

ANNUAL REPORT PATRIAM INVEST AB

FINANCIAL YEAR 2020
COMPANY NO.: 559201-2206

PATRIAM

The official Annual report and consolidated accounts for the financial year 2020 for Patrim Invest AB, corporate identity number 559201-2206 have been prepared in Swedish. This document is an unofficial translation into English

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We offer a sophisticated and timeless accommodation for conscious people. By looking beyond the existing patterns, we develop beautiful, thoughtful and personal homes.

Home to live in and be affected by, for a long time.





BUSINESS CONCEPT

Patriam develops condominium apartments in the premium segment in partnership with financing institutes.

VISION

To be the market-leading residential developer in the premium segment with a focus on contributing to sustainable social development. We strive to be an ideal employer that attracts the best talents, as well as an appreciated partner of investors and funding institutions.

MISSION

Through innovation, functionality and modern design, we enrich people's lives and well-being, while respecting the world and the environment.

CEO HAS THE WORD

2020 was a historic year for Patriam. From many perspectives, 2020 was one of the most important years in Patriam's history. After a successful sales process, we started our project in Nacka Strand at the beginning of the year. With that project, important and necessary changes were implemented in our business model, and we have thereby increased our profitability and efficiency in the organization while at the same time reducing the risk exposure in our projects.

From a transaction standpoint, we acquired a nice housing project in Torsvik on Lidingö with an existing zoning plan of about 50 apartments, which are planned to be built after the (summer) holiday 2021. At the same time, we sold another housing project, where an obstacle had arisen. We can thus state that the turbulent years in the housing market are gone and that we have full focus moving forward.

During the year we developed our financing model and we issued our first bond for the project in Torsvik. At the same time, we have created possibilities to make more transactions in attractive areas. Our earning capacity has increased considerably and we have created good conditions for our continued growth. The housing market has

been strong during the year and all the municipalities where our projects are located have strengthened significantly and have shown considerable value increases. We can also note that the housing development market has returned to normal, where projects once again can be sold based on drawings.

The development described above, both in the housing market and by the company, has meant that we have also reviewed the company's vision and it is with pleasure that we are now increasing the pace of the growth that started in 2020.

Thank you for this year!
Andreas Holmberg, CEO, Patriam Invest

OUR BUSINESS

Patriam is a residential developer who develops sustainable homes in the premium segment in attractive municipalities and in good locations. We put the customer first and create modern and personal homes with innovative and contemporary architecture. We create homes to live in and be affected by, for a long time.

Patriam's business model is based on the development of condominium apartments within the premium segment. The projects are based on the conditions of the site and through in-depth market analyses, the overall project plan is created. Patriam's active risk management throughout the project process; from acquisition to financing and construction is central to achieving controlled and profitable projects.

Each investment is evaluated on the basis of a number of criteria, where the overall strategy is based on efficient implementation from acquisition to customers moving in. The primary process for effective implementation is achieved by managing the project's authority associated risks, where investments in projects with completed

zoning plan drive the strategy. The combination with locations in already established areas, creates good conditions for active risk management and good returns.

Patriam's growth and increased profitability will be made through a robust and stable financing model and balanced equity rate. We strive to maintain continuity and our goal is to run at least two parallel projects simultaneously. Like with most property companies and housing developers, a continuous evaluation of the building rights portfolio is carried out where lower priority building rights may be divested for the benefit of new projects.

ONGOING PROJECTS



NACKA STRAND | NACKA

The project was acquired by Patriam in 2019. The property has a highly attractive location by Nacka Strand, close to the water, 100 metres to the local centre and good transport connection. The construction started in September 2020 and all the apartments have been sold. The planned access is 17 May 2021.

Residential Type: condominium apartments

Number of apartments: 14

Sizes of residence: 45 – 107 sqm

Number of square metres (BTA (bruttoarea [gross area])): 1,400 sqm

Number of square metres (BOA (boarea [useful floor space])): 1,089 sqm

Occupancy: 17 May 2021

Architect: Arkitema Architects



TORSVIK | LIDINGO

The project was acquired by Patriam in (October) 2020. The property at Torsplan, near by the bridge to Lidingö, is close to nature and water areas and only 14 minutes by car to Stockholm City. The zoning plan is approved and demolition of the current building is expected to start during Q2 2021.

Residential Type: condominium apartments

Number of apartments: approx. 50

Production start: Q3 2021

Sales start: Q3 2021

Residential sizes: 40–160 sqm

Number of square metres (BTA): 7,849 sqm

Number of square metres (BOA): 4,346 sqm

Occupancy: Q2 2023

Architect: Arkitema Architects

UPCOMING PROJECTS



ENEBYTORGET | DANDERYD

Enebytorget is located in Danderyd and was acquired by Patriam in 2015. The property consists of three rental properties that currently generate an operating net of approx. SEK 1.2 million. Patriam is currently starting a process together with the municipality to develop a new zoning plan that is awaiting approval. If the zoning plan is approved, Patriam plans to demolish current properties and develop an eight-storey building, a four to six-storey building and several terraced houses on the property. By 2020-12-31 no decision has been made to develop the area. Therefore the existing properties may potentially continue to be managed in its current structure.

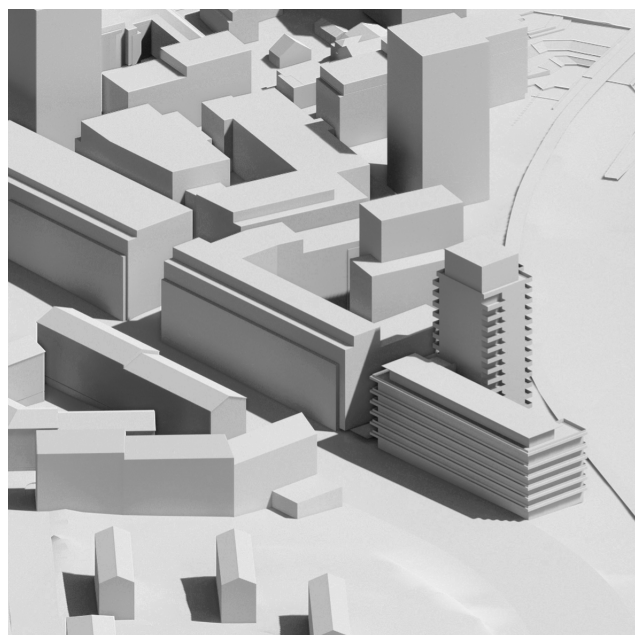
Residential Type: condominium apartments

Expected approval of zoning plan: 2022/2023

Number of apartments: approx. 250

Estimated construction law (BTA): approx. 12,200 sqm

Number of square metres (BOA): approx. 10,890 sqm



LINDE | JOHANNESHOV, STOCKHOLM

Property is located in the slaughterhouse area where Patriam owns a minority of 33%. Currently, a zoning plan process is ongoing with the City of Stockholm.

