–	33	33
Accrued income	–	2	2
Cash and cash equivalents	–	217	217
	–	2,641	2,641
Financial liabilities			
Bond loans	–	1,600	1,600
Trade payables	–	1	1
Liabilities to Group companies	–	8	8
Other current liabilities	–	30	30
Accrued expenses	–	12	12
	–	1,651	1,651

Financial assets and liabilities as at December 31, 2022

Parent Company	Measured at fair value through profit or loss	Measured at amortized cost	Total carrying amount
Financial assets			
Receivables from Group companies	–	4,033	4,033
Other current receivables	–	31	31
Accrued income	–	6	6
Cash and cash equivalents	–	740	740
	–	4,810	4,810
Financial liabilities			
Bond loans	–	2,200	2,200
Trade payables	–	1	1
Liabilities to Group companies	–	368	368
Other current liabilities	–	30	30
Accrued expenses	–	14	14
	–	2,613	2,613

The Parent Company's financial assets and liabilities

■ The rules for financial instruments in IFRS 9 are not applied in the Parent Company as a legal entity because of the relationship between accounting and taxes. The Parent Company instead applies the acquisition method in accordance with the Swedish Annual Accounts Act.

In the Parent Company, non-current financial assets are therefore measured at cost and current financial assets according to the lowest value principle, with application of impairment for expected credit losses according to IFRS 9 for assets that are debt instruments. For other financial assets, impairment is based on market values.

NOTE 30 Financial risks

In its business the Group is exposed to different types of financial risk: credit risk, market risk (currency risk, interest rate risk and other price risks) and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial earnings. For further information about ALM Equity's risks and risk management, see pages 51–55.

The Group's financial transactions and risks are controlled centrally by the Group's CEO and CFO. The overall objective for financial risks is to provide cost-effective financing and cash management, and to ensure that all payment obligations are handled in a timely manner.

The Board of Directors draws up written principles for both overall risk management and for specific areas such as credit risks, currency risks, interest rate risks, refinancing risks, liquidity risks, and the use of derivative instruments and investment of excess liquidity.

Liquidity and financing risk

The Group's financing consists primarily of equity, non-interest-bearing and interest-bearing liabilities such as bank loans, bond loans and construction loans. The Parent Company had outstanding bond loans of SEK 1,600 million at the year-end. Other interest-bearing and non-interest-bearing liabilities are recognized directly, primarily by the Group's property-owning Group companies. Counterparties are Swedish commercial banks, institutions, private investors, suppliers and private customers. Some loans entail special commitments to maintain, for example, Loan to Value and Equity/Assets Ratio. This means that lenders may be granted the right to call for early repayment of credits provided or to request changed terms and conditions in the event that these special commitments are not fulfilled by the borrower. ALM Equity has largely contracted out requirements for covenants when entering into financing agreements, and the company meets all financial commitments agreed upon.

Liquidity risk is the risk that the Group may have difficulty meeting its obligations associated with financial liabilities. The Board of Directors manages liquidity risks by continuously monitoring cash flow and liquidity forecasts in order to reduce the liquidity risk and to ensure solvency. In projects under development the company strives to attain a high proportion of current interest-bearing financing, and to ensure projects are fully financed before construction work is contracted. Investment objects are financed using long-term interest-bearing financing. In order to enhance the certainty of meeting unforeseen liquidity needs, additional cash and cash equivalents remain in the Parent Company.

Financing risk refers to the risk of cash and cash equivalents being unavailable, and of financing being only partially available, or not at all, or at a higher cost. The company manages this risk by continuously monitoring its liquidity and financial position using short-term and long-term financial models. The Group uses several sources of finance, and works with a number of counterparties and different types of instrument, thereby reducing the effects should a counterparty or source of financing become temporarily unavailable.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table further below. Financial instruments with a variable interest rate have been calculated with the interest rate in force on the balance sheet date. Liabilities have been included in the period in which repayment may be demanded at the earliest.

The Group has both long-term and short-term bond loans and loans from credit institutions. Lease liabilities are classified as long-term loans. The assets within ALM Småa Bostad that carry out property development projects are classified as current. Accordingly, other project-related liabilities are also considered current.

Credit risk

Credit risk is the risk of a customer or a counterparty in a financial instrument being unable to fulfil its obligations, thereby subjecting the Group to a financial loss. ALM Equity's credit and counterparty risks comprise the inability of suppliers, partners or customers to fulfil their obligations or payments as agreed. At the time of the signing of contracts, these are complemented as required with security in the form of guarantees, insurance, sureties, pledged assets, Parent Company guarantees or similar. ALM Equity constantly monitors and evaluates its counterparties' financial position.

Credit risk exposure in the Group as a whole is limited. In the Group, credit risk is distributed across a large number of counterparties. Credit risk exposure may arise with individual parties in connection with transactions. In the event of this, a risk assessment is conducted and if it is deemed necessary, additional collateral is requested to minimize the credit risk.

The Group has established guidelines to ensure that contracts are entered into with customers that have a suitable credit background. Credit losses are minimal relative to the Group's revenue. ALM Equity defines an increase in credit risk as when a customer is 60 days late making payment. A financial asset is considered to be in default when the customer is 90 days late making payment. The credit quality of receivables not yet due or impaired is considered to be good and no significant credit losses have been identified. An individual assessment is made on an ongoing basis to determine whether a receivable should be booked as doubtful. In 2023, credit losses of SEK 0 million (3.5) were identified, SEK 3.3 million (0.5) of which has been recorded as doubtful and SEK 0 million (8.6) has been reversed following final settlement and is recognized in operating profit/loss.

SEK m	Group		
	Trade receivables Recognized gross	Provisions for credit losses	Trade receivables Recognized net
Not overdue trade receivables	44	–	44
Overdue trade receivables, 1– 30 days	1	–	1
Overdue trade receivables, 31 – 90 days	30	–	30
Overdue trade receivables, >90 days	37	-5	32
Total trade receivables	112	-5	107

The Group applies the simplified method for recognizing expected credit losses for trade and rent receivables. This means that a provision is made for expected credit losses for the remaining term, which is expected to be less than one year for all trade and rent receivables. The provision for expected credit losses is calculated using a loss share model based on historical credit losses and forward-looking information. In many ways the customers in each of the Group's businesses share similar risk profiles, which is why the credit risk is initially assessed collectively for all customers within each business. For large individual receivables, an assessment is conducted per counterparty. A receivable is written off when there is no longer any expectation that payment will be received and when all active measures for obtaining payment have been completed. Indicators that there is no reasonable expectation of repayment include contractual payments being more than 180 days late.