Residential Type: condominium apartments

Expected approval of zoning plan: 2023

Number of apartments: approx. 130

Estimated building rights (BTA): approx. 12,300

Number of square metres (BOA): approx. 10,400

MANAGEMENT REPORT

The Board of Directors and CEO of Patriam Invest AB (publ), Corp. ID no. 559201-2206 ("Patriam"), with postal address Biblioteksgatan 3, 111 46 Stockholm, hereby submit the annual report and consolidated accounts for the financial year 2020. Comparisons listed in parentheses refer to the previous year. The financial statements are presented in SEK thousand (SEK), unless otherwise stated, which means that rounding differences may occur.

BUSINESS CONCEPT

Patriam will develop condominium apartments in the premium segment in partnership with financing institutes.

GOALS FOR THE BUSINESS

Patriam's main business is to develop condominium apartments in attractive municipalities in and around the Stockholm region. The projects are characterised by their geographical location together with qualities such as function, design and sustainability, which provide a central focus in the development of housing.

In addition to the development of condominium apartments, Patriam also is involved in the development of new zoning plans for housing.

In addition to minority ownership in the development of a new zoning plan for housing in Linde, southern Stockholm, Patriam is the sole owner of other project portfolios with ongoing projects, finished exciting and potential building rights.

BUSINESS AND ORGANIZATION

At the turn of the year, Patriam owned potential building rights for 12,200 sqm through the properties Snödroppen 1, 10 and 12 in Danderyd and 12,300 sqm through Tjurhornet 1 in Enskede. Projects in production of 1,400 sqm, through Sicklaön 13:136 in Nacka and signed for, but not taken up building rights of 7,849 sqm through Torselden 8 on Lidingö. Total potential and developed building rights of 33,749 sqm.

The total portfolio of potential and completed building rights and the ongoing production are located in the Stockholm region in the municipalities; Danderyd, Nacka and Lidingö.

The head office in Stockholm has the functions: Project development, Market/Sales, Finance/transaction and Business development represented. Group management consists of five people; CEO Andreas Holmberg, COO Fredrik Andrén, CFO Ludvig Fredriksson, MD Emilia Sjöblom och PD Staffan Tilly.

In addition to its own employed staff, certain management and certain group-wide functions are carried out through consultants under separate management agreements. Among other things, MPC Consulting AB provides the ongoing accounts. As of 31 December 2020, the average number of employees in Patriam was 5 people (5).

HOUSING DEVELOPMENT

Patriam works continuously to identify, acquire and develop condominium apartments. The basis in the strategy is founded upon finished condominium apartments with an adopted zoning plan where production time and authority associated risks are considered limited. Profitability is based on the pace of the projects. Patriam is also working intensively in line with so-called "infill-projects", which means that building rights are located in already established areas.

All of Patriam's already completed projects: Patriam Stocksund, Patriam Gärdet and Karlplan 2 are good examples of effective infill

projects where we have created housing in established areas based on its unique geographical location.

Patriam took possession of the currently ongoing production in Nacka Strand in February 2020 and the planned move-in for the residents is May 2021, which means a total project time of 15 months excluding the business generation.

In November 2020, Patriam Invest AB issued a secured bond of TSEK 140,000. The funds are allocated in their entirety to the acquisition of Nedlesrot Fastighets AB and directly the property Torselden 8, which includes the planned condominium apartments project of approximately 50 units. Access to the property took place in January 2021 and the project's maturity is planned for 28 months.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- In February, the company Nacka 7, which was lawful owner of the property Nacka Sicklaön 13:136, took possession. The property has been transferred to a wholly-owned subsidiary (Sicklaön 13:136 AB)
- In May, BRF Havsblicken acquired all shares and thus the property of Nacka 7 AB against a variable purchase price
- In August, a refinancing of Patriam's properties was carried out in Danderyd. New total property credit was TSEK 17,500
- In October, the entire group began a new cooperation with Nordea as the new commercial bank. Nordea has previously financed the building credit for the project in Nacka Strand.
- In November, the Patriam Edsviken project was divested to OBOS. The divestment meant that Patriam's minority holding was sold and previously contributed capital contributions of TSEK 3,920 were repaid.
- In November, Patriam issued its first secured bond, a total of TSEK 140,000. The funds are allocated to the acquisition of the Property Torselden 8 on Lidingö, where 50 condominium apartments are planned to be built. The deal was signed in October and access to the property-owning company, Nedlesrot Fastighets AB took place in January 2021.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

- In January, the company Nedlesrot Fastighets AB takes possession, which is the owner of the property Torselden 8 and the planned project.
- As of 24 March 2021, all parts of the issued bond had been sold externally.

NUMBER OF HOUSINGS

	2020	2019
Number of production-started housings:	14	0
Sold residences (Pre-agreement)	1	13
Total number of building rights in the portfolio	444	350

BOND DEBT

On November 26, 2020, Patriam Invest AB issued SEK 140,000,000 in a bond with ISIN SE0014855524 and ISIN EUR SE0014855516. The bond is secured partly by a pledge in shares in subsidiaries, and partly by pledge in claims against subsidiaries and condominium apartments associations.