The financial assets covered by provisions for expected credit losses according to the general method essentially consist of cash and cash equivalents, loan agreements and contracts of engagement. The Group applies a rating method based on the counterparty's assessed rating and loss given default to calculate expected credit losses.

The Parent Company applies the same impairment method as the Group for expected credit losses on current and non-current receivables from Group companies.

Financial credit risk

Counterparties in cash transactions are exclusively financial institutions with high credit ratings.

Market risks

Market risk is the risk of the fair value of, or future cash flows from a financial instrument varying owing to changes in market prices. Market risks are divided by IFRS into three types: currency risk, interest rate risk and other price risks. The market risks affecting the Group comprise interest rate risk and share price risk. At present the Group has no loans or holdings exposing the Group to currency risk or other price risks.

Interest rate risk

Interest rate risk is the risk of the fair value of or future cash flows from a financial instrument varying owing to changes in market rates. Interest expenses constitute a significant portion of the Group's expenses. Interest rate risk is attributable to the trend in current interest rate levels and changes that affect ALM Equity's financing costs.

Interest rate risk is defined as the risk of impact on earnings and cash flow from a change in market rates. To increase predictability in the Group's financial expenses, ALM Equity has the option of using interest rate derivatives. No interest rate derivatives were used at the year-end or in the comparison year.

Liabilities to credit institutions bear fixed interest, fully variable interest or interest linked to STIBOR. As at December 31, 2023, the interest rate on loan liabilities was in the range 7.07–9.80%, with an average interest rate of 7.68%.

An increase or decrease in interest rates of 1 percentage point as at the balance sheet date would have an effect on profit/loss before tax of SEK +/- 18 million (+/- 19) and an effect on equity after tax of SEK +/- 14 million (+/- 15).

ALM Equity had a total of SEK 1,600 million in outstanding bond loans at the year-end. The 2020/2025 bond of SEK 600 million bears interest at a variable rate of STIBOR 3m + 7.25% and matures on June 15, 2025. The 2021/2026 bond of SEK 1,000 million bears interest at a rate of STIBOR 3m + 6.50% and matures on June 17, 2026. All interest payments are made quarterly and all bonds are listed on Nasdaq OMX Stockholm.

Share price risk

For shares in listed companies, the marketplace provides an ongoing indication of the value of the holding. A short-term decline in market value does not necessarily mean that the long-term assessment of the value of the holding should be impaired. The Company's listed shareholdings are recognized using the equity method and are tested for impairment when necessary. An indication that the book value needs to be tested for impairment is if the market value is permanently below the book value. In the event that the book value of the listed holdings changes by 5%, it has an impact on profit and equity of +/- SEK 109 million (133). In 2023, the acquisition value of the holding in Svenska Nyttbostäder was impaired by SEK 64 million after impairment testing according to IAS 36.

NOTE 30 Financial risks, cont.

Capital management

The Group's goal regarding the capital structure is to maintain an optimal asset and capital structure over time that is well adapted to the Group's businesses. Capital is defined as equity, which amounted to SEK 2,972 million (5,756). The Group has no explicit financial targets.

During the year, there were no changes in the Group's capital management. None of the Group companies is subject to external capital requirements.

The war in Ukraine and external factors

The impact of changing external factors as a consequence of the war in Ukraine and the pandemic before it, which drove up inflation and interest rates, was significant in 2023. At the same time, the perception is that the increase in inflation and interest rates has stalled, indicating a turnaround in 2024. For the portfolio companies, capital structures are managed on the basis of the conditions in the financial market, with higher interest rates and requirements for greater equity injections for financing and refinancing the operations. The restructuring of ALM Equity in recent years has meant that a large part of the property assets are now via shares in listed or unlisted holdings. With these holdings, the liquidity impact of strategic transactions is even more significant than before.

Maturity analysis¹ Group 12/31/2023	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Lease liabilities	6	6	12	–	–	24
Bond loans	87	87	1,785	–	–	1,958
Liabilities to credit institutions	1,327	422	104	2	2	1,857
Subordinated interest-bearing promissory notes	8	–	16	–	–	24
Liabilities, associated companies	773	–	–	–	–	773
Trade payables	35	–	–	–	–	35
Other current liabilities	86	91	–	–	–	177

Maturity analysis¹ Group 12/31/2022	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Lease liabilities	5	5	17	5	–	32
Bond loans	111	711	1,930	–	–	2,753
Other non-current liabilities	–	–	610	–	–	610
Liabilities to credit institutions	770	1,020	149	2	3	1,944
Subordinated interest-bearing promissory notes	–	177	94	–	–	271
Trade payables	84	–	–	–	–	84
Other current liabilities	373	31	–	–	–	404

Maturity analysis¹ Parent Company 12/31/2023	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Bond loans	87	87	1,785	–	–	1,958
Liabilities with Group companies	8	–	–	–	–	8
Other current liabilities	31	–	–	–	–	31

Maturity analysis¹ Parent Company 12/31/2022	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Bond loans	111	711	1,930	–	–	2,753
Liabilities with Group companies	368	–	–	–	–	368
Other current liabilities	41	–	–	–	–	41

¹ The interest-bearing liabilities lines include interest due for the respective period.

NOTE 31 Prepaid expenses and accrued income

SEK m	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Accrued interest income	3	10	2	6
Accrued contract revenue, contracting	2	13	–	–
Accrued contract revenue, property development	0	–	–	–
Other accrued income	2	4	–	–
Prepaid bond expenses	14	23	14	23
Other prepaid expenses	9	13	2	2
	30	63	18	31

For more information about contract revenue for property development and contracting, see Note 4.

NOTE 32 Other current assets

● ALM Equity's other current assets consist of shares in Svenska Nyttobostäder AB (publ) that have been received in advance for projects in progress and will be distributed in kind to the external investors in the project companies upon completion of delivery and project completion. The distribution in kind is expected to reduce equity by a total of SEK 503 million. In particular, it is the minority investment in preference capital in the project companies that entails the right to profit sharing on project completion.

■ As these shares are expected to be distributed within 12 months and ALM Equity does not bear the risk of an increase or decrease in these shares, they are not recognized as part of the company's associated holdings in Svenska Nyttobostäder. The carrying amount is the acquisition cost.

SEK m	Group	
	2023	2022
Opening carrying amount	–	–
Acquisitions during the year	765	–
Distribution in kind for the year	-189	–
Disposals during the year	-128	–
Reclassifications	55	–
Closing carrying amount	503	–

■ Accounting policies, ● Judgments, ▲ Estimates

NOTE 33 Cash and cash equivalents

SEK m	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Bank deposits ¹	444	1,073	217	740
	444	1,073	217	740

¹ Cash and cash equivalents in both the Group and the Parent Company solely comprise bank balances.

NOTE 34 Equity

Share capital and other contributed capital

Group	Number of ordinary shares	Number of preference shares	Share capital	Other contributed capital
As at January 1, 2022	10,629,872	14,223,772	249	1,733
New issue 05/31/2022	28	–	–	–
Bonus issue 05/31/2022	–	106,299	1	–
Warrants 10/31/2022	85,090	–	1	29
Reclassification	–	–	–	43
Shareholder contributions, minority	–	–	–	50
As at December 31, 2022	10,714,990	14,330,071	251	1,855
New issue 07/17/2023	288,173	–	2	116
Reclassification	–	–	–	6
Shareholder contributions, minority	–	–	–	-516
As at December 31, 2023	11,003,163	14,330,071	253	1,461

Share capital

As at December 31, 2023, the registered share capital consisted of 25,333,234 shares divided into classes as shown above. Preference shares entitle their holder to one vote per share and ordinary shares entitle their holder to ten votes per share at the Annual General Meeting.

Dividend

● Preference shares have a preferential right to dividend over ordinary shares, but ALM Equity assesses that there is no contractual obligation to pay dividend to the holders of preference shares at the time of their issue. Dividend to preference shareholders depends on a decision by the Annual General Meeting. ALM Equity is therefore unable to guarantee future dividend to preference shareholders. Against this background, preference shares have been classified as equity.

At the last Annual General Meeting, a dividend of SEK 8.40 annually per preference share was decided, which means a preferential right to dividend for preference shares amounting to SEK 30 million as at December 31, 2023 (SEK 30 million as at December 31, 2022).

Dividend to the Parent Company's shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividend is approved. In the Group companies in which holders of preference shares have made unconditional shareholder contributions, they have a preferential right to dividends upon final settlement in profitable property development projects equivalent to the amount contributed and any return on it. However, if a project recognizes a loss, this preferential right must be reduced by an equivalent amount.

Other contributed capital

Other contributed capital consists of capital contributed by the company's owners, such as premiums in connection with subscription, and capital contributions in co-owned subsidiaries. The return on capital is recognized in equity on an ongoing basis. The capital, including return, has a preferential right in the event of repayment of unrestricted equity in the subsidiaries before any dividend. Contributed capital, and any return on it, is repaid in connection with final settlement of profitable property development projects. If a project recognizes a loss, repayment is reduced by such loss. Transaction costs associated with new issues are booked through equity against other contributed capital.

Warrants

In 2022, there was the last opportunity to subscribe for shares in the incentive scheme for employees that was started in 2017 with the conditions that each warrant entailed the right to subscribe for one ordinary share in the company at a subscription price of SEK 368. In connection with the last subscription period and the expiration of the scheme, the company's equity increased by SEK 30 million and 85,090 ordinary shares were added in the parent company. 45,087 warrants were repurchased at market value determined using the Black&Scholes model by an independent appraiser.

An incentive scheme from 2021 for employees comprising 100,000 warrants remains in place. Each warrant entails the right to subscribe for one ordinary share in the company at a subscription price of SEK 1,250. Subscription for shares in accordance with the conditions can only take place as of September 30, 2026. The warrants were subscribed for at market value determined using the Black&Scholes model by an independent appraiser.

If the warrants are fully exercised, the company's share capital will increase by a maximum of SEK 1 million distributed over 100,000 shares, corresponding to a dilutive effect of approximately 0.4% on all shares and approximately 0.9% on ordinary shares.

NOTE 35 Accrued expenses and deferred income

SEK m	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Deferred lease income	4	1	–	–
Other deferred income	3	0	–	–
Accrued interest expenses	12	35	6	6
Accrued expenses, property development	140	169	–	–
Staff-related expenses	14	25	2	3
Other items	50	45	5	5
	223	275	13	14

For information about contract expenses for property development and contracting, see Note 5.

NOTE 36 Additional cash flow disclosures

SEK m	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Depreciation and amortization	14	19	–	–
Profit/loss from shareholding in associated companies	1,818	2,304	–	–
Profit/loss from transactions with paid-up shares	-317	-1,976	–	–
Provisions	7	305	–	–
Other items	-65	-5	–	–
	1,457	647	–	–

Group – Reconciliation of liabilities attributable to financing activities

	01/01/2022	2022		12/31/2022	2023		12/31/2023		
		Acquired liabilities	Affecting cash flow	Not affecting cash flow	Acquired liabilities	Affecting cash flow	Not affecting cash flow		
Bond loans – non-current	2,200	–	–	-600	1,600	–	–	1,600	
Non-current interest-bearing liabilities to credit institutions	439	–	-12	–	427	–	-2	-129	296
Bond loans – current	–	–	–	600	600	–	-600	–	0
Current interest-bearing liabilities to credit institutions	2,022	–	797	-1,394	1,425	–	348	-309	1,464
Subordinated interest-bearing promissory notes	333	–	-64	-41	228	–	-9	-200	19
	4,994	–	721	-1,435	4,280	–	-263	-638	3,379

Parent Company – Reconciliation of liabilities attributable to financing activities

	01/01/2022	2022		12/31/2022	2023		12/31/2023		
		Acquired liabilities	Affecting cash flow	Not affecting cash flow	Total	Acquired liabilities	Affecting cash flow	Not affecting cash flow	
Bond loans – non-current	2,200	–	–	-600	1,600	–	–	–	1,600
Bond loans – current	–	–	–	600	600	–	-600	–	–
	2,200	–	–	–	2,200	–	-600	–	1,600

Comments on items not affecting cash flow

Items not affecting cash flow for 2023 mainly come from companies divested in the transaction with Svenska Nyttobostäder and the conversion of subordinated interest-bearing promissory notes into unconditional shareholder contributions in project companies in connection with completion.

The largest part for the Group in 2022 came from companies that were deconsolidated in connection with the deals with Klövern and Aros Bostad. For the Parent Company, the change refers to a reclassification of a bond loan of SEK 600 million from non-current to current when it was due for payment on 12/30/2023.

NOTE 37 Related party disclosures

At the year-end, the Parent Company had outstanding receivables from subsidiaries of SEK 2,389 million (4,033) and liabilities to subsidiaries of SEK 8 million (368).

Consultancy services, Klöver

ALM Equity and Klöver have an agreement to hire staff from each other on market terms during a transitional period, and have purchased accounting services. In 2023, ALM Equity purchased services for a total of SEK 3 million and sold services for SEK 4 million.