The purpose of the bond was to facilitate the acquisition of Nedlesrot Fastighets AB, the lawful owner of the property Torselden 8 and indirectly the planned condominium apartments project on site. The project amounts to approximately 50 apartments with a total volume of 4,346 sqm of BOA. The amount issued carries an annual interest rate of 9.5%. The funds are 100% intended to be used within the framework of the acquisition and the planned condominium apartments project. The shares in the bond have been sold in both EUR and SEK. The maturity of the bond is 36 months with an option for an extension of a further 12 months.

At year-end 35 months' maturity remains, excluding the option to extend it. The project in which the funds will be used is planned to be completed in 29 months.

As of 31-12-2020, Patriam had its own holding in the bond of TSEK 8,012; other shares were sold to external investors. Patriam's holdings have, at year-end, reduced the total debt attributable to the bond by the corresponding amount. Of the total volume issued of TSEK 140,000, the shares were sold at 97.71% of the nominal amount.

Patriam's holdings in the bond at the turn of the year have been sold successively during Q1 and the last parts were sold on 24-03-2021.

JOOL Corporate Finance AB ("JOOL") has acted as a financial advisor to Patriam in connection with the issue of the bond for which Patriam has paid a fee of 3.55% of nominal residual capital. SIP Nordic Fondkommission AB ("SIP") has acted as organiser of the bond and is responsible for receiving notifications, as well as managing liquid assets in the client account. The fee for SIP amounts to 4.55% of nominal residual capital.

All costs related to the issuing of the bond are reported linearly and are amortised continuously during bond maturities. At the end of the year, the cost of issuing totalled TSEK 15,237.

The financial conditions of the bond are based on the assumption that the consolidated equity/assets ratio of the group exceeds 25% and that the total loan structure in relation to the group's assets is less than 80%.

Reporting with regard to bondholders is done quarterly. The reporting consists of a progress report "Progress Report", which describes the project's ongoing status based on costs, schedules, financing and risks.

Additional terms on the bond "Terms and Conditions" are available at patriam.se.

The Corporate Group

Multi-year overview (TSEK)	2020	2019
Net sales	2,868	1,291
Profit/loss after financial items	619	6,332
Balance sheet total	317,621	92,012
Equity/assets ratio (%)	27%	7%
Average number of employees	5	5

Parent company

Multi-year overview (TSEK)	2020	2019
Net sales	0	0
Profit/loss after financial items	-1,885	-29
Balance sheet total	257,737	98,953
Equity/assets ratio (%)	25%	0%
Average number of employees	0	0

Ownership conditions

Patriam Invest AB based in Stockholm is a wholly owned subsidiary of Rotunda Fastigheter AB, Corp. ID no. 556839-3937 with registered offices in Stockholm.

Allocation of profit

(Amount in SEK)

Proposed allocation of the company's profit

The following is available to the Annual General Meeting:

retained earnings	64,718,133
this year's profit/loss	-1,767,023
	62,951,110

The Board proposes that:

to be carried forward	62,951,110
	62,951,110

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

<i>Amount in SEK</i>	<i>Note</i>	01-01-2020 31-12-2020	03-04-2019 31-12-2019
Operating income, etc.			
Net sales		2,868,168	1,290,673
Sale of property		7,946,261	0
Other Operating Revenue		519,501	13,607,895
Total operating income		11,333,930	14,898,568
Rörelsens kostnader			
Operating cost properties		-631,628	-368,542
Other external costs		-5,207,743	-2,077,338
Personnel costs	2	-7,480,041	-3,452,155
Depreciation of tangible and intangible fixed assets	7	-102,567	-49,445
Summa rörelsens kostnader		-13,421,979	-5,947,480
Operating Profit		2,088,049	8,951,088
Profit/loss from financial investments			
Profit/loss from shares in associated companies and jointly managed companies		4,565,524	-2,190,067
Other interest income and similar income items	3	-1,148,418	172,716
Interest expenses and similar items	4	-710,366	-601,507
Total financial items		2,706,740	-2,618,858
Profit/loss after financial items		618,691	6,332,230
Year-end appropriations			
Tax on this year's profit	5	11,605	20,164
This year's profit/loss		630,296	6,352,394
<i>Attributable to</i>			
Parent company's shareholders		579,737	6,122,969
Holdings without controlling influence		50,559	229,425
		630,296	6,352,394

CORPORATE GROUP BALANCE SHEET

Amount in SEK	Note	31-12-2020	31-12-2019
ASSETS			
Fixed assets			
Tangible fixed assets			
Building and land	6	54,188,715	40,997,565
Equipment, tools and installations	7	136,330	238,897
Construction in progress and advance payments for tangible fixed assets	8	7,991,464	11,162,966
		62,316,509	52,399,428
Financial Fixed Assets			
Shares in associated companies and jointly managed companies	13	13,704,881	11,727,342
Receivables from associated companies and jointly managed companies	14	10,000	10,000
Other long-term receivables	15	9,751,016	0
		23,465,897	11,737,342
Total Fixed Assets		85,782,406	64,136,770
Current Assets			
Inventories			
Properties under development		78,727 413	10,400,000
		78,727 413	10,400,000
Kortfristiga fordringar			
Accounts receivable		977,080	476,647
Receivables from Group companies		192,491	28,500
Receivables from associated companies and jointly managed companies		2,637,928	3,970,756
Receivables from other companies in which there is participating interest		588,622	0
Tax receivables		86,436	0
Other receivables		115,358,111	880,693
Prepayments and accrued income		5,541,649	551,510
		125,382,317	5,908,106
Short-term investments			
Other short-term investments		8,012,000	0
Cash and bank		19,717,002	11,567,116
Total current assets		231,838,732	27,875,222
TOTAL ASSETS		317,621,138	92,011,992

CORPORATE GROUP BALANCE SHEET (Cont.)