Construction contracts, Klöver

In 2023, 2xA Entreprenad signed two turnkey contracts with Klöver with a value of SEK 430 million. The procurement was on market terms. In 2023, ALM Equity invoiced contracting services for SEK 25 million.

Aros Bostad transaction

An Extraordinary General Meeting on May 10, 2023 resolved on a distribution in kind of ordinary shares in Aros Bostad in accordance with the agreement in connection with the structure transaction in the previous year in which building rights were transferred in return for shares in Aros Bostad. The distribution in kind comprised 1,071,499 ordinary shares, corresponding to approximately 1.9% of the total number of ordinary shares in Aros Bostad and approximately 11.2% of ALM Equity's indirect holding of ordinary shares in the company. The dividend was one ordinary share in Aros Bostad for ten ordinary shares held in ALM Equity, corresponding to a total dividend of approximately SEK 39 million. After the year's transactions, ALM Equity has, through Group companies, an indirect shareholding in Aros Bostad amounting to 14,516,380 ordinary shares, 2,263,161 preference shares and 2,141,725 convertibles, corresponding to a shareholding of 27%.

During the year, ALM Småa Bostad delivered three projects to Aros Bostad for which 583,333 ordinary shares and 2,141,725 convertibles were received as compensation in accordance with the 2022 agreement. The subscription price for all amounted to SEK 60 per ordinary share/convertible and the acquisition price to SEK 28.10 per ordinary share/SEK 26.80 per convertible. In total, these project handovers resulted in earnings effects of SEK -74 million during the year, mainly due to the lower acquisition price.

Changed capital structure in Svenska Nyttobostäder

At an Extraordinary General Meeting on March 22, 2023, Svenska Nyttobostäder resolved to adopt the proposal to change its capital structure and financing model. Existing preference shareholders were offered the opportunity to convert their preference shares into ordinary shares, with one preference share entailing the right to two ordinary shares, and that the investors' commitment for contributions for future properties will be in ordinary shares instead of preference shares. The acceptance rate for the exchange offer was 82%, corresponding to a total of 18,041,206 new ordinary shares that replaced 9,020,603 preference shares. ALM Equity converted all preference shares, with the acquisition price of SEK 25.40 per ordinary share resulting in negative earnings of SEK-58 million.

Amended acquisition agreement, Svenska Nyttobostäder

In connection with Svenska Nyttobostäder's exchange offer, the terms of the company's contractual deliveries from ALM Småa Bostad were amended. During the second

quarter, Svenska Nyttobostäder took possession of 13 projects as building rights instead of as completed properties in accordance with the original acquisition agreements. Payment was made with newly issued ordinary shares to a value of approximately SEK 1,270 million.

The properties that are in production will be completed according to previous arrangements with the difference that newly issued ordinary shares corresponding to 35% of the previously agreed surplus realizable value were transferred in advance. These shares are pledged until the deliveries have been completed. At the year-end, the advance amounted to SEK 773 million and has been recognized as a liability to associated companies.

As the market price at the time of exit amounted to SEK 24.40 per ordinary share, compared with the subscription price of SEK 50 per ordinary share, there was a total negative earnings effect of the amendments to the acquisition agreements of SEK -827 million, of which the minority share is SEK -627 million. Shares in Svenska Nyttobostäder attributable to external investors for properties in production are recognized as Other current assets until the time of the exit of each property. More information is available in Note 32.

Rights issue and credit facilities, Svenska Nyttobostäder

In connection with Svenska Nyttobostäder's rights issue of SEK 204 million, ALM Equity subscribed for 2,787,954 ordinary shares at a subscription price of SEK 35 per share. In connection with the rights issue, the credit facility issued by a subsidiary to ALM Equity was offset against the issue payment, totaling an amount of SEK 31 million including interest. The acquisition price amounted to SEK 25.80 per share, which has a negative effect on earnings of SEK -26 million. After the directed issue and the exchange procedure, ALM Equity has a shareholding of approximately 39% in Svenska Nyttobostäder.

At the year-end, ALM Equity provided a new credit facility of SEK 67 million, of which SEK 15 million has been utilized. This is intended to be repaid in 2025 at the latest.

Acting CEO of Svenska Nyttobostäder

Fredrik Arpe, Deputy CEO of ALM Equity, remains as acting CEO of Svenska Nyttobostäder and is on leave of absence from his employment at ALM Equity.

Management and Board

Around SEK 1 million (2) was paid out during the year to companies in which the Chair of the Board is a partner for contracted legal assignments, mainly for housing projects. All transactions were at market price.

For information about remuneration to senior executives, see Note 6.

NOTE 38 Pledged assets and contingent liabilities

As at December 31, 2023, there were liabilities in the Group totaling SEK 3,360 million for which assets have been pledged, partly in the form of property mortgages. Assets have also been pledged in the form of guarantees in Group companies and in the Parent Company. In addition to this, ALM Equity guaranteed at the year-end to acquire three unsold units at a value of SEK 48 million in projects in which production has started intended for the external market.

Pledged assets	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Property mortgages ¹	1,560	2,602	–	–
Shares in tenant-owners' associations ²	98	343	–	–
Shares in associated companies ³	1,074	–	–	–
Floating charges	–	19	–	–
Total pledged assets	2,732	2,964	–	–

¹ Of which utilized property mortgages as at December 31, 2023 amounted to SEK 1,445 million (1,558).

² Of which loans for this type of pledged asset amounted to SEK 61 million (319).

³ Of which loans for this type of pledged asset amounted to SEK 250 million (0).

A contingent liability is recognized when there is a possible commitment, the occurrence of which is confirmed only by one or more uncertain future events, or when there is a commitment not recognized as a liability or provision because it is unlikely that an outflow of resources will be required.

■ The Parent Company applies the exemption not to value financial guarantees on behalf of subsidiaries, associated companies and joint ventures in accordance with the rules in IFRS 9, and instead recognizes financial guarantees as a provision in the balance sheet when the valuation principles according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets can be applied. Otherwise, the commitment is recognized as a contingent liability.

The Parent Company's financial guarantees consist of guarantees on behalf of Group companies.

NOTE 38 Pledged assets and contingent liabilities, cont.

Contingent liabilities	Group		Parent Company	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Guarantees for Group companies	–	–	1,685	1,939
Guarantees for associated companies ¹	105	1,182	105	1,154
Guarantees for other companies in which an interest is held ¹	12	–	12	–
Guarantees for external companies	3	3	–	–
Guarantees for contracts and guarantees	62	97	41	66
Disputes in progress	15	–	–	–
Acquisition cost of development agreements ²	–	394	–	–
Total contingent liabilities	197	1,676	1,843	3,159

¹ The parent company's commitments include guarantees of SEK 105 (0) million for properties in the associated company Svenska Nyttobostäder and SEK 0 (1,154) million for the former associated company Klöverns properties. The remaining commitment for Klöverns is included in the line for guarantees for other companies in which an interest is held and amounts to SEK 12 million.

² Refers to costs to the seller according to the development agreement after the binding agreement has been signed but before payment has been made.

From time to time the Group is involved in various processes and legal proceedings that arise in the normal course of business. The claims relate to, but are not limited to, the Group's business practices, personnel matters and tax matters. Regarding issues that do not require any provisions, the Group believes, based on information currently available, that they will not have any significant negative effect on the Group's financial results.

ALM Equity and its Group companies are, as property owners and operators, responsible for pollution and other environmental damage according to environmental legislation. Currently, no significant environmental claims have been made against any of the Group companies, and ALM Equity has not identified any significant environmental risks either. Information about ALM Equity's work for the environment and a more sustainable society is available on pages 24–42.

NOTE 39 Appropriation of profits

Proposed distribution of profits (SEK)

	Parent Company
The following is at the disposal of the Annual General Meeting:	
Retained earnings incl. share premium reserve	2,400,723,679
Profit/loss for the year	-852,171,650
	1,548,552,029
<i>To be appropriated as follows:</i>	
Dividend to holders of ordinary shares	–
Dividend to current holders of preference shares	120,372,596
To be carried forward	1,428,179,433
	1,548,552,029

According to the proposal of the Board of Directors to the Annual General Meeting

The Board does not propose a dividend to ordinary shareholders. The Board proposes a cash dividend of SEK 8.40 (8.40) per preference share to be paid at SEK 2.10 (2.10) quarterly.

NOTE 40 Events after the balance sheet date

Aros Bostad holding

Aros Bostad is merging with Besqab to form a new leading player in housing development in Greater Stockholm and Uppsala. ALM Equity's holding in the merged company, which will be called Besqab, amounts to approximately 15%. ALM Equity no longer has a Board representative in the company and therefore has limited influence, so the holding is reclassified as a financial asset.

Merger with Svenska Nyttobostäder

ALM Equity intends to merge with the associated company Svenska Nyttobostäder AB (publ), and the Boards of Directors of both companies have adopted a joint merger plan. The proposal is for ALM Equity to be the acquirer and Svenska Nyttobostäder the acquiree, which means that Svenska Nyttobostäder will be dissolved in connection with the registration of the merger with the Swedish Companies Registration Office. The proposal will be submitted for resolution to the companies' AGMs in June.

The background to the merger is that, since the listing of Svenska Nyttobostäder in 2020, the conditions for financing on the capital market have changed significantly and the financing structure that formed the basis of the company proved not to be sustainable in the long term in a market with significantly higher interest rates. In addition to a more difficult financing climate, the Supreme Court's decision on block rental in December 2022 meant that the business model for Svenska Nyttobostäder needed to be adapted. The work to reorganize and adapt the company started in 2023, but it is time-consuming and resource-intensive.

It is in ALM Equity's nature to creatively refine and package assets that are adapted to current market conditions in a way that simultaneously reveals value. There are great synergies between ALM Equity and Svenska Nyttobostäder both commercially and financially. ALM Equity, both independently and with others, has significantly more tools at its disposal to navigate and manage the changing market. The merged organization will have greater capital resources and broader expertise, which is deemed an advantage for the property development business going forward. The merger thus creates the conditions to maximize the value of existing assets in Svenska Nyttobostäder and free up liquidity for continued growth. Together they will be a stronger company, creating better opportunities for the future. Further information about the merger is available on the website at www.almequity.se.

NOTE 41 Indirectly owned Group companies

The Parent Company's indirectly owned shares and participations are specified below.

The company has a controlling influence in all of the companies listed below where ALM Equity holds at least half of the votes, and/or has a guiding business/project plan that underpins the shareholder agreements.

Company	Corporate identity no.	Indirect shareholding ALM Equity AB, %	
		Share of equity	Share of votes
<i>Indirect ownership via ALM Construction Management AB</i>			
2xA Anläggning AB	559381-3958	80	80
2xA Holding AB	559352-6980	80	80
2xA Entreprenad Mellan AB	559352-6998	80	80
2xA Entreprenad AB	556981-8445	80	80
Järntorget Invest AB	556216-2338	100	100
Bomodul i Bodafors AB	559056-6104	100	100
Järntorget Bygg AB	556045-9231	100	100
Småa Holding AB	559091-2548	100	100
Småa AB	556497-1322	100	100
Småa Förvaltnings 5 AB	559005-4242	100	100
<i>Indirect ownership via A Equity Förvaltning AB</i>			
ALM Jumbo AB	559381-3990	100	100
Bostadsnytta i Sverige AB	559259-5861	100	100
<i>Indirect ownership via ALM Småa Bostad AB</i>			
Rockstan Holding AB	556949-4015	100	100
Rockstan 1 Wheatfield AB	556919-3724	100	100
Rockstan Holding 3 AB	556949-3942	100	100
Rockstan Holding 4 AB	556949-3975	100	100
Rockstan Garage AB	559253-8432	100	100
Ekerövallen Projekt Holding AB	559219-4525	100	100
ALM Sora Holding AB	559384-1363	100	100
MH-viken Holding AB	559384-1413	100	100
MH-viken Fastighets AB	559384-1421	100	100
Svindensberg Holding AB	559183-0400	100	100
Svindensberg Fastighets AB	559183-0426	100	100