Amount in SEK	Note	31-12-2020	31-12-2019
EQUITY AND LIABILITIES			
Equity			
Share capital		-500,000	-50,000
Other contributed capital		-67,646,633	-28,500
Other equity incl. profit for the year		-16,873,734	-6,121,969
Equity attributable to the Parent Company's shareholders		-85,020,367	-6,200,469
Holdings without controlling influence		-488,556	-230,425
Total equity		-85,508,923	-6,430,894
Provisions			
Deferred tax liabilities		-2,692,685	0
Total provisions		-2,692,685	0
Long-term liabilities			
Bond loans	9	-138,492,612	0
Liabilities to Group companies	11	0	-65,118,135
Total long-term liabilities		-138,492,612	-65,118,135
Current liabilities			
Liabilities to credit institutions	10	-52,543,926	-15,916,731
Advances from customers		-9,020,000	0
Accounts payable		-17,099,521	-1,713,994
Current tax liabilities		0	-188,122
Other liabilities		-8,197,710	-342,422
Accrued expenses and deferred income		-4,065,761	-2,301,694
Total short-term liabilities		-90,926,918	-20,462,963
TOTAL EQUITY AND LIABILITIES		-317,621,138	-92,011,992

CORPORATE GROUP'S CHANGE IN EQUITY

Amount in SEK	Share capital	Other contribution	Other equity incl. profit for the year	Total equity main shareholders	Holdings without controlling influence	Total equity
Amount at beginning of the year 03-04-2019	50,000	0	0	50,000	0	50,000
Contributions during the year	0	28,500	0	28,500	0	28,500
Change in group structure	0	0	-1,000	-1,000	1,000	0
This year's profit/loss	0	0	6,122,969	6,122,969	229,425	6,352,394
Amount at year-end 31-12-2019	50,000	28,500	6,121,969	6,200,469	230,425	6,430,894
Amount at the beginning of the year 01-01-2020	50,000	28,500	6,121,969	6,200,469	230,425	6,430,894
Contributions during the year	0	67,618,133	0	67,618,133	0	67,618,133
New share issue	450,000	0	0	450,000	0	450,000
Revaluation	0	0	10,171,028	10,171,028	207,572	10,378,600
Change in group structure	0	0	1,000	1,000	0	1,000
This year's profit/loss	0	0	579,737	579,737	50,559	630,296
Amount at year-end 31-12-2019	500,000	67,646,633	16,873,734	85,020,367	488,556	85,508,923

KONCERNENS KASSAFLÖDESANALYS

<i>Amount in SEK</i>	<i>Notes</i>	01-01-2020 31-12-2020	03-04-2019 31-12-2019
Operating activities			
Operating Profit/Loss		-2,088,049	8,951,088
Adjustment for items not included in cash flow		-5,283,277	-13,555,639
Interest received		274,042	172,716
Paid interest		-1,535,320	-601,507
Paid tax		-176,516	-416,374
Cash flow from operating activities before changes in working capital		-8,809,120	-5,449,716
Cash flow from operating activities before changes in working capital			
Reduction(+)/increase(-) of project properties		-56,901,026	-4,843,833
Reduction(+)/increase(-) of operating receivables		-138,658,342	609,315
Reduction(-)/increase(+) of operating liabilities		34,025,882	2,182,578
Cash flow from operating activities		-170,342,606	-7,501,656
Investment activities			
Acquisition of financial assets		0	-10,000
Acquisition of subsidiaries		0	19,182,686
Acquisition of tangible fixed assets		-428,489	0
Loans to Group companies		27,800	0
Acquisition of associated companies		-1,578	0
Cash flow from investment activities		-402,267	19,172,686
Financial activities			
Newly admitted financial liabilities		191,861,492	0
New share issue		450,000	0
Amortisation of financial liabilities		-81,034,866	-182,414
Shareholder contributions		67,618,133	28,500
Cash flow from financing activities		178,894,759	-153,914
Annual cash flow		8,149,886	11,517,116
Cash and cash equivalents at the beginning of the year		11,567,116	50,000
Cash and cash equivalents at year-end		19,717,002	11,567,116

PARENT COMPANY INCOME STATEMENT

Amount in SEK	Note	eight months	
		01-01-2020 31-12-2020	03-04-2019 31-12-2019
Operating income, etc.			
Total operating income		0	0
Operating costs			
Other external costs		-510,951	-28,500
Total operating costs		-510,951	-28,500
Operating profit/loss		-510,951	-28,500
Profit/loss from financial investments			
Other interest income and similar income items	3	-1,286,920	0
Interest expenses and similar items	4	-87,527	0
Total financial items		-1,374,447	0
Profit/loss after financial items		-1,885,398	-28,500
Year-end appropriations			
Group contributions received		118,375	0
Total year-end appropriations		118,375	0
Profit before tax		-1,767,023	-28,500
Tax on this year's profit	5	0	0
This year's profit/loss		-1,767,023	-28,500

PARENT COMPANY BALANCE SHEET

Amount in SEK	Note	31-12-2020	31-12-2019
ASSETS			
Fixed assets			
Financial Fixed Assets			
Shares in Group companies	12	69,251,208	69,191,105
Receivables from Group companies		30,383,133	31,720,730
Other long-term receivables	15	9,751,016	0
		109,385,357	100,911,835
Total Fixed Assets		109,385,357	100,911,835
Current Assets			
Current receivables			
Receivables from Group companies		18,590,665	-2,055,596
Other receivables		115,352,974	0
Prepayments and accrued income		5,121,037	47,125
		139,064,676	-2,008,471
Short-term investments			
Other short-term investments		8,012,000	0
Cash and bank		1,275,266	50,000
Total current assets		148,351,942	-1,958,471
TOTAL ASSETS		257,737,299	98,953,364

PARENT COMPANY BALANCE SHEET (Cont.)