Company	Corporate identity no.	Indirect shareholding ALM Equity AB, %	
		Share of equity	Share of votes
Nyponhöjden Holding AB	559026-3231	100	100
Rinkebyterrassen Fastighets 2 AB	556965-2273	100	100
Tegelberget Invest AB	556877-5752	100	100
Tegelberget Invest Holding AB	559093-6984	100	100
Telefonplan Byggrätt AB	556857-7638	100	100
Telefonplan Byggrätt 3 AB	559094-9557	100	100
UMBRA Garage AB	559438-0841	100	100
Rinkebyterrassen Holding AB	556963-9445	100	100
Gulddalen Holding AB	556950-2437	100	100
Eldstickan Holding AB	559093-3031	100	100
Eldstickan Fastighets AB	559093-3023	67	67
Duvredet Holding AB	556971-2648	100	100
Duvboet Group AB	559136-6496	100	100
Elfvik Strand Holding AB	556845-8813	100	100
Småa Förvaltnings 8 AB	559260-5900	100	100
Småa Holding Kajhusen AB	559260-1982	100	100
Småa Holding Kajhusen 2 AB	559267-7396	100	100
Småa Holding Kastellet AB	559260-1974	100	100
Ekonomisk Förening Kastellet 2	769638-7039	100	100
K Väsjön Fastighets 2 AB	559373-3461	100	100
Vattenbrynet Holding AB	559039-3038	100	100
Blå Dragonen Vilunda Holding AB	559260-5793	100	100
Upplands Väsby Holding AB	559026-3223	100	100
Hässelby S Holding AB	559030-7376	100	100
Hässelby S Förvaltning AB	559030-7426	100	100
Fyrsidan Invest AB	556996-4348	100	100
Småa Bostad AB	559091-2530	100	100

Company	Corporate identity no.	Indirect shareholding ALM Equity AB, %	
		Share of equity	Share of votes
Karlsviks Strand Holding AB	559150-9426	100	100
Karlsviks Strand Fastighets AB	559150-9418	100	100
Kronan Barkarby Holding AB	559150-9442	100	100
Åbyholm Holding AB	559160-8137	100	100
Archimedes Invest AB	559137-2304	100	100
Apelsinhöjden Holding AB	559042-9873	50	83
Apelsinhöjden Holding A AB	559263-9552	50	83
Apelsinhöjden 9 Holding AB	559042-9709	50	83
Ekonomisk Förening Häggvik Stella 9	769628-8393	50	83
Apelsinhöjden 10 Holding AB	559042-9758	50	83
Ekonomisk Förening Häggvik Stella 10	769628-8336	50	83
Kalksilos Holding AB	556758-7315	70	70
BX Fastighets AB	556712-7880	70	70
Äppelhöjden Holding AB	559033-0741	50	83
Brf Skeppsviken	769631-9404	50	83
Fastighetsbolaget Skeppet 12 AB	556435-1814	50	83
Sundaslottet Holding AB	556891-6489	43	71
Sundaslottet 1 Holding AB	556891-6471	43	71
Pausfågeln Holding AB	556961-2137	50	50
Pausfågeln 3 Holding AB	559088-2352	50	50
Enköping Centrum 18:1 AB	556670-3491	50	50
Pausfågeln 5 Holding AB	559088-2261	50	50
Enköping Centrum 16:5 AB	559088-2436	50	50
Grafnäs Holding AB	559170-7830	50	83
Telegrafberget Holding AB	559073-2037	50	83
BRF Segelvyn 2	769635-4914	50	83
Segelvyn Group AB	559385-0802	50	83

Company	Corporate identity no.	Indirect shareholding ALM Equity AB, %	
		Share of equity	Share of votes
Slipskäraren Holding AB	556976-6206	66	89
Slipskäraren Invest AB	559093-6992	66	89
Brf Tellus F2	769631-9313	66	89
Slipskäraren Parkerings AB	559174-2704	66	89
Telefonplan Garage Holding AB	556985-9332	66	89
Ekonomisk förening The BRICK Alba	769631-9354	66	89
The Brick Alba Fastighets AB	559378-1353	66	89
Tfn-plan Timotejen Holding AB	556985-9308	66	89
Tfn-plan Timotejen Mitten Mellan AB	556985-9290	66	89
Ekonomisk förening The BRICK Rubigo	769631-9321	66	89
The Brick Rubigo Fastighets AB	559378-1361	66	89
Tfn-plan Timotejen Väg Fastighets AB	556875-1191	66	89
Svensk Markförvaltning AB	556847-9256	41	58
Högantorp Holding AB	556870-6013	41	58
Högantorp Fastighets AB	556870-5734	17	23
Netsår 3 Holding AB	556801-9813	40	40
Pepparkaksgubben Holding AB	556921-3761	40	40
Pepparkaksbygget AB	559013-7062	40	40
Lampangruppen i Sundbyberg AB	559004-6842	40	40
Lampangruppen Parkering AB	559004-6834	40	40
Lampfabriken Parkerings AB	556952-2153	40	40
ALM 2 Bostadsgaranti AB	559229-3061	100	100
ALM 3 Bostadsgaranti AB	559229-3079	100	100
ALM Småa Bostad Bostadsgaranti AB	559218-6026	100	100
ALM Equity Bostadsgaranti AB	559026-3207	100	100
ALM Småa Byggrätt AB	559232-4353	100	100
Barsbro Kvarter B Holding AB	559368-2965	100	100
Barsbro Kvarter B Fastighets AB	559368-2981	100	100
Barsbro Kvarter C Holding AB	559368-2973	100	100
Barsbro Kvarter C Fastighets AB	559368-2999	100	100

Company	Corporate identity no.	Indirect shareholding ALM Equity AB, %	
		Share of equity	Share of votes
Ulleråker Fastighets AB	559388-5337	100	100
T.berget Holding AB	559103-6735	100	100
T.berget Fastighets AB	559100-5482	100	100
Bostadsrätter i Rinkeby AB	559202-8384	100	100
A Equity Förvaltning 1 AB	556950-2924	100	100
Last Mile Services AB	556824-7992	50	50
MittGym Sverige AB	559251-3179	50	50
MittGym Telefonplan AB	559251-3161	50	50
MittOffice Sverige AB	559317-8659	50	50
MittCafé Sverige AB	559251-3187	50	50
MittFix Sverige AB	559317-8667	50	50
ALM 4 Bostadsgaranti AB	559229-3046	100	100
ALM 5 Bostadsgaranti AB	559229-3053	100	100
Barkarby S Fastighets AB	559340-8882	100	100
Banhof 2 Holding AB	556892-7924	100	100
SNB Lignum Holding AB	559211-5611	100	100
ALM Services AB	559054-6239	100	100
ALM Services 1 AB	559229-2998	100	100
ALM 1 Bostadsgaranti AB	559229-3095	100	100
A Förvaltning Management AB	559109-8487	100	100
Almnäset Holding AB	556936-8946	100	100
ALM Småa Bostad Management AB	559214-5733	100	100
TUJT 1 AB	559105-4837	100	100
TUJT 2 AB	559105-4829	100	100
Alm Equity Urban Parking AB	559000-6820	100	100
Elfvik Strand Försäljning 2 AB	559030-7392	100	100
Elfvik Strand Försäljning 3 AB	559030-7384	100	100
SKARNVEST AB	556255-2330	100	100
B.X. Utvecklings AB	556681-5337	100	100
Gulddalen Holding 1 AB	556950-2429	100	100

Company	Corporate identity no.	Indirect shareholding ALM Equity AB, %	
		Share of equity	Share of votes
Gulddalen Holding 3 AB	556950-2445	100	100
Rinkebyterrassen Holding 1 AB	556963-9429	100	100
Rinkebyterrassen Holding 2 AB	556963-9213	100	100
Rinkebyterrassen Holding 3 AB	556963-9221	100	100
Rinkebyterrassen Holding 4 AB	556965-2117	100	100
Silversäteriet Holding AB	559013-6825	100	100
BX 3 Holding AB	556712-3053	100	100
Järntorget Byggtressenter AB	556501-2522	100	100
Järntorget Bostad AB	556214-4716	100	100
Byggnads AB Abacus	556112-9528	100	100
AB Abacus Bostad	556873-7612	100	100
Husarstigens Holding AB	559088-2923	100	100
Husarstigens Fastighets AB	559088-2915	100	100
Maximus AB	556115-7362	100	100
Huvudsippan Fastighet T2 AB	559053-2395	100	100
Aspudden Fastighet AB	559331-6234	100	100
Järntorget Holding 3 AB	559384-1470	100	100
Huvudsippan Fastighet AB	556941-8873	100	100
<i>Indirect ownership via ALM Digital AB</i>			
Your Block Holding AB	556864-9932	50	50
Your Block AB	556862-0347	50	50
The Brick i Stockholm AB	559055-6790	50	50
<i>Indirect ownership via ALM Equity Management AB</i>			
Ekonomipartner i Tranås AB	559332-4378	100	100
<i>Indirect ownership via A Equity Finans Holding AB</i>			
A Equity Finans AB	559136-6777	100	100

The Board's signatures

The Board of Directors and the CEO declare that the consolidated financial statements and annual report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and good accounting practice and provide a true and fair view of the Group's and the company's position and profit, and that the directors' report provides a true and fair summary of the development of the Group's and the company's activities, position and profit and describes significant risks and uncertainties faced by the Group companies.

Stockholm, 04/18/2024
ALM Equity AB

Maria Wideroth
Chair of the Board

Gerard Versteegh
Board member

Johan Wachtmeister
Board member

Johan Unger
Board member

Joakim Alm
CEO

Our auditor's report was submitted on 04/18/2024
Ernst & Young AB

Fredric Hävrén
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of ALM Equity AB (publ), corporate identity number 556549-1650

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of ALM Equity AB (publ) for the year 2023-01-01 – 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 57–98 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 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. Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's

Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of associated companies

Description

Shares in associated companies amounted to SEK 2,683 million as of December 31, 2023, and represent 35% of the total assets as of December 31, 2023.

ALM initially reports Shares in associated companies at acquisition value, the reported value is thereafter increased or decreased to account for the holding company's share of the investment's profit or loss after the time of acquisition. During the financial year, shares in associated companies were impaired by SEK 868 million.

Due to the size of the balance sheet item and because the assessments made to determine value in use are based on assumptions and judgments made by company management, we believe this area is to be regarded as a key audit matter in our audit. For information about the valuation of Shares in associated companies, see Note 22 Shares in associated companies.

How our audit addressed this key audit matter

Our audit includes examining changes in shareholdings against contracts and test calculations of the equity share in the associated companies. We obtained an understanding of the company's process for identifying indications of impairment and evaluated the company's process for preparing the valuation of shares in associated companies. We have together with our valuation specialists evaluated the methods and assumptions used in the preparation of the valuation model.

We have also reviewed the information provided in the annual report.

Financial fixed assets

Description

Financial fixed assets refer to holdings in Klöver and amounted to SEK 1,267 million as of December 31, 2023, corresponding to 17% of the total assets as of December 31, 2023.

Financial fixed assets are reported at fair value. Valuation at fair value is by its nature associated with subjective judgments where a small change in the assumptions made can have a significant effect on the reported values. The valuation is based on a discounted cash flow model based on

information received by the shareholders from Klöver. The cash flow model involves forecasting future cash flows.

Due to the size of the balance sheet item and the fact that the valuations made to determine a fair value are based on assumptions and judgments from the company management, we consider this area to be of particular significance in our audit. For information on the valuation of Financial fixed assets, see Note 2 Accounting Principles, Assessments and Estimates as well as Note 24 Financial Fixed Assets.

How our audit addressed this key audit matter

In our audit, we have examined changes in ownership interests against agreements. We have evaluated the company's process for establishing valuation of the shares and assessed the applied valuation method. We have discussed significant assumptions and judgments with the representatives from company responsible for valuations, and with management. We have verified the inputs in the valuation against the underlying documentation and performed control calculations of the valuation. Together with our valuation specialists, we have evaluated the methods and assumptions used in the preparation of the valuation model.

We have reviewed the information provided in the annual report.

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 1-53 and 101-103. 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

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 ALM Equity AB (publ) for the year 2023 the financial year 2023-01-01– 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of ALM Equity AB by the general meeting of the shareholders on the 23 of May 2023 and has been the company's auditor since the 24 of May 2011.

Stockholm, 18th of April 2024
Ernst & Young AB

Fredric Hävrén
Authorized Public Accountant

Definitions & KPIs

ALM Equity reports KPIs in the annual report that are not defined by IFRS. The company considers that they provide helpful information in the evaluation of the financial information and should be seen as a complement to financial information in accordance with IFRS. Since not all companies calculate KPIs in exactly the same way, these are not always fully comparable with the corresponding KPIs for other companies.

Adjusted net asset value

External cash flow valuation of the operations' assets and listed companies at the market price on the balance sheet date. The purpose is to illustrate fair value in the company portfolio.

Adjusted net asset value per ordinary share

The net asset value less the preference shareholders' capital divided by the number of ordinary shares. Illustrates the ordinary shareholders' share of the adjusted net asset value.

ALM Equity's shares

ALM Equity's shareholdings, calculated based on its shareholding in relation to the total number of shares.

Associated holdings

Associated holdings in ALM Equity's definition are not equivalent to associated companies but define all holdings that are not Group companies and are recognized as associated companies or non-current financial assets.

Earnings per ordinary share

The period's profit/loss attributable to the Parent Company's shareholders in relation to the average number of ordinary shares after taking into account the preference shares' and the minority's part of the profit/loss for the period. Illustrates the ordinary shareholders' share of the company's profit/loss after tax per share.

Earnings per preference share

The preference share's share of earnings corresponding to the period's accumulated share of the annual dividend of SEK 8.40 per preference share. Illustrates the preference shareholders' share of the company's profit/loss after tax per share.