Amount in SEK	Note	31-12-2020	31-12-2019
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		-500,000	-50,000
		-500,000	-50,000
Unrestricted equity			
Retained earnings		-64,718,133	-28,500
This year's profit/loss		1,767,023	28,500
		-62,951,110	0
Total equity		-63,451,110	-50,000
Long-term liabilities			
Bond loans	9	-138,492,613	0
Liabilities to Group companies	11	-33,757,730	-98,875,864
Total long-term liabilities		-172,250,343	-98,875,864
Current liabilities			
Liabilities to Group companies		-20,458,563	0
Accrued expenses and deferred income		-1,577,283	-27,500
Total short-term liabilities		-22,035,846	-27,500
TOTAL EQUITY AND LIABILITIES		-257,737,299	-98,953,364

PARENT COMPANY'S CHANGES IN EQUITY

Amount in SEK	Share capital	Reserves	Fund for development expenditures	Share premium reserve	Retained earnings incl. profit for the year	Total equity
Amount at beginning of year 03-04-2019	50,000	0	0	0	0	50,000
Shareholder contributions received					28,000	28,000
This year's profit/loss					-28,000	-28,000
Amount at year-end 31-12-2019	50,000	0	0	0	0	50,000
Shareholder contributions received					64,718,133	64,718,133
New share issue	450,000				0	450,000
This year's profit/loss					-1,767,023	-1,767,023
Amount at year-end 31-12-2019	500,000	0	0	0	62,951,110	63,451,110

NOTES

NOTE 1 THE GROUP'S ACCOUNTING AND VALUATION PRINCIPLES

From 2020, the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFAR 2012:1 (K3) apply when preparing financial reports. The comparison year for the parent company has been prepared according to K3 without any effect on equity. The annual report has not previously included any consolidated accounts. The comparative year for the group has been prepared according to K3.

GROUP ACCOUNTING

Patriam Invest AB prepares consolidated accounts. Companies where Patriam Invest holds the majority of the votes at the General Meeting and companies where Patriam Invest has a controlling influence by agreement are classified as subsidiaries and consolidated in the consolidated accounts. Information about group companies can be found in the note on financial fixed assets. The subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The Group's annual report has been prepared in accordance with the acquisition method. The acquisition date is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the acquisition date. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the point of acquisition and the acquisition value including the value of the minority interest, and is initially valued at the acquisition value.

Associated companies are all companies where the group has a significant but not controlling influence, which as a rule applies to shareholdings that comprise between 20% and 50% of the votes. Holdings in associated companies are reported according to the equity method. When applying the capital share method, the investment is initially valued at acquisition value and the carrying amount is then increased or reduced in order to take into account the group's share of the associated company's profit or loss after the acquisition date. The group's carrying amount of holdings in associated companies includes goodwill identified at acquisition.

Transactions between Group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual reports in foreign currency. Upon consolidation, the items in these companies' balance sheet and income statement are recalculated at the closing rate and spot rate, respectively, on the date the respective business event occurred. The currency exchange differences that arise are reported in accumulated currency exchange differences in the group's equity.

ACCOUNTING CURRENCY

The annual report has been prepared in Swedish kronor and the amounts are stated in SEK unless otherwise stated.

FOREIGN CURRENCIES

When currency hedging is not applied, monetary asset and debt items in foreign currency are valued at the closing rate of the balance sheet date. Transactions in foreign currency are recalculated at the spot rate on the transaction date.

Regarding the valuation of transactions and balance sheet items when currency hedging is applied, see the section on financial instruments, the subheading documented hedging of financial liabilities in foreign currency (hedging accounting).

REVENUE AND PROFIT FROM THE DEVELOPMENT OF PROJECT PROPERTIES

The Group applies successive profit recognition in terms of revenues and earnings in the development of project properties.

When developing project properties, revenue and earnings are generated essentially by subsidiaries being sold to condominium apartments associations owned by the Group. The sold subsidiaries own the project properties. The income and earnings from the development of a project property are therefore a result from group companies. In the group, this income is classified as net revenue and revenue is reported based on the reprocessing rate.

The contracts with the end-customers of the condominium apartments association shares are considered to constitute a performance commitment. As groups are contractually bound to deliver a specific building to the end-customers of condominium apartments and during the course of the project, the assessment is that the revenue should be reported over time, that is by the application of successive profit recognition.

Revenues and earnings from the development of project properties are recognised for a period in step with its fulfilment of the performance commitment, which provides a direct connection between the financial reporting and the operations carried out during the period.

Revenues are based on the reprocessing rate multiplied by the assessed final sales rate. The degree of reprocessing is primarily determined on the basis of the project costs incurred in relation to the total estimated project costs. The sales rate reflects the commitment to acquire unsold housing. Sales refers to sold housing in the form of a binding contract with the end customer. Revaluations (forecast changes) of the project's expected end results will lead to correction of previously earned results in affected projects. This correction is included in the reported profit for the period. Assessed losses are charged in their entirety directly to the profit for the period. The majority of the Group's operations relate to housing projects for sale.

SERVICE ASSIGNMENTS

For service assignments at a fixed price, the income and expenses attributable to a performed service assignment are reported as revenue and expenses in relation to the rate of completion of the assignment on the balance sheet date (successive profit recognition). An assignment completion rate is determined by comparing expenses incurred on the balance sheet date with the estimated total expenses. In cases where the outcome of an assignment cannot be reliably calculated, income is recognised only to the extent that corresponds to the assignment expenses incurred that will probably be reimbursed by the client. A suspected loss on an assignment is immediately recognised as a cost.

For service assignments on a time and materials basis, the income attributable to a performed service assignment is recognised as revenue as the work is performed and materials are delivered or consumed.

LEASES

Leases which mean that the financial risks and the benefits of owning an asset are essentially transferred from the lessor to a company in Patriam Invest's group being classified in the consolidated accounts as financial leases. Financial leasing means that rights and obligations are reported as assets and liabilities in the balance sheet. The asset and the liability are initially valued at the lower of the asset's fair value and the present value of the minimum lease payments. Expenses directly attributable to the lease are added to the value of the asset. Leasing fees are allocated to interest and amortisation according to the effective interest method. Variable fees are reported as expenses in the period in which they arise. The leased asset is depreciated linearly over the estimated useful life.

Leases where the financial benefits and risks attributable to the lease object essentially remain with the lessor, are classified as operational leases. Payments, including a first increased rent under these agreements, are recognised as expenses linearly over the lease period.

EMPLOYEE BENEFITS

Short-term compensation

Short-term compensation in the Group consists of salary, social contributions, paid holiday, paid sick leave, healthcare and bonuses. Short-term compensation is reported as a cost and a liability when there is a legal or informal obligation to pay compensation.

Compensation after termination of employment

Patriam Invest's group companies have defined contribution pension plans.

For the defined contribution plans, the company pays set fees to another company and has no legal or informal obligation to pay anything further, even if the other company cannot fulfil its commitment. Group profit/loss is charged for costs in line with the employee's pensionable services.

Compensation in the event of termination

Compensation for termination is paid when any company within the group decides to terminate an employment before the normal date of termination of employment or when an employee accepts an offer of voluntary redundancy in return for such compensation. If the compensation does not give the company any future financial advantage, a liability and a cost are reported when the company has a legal or informal obligation to provide such compensation. The compensation is valued at the best estimate of the compensation that would be required to settle the obligation at the balance sheet date.

LOAN EXPENSES

Loan expenses are capitalised in the production/development of fixed assets. See more under the heading inventories.

INCOME TAXES

Current taxes are valued based on the tax rates and tax rules that apply on the balance sheet date. Deferred taxes are valued based on the tax rates and tax rules decided before the balance sheet date.

Deferred tax liabilities relating to temporary differences relating to investments in subsidiaries are not reported in the consolidated financial statements as the parent company can in all cases control the timing of the reversal of the temporary differences and it is not considered likely that a reversal will occur in the foreseeable future.

Deferred tax claims relating to loss carry-forwards or other future tax deductions are recognised to the extent it is probable that the deduction can be offset against surpluses for future taxation. Receivables and liabilities are only reported net when there is a legal right to set off.

Current tax, as well as changes in deferred tax, are reported in the profit and loss statement unless the tax is attributable to an event or transaction that is recognised directly in equity. In such cases, the tax effect is also recognised in equity.

TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at acquisition value less depreciation. The acquisition value includes expenses directly attributable to the acquisition of the asset.

When a component of a plant asset is replaced, any remaining part of the old component is discarded and the new component's acquisition value is activated.

Additional expenses relating to assets that are not divided into components are added to the acquisition cost to the extent that the asset's performance increases in relation to the asset's value at the acquisition date. Costs for ongoing repairs and maintenance are reported as costs. In connection with property acquisitions, it is assessed whether the property is expected to give rise to future costs for demolition and restoration of the site. In such cases, a provision is made and the acquisition value is increased by the same amount.

Capital gains and losses on the divestment of a fixed asset are recognised as Other operating income and Other operating expenses respectively.

Tangible fixed assets are systematically depreciated over the estimated useful life of the asset. When the depreciable amounts of the assets are determined, the residual value of the asset is taken into account where applicable. Depreciation is included in the income statement. Cost of goods sold, sales costs and administration costs. The Group's land has an unlimited useful life and is not depreciated. A linear depreciation method is used for other types of tangible assets.

The following depreciation periods are applied:

Equipment, tools and installations	five years
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PROJECT PROPERTIES

Properties and land held for the purpose of developing housing are valued at acquisition value and then with the addition of production costs and are reported as current assets in the balance sheet even if certain properties pending growth are managed with rental income. Project properties must be sold after final development and are therefore classified as current assets. Production costs for properties developed by the Group comprise both direct costs and a reasonable share of indirect costs. Interest costs relating to the production of project properties are added to the acquisition value of project properties.

FINANCIAL INSTRUMENTS

Financial instruments are reported in accordance with the rules in K3 chapter 11, which means that valuation is based on acquisition value.

Financial instruments recognised on the balance sheet include securities, accounts receivable and other receivables, short-term investments, trade payables, loan liabilities and derivatives. The instruments are reported in the balance sheet when Patriam Invest becomes party to the contractual terms of the instrument.

Financial assets are removed from the balance sheet when the right to obtain cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership.

Financial liabilities are removed from the balance sheet when the obligations have been settled or have otherwise ceased.

Accounts receivable and other receivables

Receivables are recognised as current assets with the exception of items with a maturity date of more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are raised at the amount that is expected to be paid after deductions for doubtful debts that are individually assessed. Receivables that are interest-free or that run at interest rates that differ from the market interest rate and have a maturity exceeding 12 months are reported at a discounted present value and the change in time value is reported as interest income in the profit and loss statement.

Short-term investments

Securities acquired with the intention of being held in the short term are initially recognised at acquisition value and in subsequent values in accordance with the lowest value principle at the lower of acquisition value and market value. The item short-term investments includes shares held to invest liquidity surpluses in the short term.

Loan liabilities and accounts payable

Loan liabilities are initially recognised at acquisition value after deduction of transaction costs (accrued acquisition value). If the amount recognised differs from the amount to be repaid at maturity, the difference is accrued as interest expense over the term of the loan using the effective interest rate for the instrument. Thus, at the maturity date, the reported amount and the amount to be repaid are consistent.

Short-term accounts payable are reported at acquisition value.

Offsetting of financial receivables and financial liabilities

A financial asset and a financial liability are only offset and reported with a net amount in the balance sheet only when a legal right to offset exists and when a settlement with a net amount is intended to take place or when a contemporaneous disposal of the asset and settlement of the debt is intended to take place.

Impairment testing of financial fixed assets

At each balance sheet date, Patriam Invest AB assesses whether there is any indication of a need for impairment in any of the financial fixed assets. Impairment occurs if the depreciation is assessed to be permanent. Impairment is reported in the profit and loss statement item Profit/loss from other securities and receivables that are fixed assets. The need for impairment is individually tested for shares and participations and other substantial individual financial fixed assets. Examples of indications of a need for write-down are negative economic circumstances or adverse changes in industry terms in companies in which Patriam Invest shares are invested. Impairment of assets valued at amortized cost is calculated as the difference between the asset's carrying amount and the present value of management's best estimate of future cash flows discounted at the asset's original effective interest rate. For assets with variable interest, the interest rate on the balance sheet date is the discount rate.