Equity/assets ratio

Equity as a percentage of balance sheet total. Illustrates interest rate sensitivity and financial stability.

Equity per ordinary share

Equity at the end of the period in relation to the number of ordinary shares at the end of the period after taking into account the preference capital and the minority's share of equity. Illustrates the ordinary shareholders' share of the company's equity per share.

Equity per preference share

The preference share's preferential right in the event of liquidation of the company (SEK 120 per preference share) and the share's remaining right to a resolved dividend. Illustrates the preference shareholders' share of the company's equity per share.

Loan-to-value ratio

Loans from credit institutions and investors in relation to the total property value. Illustrates the financial risk.

Nominal holding

ALM Equity's share of the portfolio company's shares as of the current balance sheet date. Illustrates ALM Equity's share of each portfolio company.

Operating margin

Operating profit as a percentage of revenue. Illustrates the profitability before financial items and tax.

Order book

The value of undelivered orders in the contracting segment at the end of the period. Illustrates the value of remaining deliveries in existing contracts.

Orders received

The value of newly signed turnkey contracts and changes in existing turnkey contracts during the period. Illustrates the additional commitments of the contracting operations.

Return on equity

Profit for the period after tax attributable to the Parent Company's shareholders, less the preference share dividend as a percentage of the average equity attributable to the Parent Company's shareholders less the preference capital. Illustrates the ability to generate profit on ordinary shareholders' capital.

Segment

Indicates the areas in the property sector in which the portfolio companies are active, based on their core operations. Furthermore, it illustrates the part of the segment report in which the company is included in Note 3.

Units

The concept of units includes tenant-owned apartments, managed housing, premises and hotel rooms.

Reconciliation tables, KPIs

Operating margin (%)	2023	2022	2021	2020	2019
Revenue (SEK m)	2,386	6,902	2,096	1,759	1,681
Operating profit/loss (SEK m)	-1,656	-712	3,315	231	139
Operating margin (%)	-69	-10	158	13	8
Earnings per share before dilution (SEK)	2023	2022	2021	2020	2019
Profit/loss attributable to Parent Company shareholders	-1,982,464,000	-716,807,000	3,386,878,000	193,309,000	277,568,000
Dividend for the year, preference shares	120,372,000	120,149,000	110,613,000	85,809,000	76,646,000
Closing number of ordinary shares	10,851,872	10,644,071	10,419,909	10,207,600	10,154,600
Basic earnings per ordinary share (SEK)	-193.78	-78.63	314.42	10.53	19.79
Earnings per share after dilution (SEK)	2023	2022	2021	2020	2019
Profit/loss attributable to Parent Company shareholders	-1,982,464,000	-716,807,000	3,386,878,000	193,309,000	277,568,000
Dividend for the year, preference shares	120,372,000	120,149,000	110,613,000	85,809,000	76,646,000
Closing number of ordinary shares	10,851,872	10,644,071	10,487,354	10,184,928	10,154,600
Effects of outstanding ordinary shares for warrants	–	–	67,445	34,167	–
Earnings per ordinary share after dilution (SEK)	-193.78	-78.63	312.40	10.52	19.79
Equity/assets ratio (%)	2023	2022	2021	2020	2019
Equity (SEK m)	2,972	5,756	7,154	3,790	3,310
Balance sheet total (SEK m)	7,657	11,518	13,132	9,465	8,502
Equity/assets ratio (%)	39	50	54	40	39

Return on equity (%)	2023	2022	2021	2020	2019
Profit/loss for the year (Parent Company shareholders) SEK m	-1,982	-716	3,387	194	278
Dividend, preference share SEK m	120	120	110	86	77
Opening equity (Parent Company's share) SEK m	4,970	5,939	2,325	2,193	1,354
Opening number of preference shares	14,330,071	14,223,772	10,561,576	9,818,275	8,223,581
Share of equity per preference share	122.10	122.10	122.10	122.10	122.10
Closing equity (Parent Company's share) SEK m	2,476	4,970	5,939	2,325	2,193
Closing number of preference shares	14,330,071	14,330,071	14,223,772	10,561,576	9,818,275
Return on equity (%)	-44	-10	54	4	10
Equity per ordinary share (SEK)	2023	2022	2021	2020	2019
Closing equity (Parent Company's share) SEK m	2,476	4,970	5,939	2,325	2,193
Closing number of preference shares	14,330,071	14,330,071	14,223,772	10,561,576	9,818,275
Share of equity per preference share	122.10	122.10	122.10	122.10	122.10
Closing number of ordinary shares	11,003,163	10,714,990	10,629,872	10,207,600	10,154,600
Equity per ordinary share (SEK)	65.88	300.54	395.33	101.47	97.91
Equity per preference share (SEK)	2023	2022	2021	2020	2019
Remaining resolved dividend	2.10	2.10	2.10	2.10	2.10
Preferential right in case of liquidation	120.0	120.0	120.0	120.0	120.0
Equity per preference share (SEK)	122.10	122.10	122.10	122.10	122.10
Adjusted net asset value, per ordinary share (SEK)	2023	2022	2021	2020	2019
Ordinary shares' share of total net asset value	3,093,934,178	5,982,305,086	10,482,129,167	–	–
Closing number of ordinary shares	11,003,163	10,714,990	10,629,872	–	–
Adjusted net asset value, per ordinary share (SEK)	281	558	986	–	–

Shareholder information

Reporting dates 2024

May 30	Interim report January–March
June 10	Annual General Meeting
June 28	Record date for dividend to preference shareholders
July 18	Interim report January–June
September 30	Record date for dividend to preference shareholders
October 25	Interim report January–September
December 30	Record date for dividend to preference shareholders

Reporting dates 2025

February 20	Year-end report 2024
March 31	Record date for dividend to preference shareholders

Contact

ALM Equity AB (publ)
 Phone +46 8-562 30300
 Regeringsgatan 59
 Email info@almequity.se
 111 56 Stockholm, Sweden
www.almequity.se

Investor relations/shareholder contact

John Sjölund, CFO
john.sjolund@almequity.se
 +46 70 309 93 03

Annual General Meeting of ALM Equity AB (publ)

The Annual General Meeting of ALM Equity AB (publ), corporate identity no. 556549-1650, will be held on Monday, June 10, 2024.

Invitation to the annual general meeting will be announced at the beginning of May and made available on the company's website.



Regeringsgatan 59
111 56 Stockholm, Sweden

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Production: ALM Equity AB in partnership with Paues Åberg Communications

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