PROVISIONS

The company makes a provision when there is a legal or informal obligation and a reliable estimate of the amount can be made. The company calculates the present value of the obligations that are expected to be settled after more than twelve months. The increase in provisions due to the fact that time lapses is recognised as interest expense.

THE PARENT COMPANY'S ACCOUNTING AND VALUATION PRINCIPLES

The same accounting and valuation principles are applied in the parent company as in the corporate group, except in the cases listed below.

Revenue

Service assignments at a fixed price are reported in accordance with the provisions of the Income Tax Act. Income and expenses from assignments at fixed price are reported during the term of the assignment as work in progress in the balance sheet and the income statement is only recognised when the assignment is completed.

Leasing

All leases where the company is the lessee are reported as operational leases (rent agreements), regardless of whether the agreements are financial or operational. The lease payment is reported as an expense on a linear basis over the lease period.

The company's rental of office premises is classified as operational leasing. Leasing revenue is reported linearly during the lease period.

Year-end appropriations

Changes in untaxed reserves are reported as appropriations in the profit and loss statement.

Group contributions are reported as appropriations. Group contributions paid to a subsidiary are however reported as an increase in the reported value of the share.

Shares and shares in subsidiaries

Shares and shares in subsidiaries are reported at acquisition value after deductions for any impairment. The acquisition value includes the purchase price paid for the shares and acquisition costs. Any capital contributions and group contributions are added to the acquisition value when they are submitted. Dividends from subsidiaries are reported as revenue.

Equity

Equity is divided into restricted and unrestricted equity in accordance with the division of the Annual Accounts Act.

NOTE 2 AVERAGE NUMBER OF EMPLOYEES

	The Corporate Group		Parent company	
	2020	2019	2020	2019
Average number of employees	5	5	0	0

NOTE 3 OTHER INTEREST INCOME AND SIMILAR INCOME ITEMS

	The Corporate Group		Parent company	
	2020	2019	2020	2019
Other interest income	138,502	172,716	0	0
Interest income on own share of bond	134,194	0	134,194	0
Exchange rate differences	-1,421,114	0	-1,421,114	0
Total	-1,148,418	172,716	-1,286,920	0

NOTE 4 INTEREST EXPENSES AND SIMILAR INCOME ITEMS

	The Corporate Group		Parent company	
	2020	2019	2020	2019
Interest expenses group companies	-181,271	-591,219	0	0
Interest bond debt	-1,607,892	0	-1,607,892	0
Interest costs other	-441,568	-10,288	0	0
Exchange rate change, liabilities	1,520,365	0	1,520,365	0
Total	-710,366	-601,507	-87,527	0

NOTE 5 TAX ON THIS YEAR'S PROFIT

	The Corporate Group	
	2020	2019
Current tax	11,605	20,164
Total	11,605	20,164

NOTE 6 BUILDING AND LAND

	The Corporate Group	
	31-12-2020	31-12-2019
Opening acquisition value	40,997,565	0
Purchasing	119,865	0
Taken over at acquisition	0	40,997,565
Closing accumulated acquisition values	41,117,430	40,997,565
Opening revaluation	0	0
This year's revaluation	13,071,285	0
Closing revaluation	13,071,285	0
Carrying amount	54,188,715	40,997,565

NOTE 7 EQUIPMENT, TOOLS AND INSTALLATIONS

	The Corporate Group	
	31-12-2020	31-12-2019
Opening acquisition value	291,153	0
Revaluations	0	291,153
Closing accumulated acquisition values	291,153	291,153
Opening depreciation	-52,256	0
Depreciation for the year	-102,567	-52,256
Closing accumulated depreciation	-154,823	-52,256
Carrying amount	136,330	238,897

NOTE 8 CONSTRUCTION IN PROGRESS AND ADVANCE PAYMENTS FOR TANGIBLE FIXED ASSETS

	The Corporate Group	
	31-12-2020	31-12-2019
Opening acquisition value	11,162,966	0
Taken over at acquisition	0	11,162,966
Purchasing	308,624	0
Profit and loss statement, forecast	-3,480,126	0
Carrying amount	7,991,464	11,162,966

NOTE 9 LONG-TERM LIABILITIES

Due date, within 2-5 years from the balance sheet date	The Corporate Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Bond loans	-138,492,612	0	-138,492,613	0
Liabilities to Group companies	0	-65,118,135	-33,757,730	-98,875,864
Total	-138,492,612	-65,118,135	-172,250,343	-98,875,864

NOTE 10 LIABILITIES TO CREDIT INSTITUTIONS

	The Corporate Group	
	31-12-2020	31-12-2019
Long-term part	0	0
Short-term part	-52,543,926	-15,916,731
Total	-52,543,926	-15,916,731

<i>Due date</i>	Less than one year	Between one and two years	More than five years
Loans with credit institutions	-52,543,926	0	0
	-52,543,926	0	0

NOTE 11 BOND LIABILITIES

	The Corporate Group		Parent company	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Long-term part	-138,492,612	0	-138,492,612	0
Short-term part	0	0	0	0
Total	-138,492,612	0	-138,492,612	0

<i>Due date</i>	Less than one year	Between one and two years	Between three and five years	More than five years
Loans with credit institutions	0	0	-138,492,612	0
	0	0	-138,492,612	0

NOTE 12 SHARES IN GROUP COMPANIES

In addition to the parent company, the following companies are included in the consolidated accounts.

Company	Company number	Head-quarters	Capital share	Equity	Profit/Loss for the year	Book value 31-12-2020
Patriam AB	556911-6394	Stockholm	100%	47,563,139	-5,419,098	65,118,133
Patriam Holding AB	556897-8265	Stockholm	100%	1,124,844	-2,175	50,000
Patriam I Holding AB	556985-8649	Stockholm	100%	4,897,570	-1,146,709	100,000
Patriam Enebyttorg AB	556950-9176	Stockholm	100%	82,075	0	-
Patriam Tjurhonet 1 AB	559104-0513	Stockholm	100%	45,393	-44,774	-
Patriam Tjurhonet 2 AB	559104-0505	Stockholm	100%	44,784	0	-
Patriam Tjurhonet 3 AB	559104-6940	Stockholm	100%	44,784	0	-
BRF Tjurhornet 1	769634-3321	Stockholm	100%	-4,519	-1,250	-
Patriam II Holding AB	559106-4869	Stockholm	100%	2,889,215	535,450	3,872,971
Enebyttorg Bostadsutveckling AB	556985-9118	Stockholm	98%	934,428	184,428	-
Property Danderyd Snödroppen 10&12 AB	559003-7155	Stockholm	98%	1,220,729	424,213	-
Patriam Enebyttorg 2 AB	559100-2851	Stockholm	98%	45,325	-4,675	-
Patriam Enebyttorg 6 AB	559103-7287	Stockholm	98%	5,654,193	-4,675	-
Patriam Enebyttorg 7 AB	559104-0489	Stockholm	98%	132,004	-4,675	-
Patriam Enebyttorg 8 AB	559104-0463	Stockholm	98%	132,004	-4,675	-
Patriam Enebyttorg 1 AB	559100-2869	Stockholm	98%	35,950	-14,050	-
Patriam Enebyttorg 3 AB	559100-6278	Stockholm	98%	45,325	-4,675	-
BRF Östra Enebyttorg 1 in Danderyd	769634-1754	Stockholm	98%	-1,858,876	-136	-
Patriam Enebyttorg 4 AB	559103-7238	Stockholm	98%	45,325	-4,675	-
BRF Östra Enebyttorg 2 in Danderyd	769634-1762	Stockholm	98%	-1,525,390	0	-
Patriam Enebyttorg 5 AB	559103-7253	Stockholm	98%	45,325	-4,675	-
BRF Snödroppen in Danderyd	769634-1770	Stockholm	98%	-1,833,904	0	-
Patriam III Holding AB	559119-0763	Stockholm	100%	50,000	-36,678	110,103
Patriam Nacka Strand AB	559119-0151	Stockholm	98%	43,944	-6,056	-
Nacka 7 AB	559006-0942	Stockholm	98%	36,360,570	21,638,709	-
Bostadsrättsföreningen Havsblicken	769638-0877	Stockholm	98%	0	0	-
Patriam Torsvik AB	559275-0474	Stockholm	98%	50,000	0	-

	Parent company	
	31-12-2020	31-12-2019
Opening acquisition value	69,191,105	0
Purchasing	0	67,855,134
Shareholder contributions made	60,103	1,335,971
Disposals for the year	0	0
Carrying amount	69,251,208	69,191,105

NOTE 13 SHARES IN ASSOCIATED COMPANIES AND JOINTLY MANAGED COMPANIES

Company	Company number	Headquarters	Capital share	Equity	Profit/Loss for the year
Erikdahlbergshuset Holding AB	556923-8339	Stockholm	30%	1,180,838	-30,367
Patriam Stocksund AB	556993-4432	Stockholm	30%	1,956,687	-207,356
Karlbergsvägen 77 Holding AB	559079-0043	Stockholm	25%	53,963	-277,321
Tonexer 2 AB	556993-3475	Stockholm	28%	9,446,249	-195,985
Lindetorpsterassen Holding AB	556931-5178	Stockholm	33%	58,927,000	-10,308,000

			The Corporate Group	
			31-12-2020	31-12-2019
Opening acquisition value			11,727,342	0
Acquisition for the year			1,578	13,917,409
Profit share from associated companies			4,564,178	59,402
Disposals for the year			-27,800	0
Revaluations			70,000	0
Impairment units			-284,892	-2,249,469
Withdrawal of shares in associated companies			-2,345,525	0
Carrying amount			13,704,881	11,727,342

NOTE 14 RECEIVABLES FROM ASSOCIATED COMPANIES AND JOINTLY MANAGED COMPANIES

			The Corporate Group	
			31-12-2020	31-12-2019
Opening acquisition value			10,000	0
Revaluation			0	10,000
Carrying amount			10,000	10,000

NOTE 15 OTHER LONG-TERM RECEIVABLES

		The Corporate Group		Parent company	
		31-12-2020	31-12-2019	31-12-2020	31-12-2019
Opening acquisition value		0	0	0	0
Lending		9,751,016	0	9,751,016	0
Carrying amount		9,751,016	0	9,751,016	0

NOTE 16 OTHER PLEDGED COLLATERAL

		The Corporate Group		Parent company	
		31-12-2020	31-12-2019	31-12-2020	31-12-2019
Company mortgage		500,000	1,000,000	0	0
Property mortgage		30,950,000	17,062,353	0	0
Assets with retention of title		50,671,379	0	3,922,971	0
Borrowed receivables		34,337,544	0	49,941,412	0
Total		103,734,931	18,062,353	53,864,383	0

NOTE 17 CONTINGENT LIABILITIES

		The Corporate Group		Parent company	
		31-12-2020	31-12-2019	31-12-2020	31-12-2019
Surety in favour of group companies		34,997,916	0	34,997,916	0
Total		34,997,916	0	34,997,916	0

NOTE 18 BUSINESS COMBINATIONS

During the year, the Corporate group parent company's subsidiary Patriam III Holding AB, Company no. 559119-0763, acquired goldcup 20207 AB, Company no. 559275-0474 with a name change registered with the Swedish Companies Registration Office on 13-10-2020 to Patriam Torsvik AB.

NOTE 19 SIGNIFICANT EVENTS AFTER FINANCIAL YEAR END

In January, the company Nedlesrot Fastighets AB who is the legal owner of the property Torselden 8 and the planned project, took possession.

As of 24 March 2021, all parts of the issued bond had been sold externally.

SIGNATURES

Stockholm, 2021-04-28

Andreas Holmberg
CEO

Hans Holmberg
Board member

Magnus Holmberg
Chairman of the board

Our auditor's report has been submitted on 2021-04-28

Strawberry Audit AB

Lars Jägerström
Authorized Public Accountant

AUDITOR'S REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF PATRIAM INVEST AB, CORPORATE IDENTITY NUMBER 559201-2206

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Patriam Invest AB for the year 2020.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and their financial performance and the consolidated accounts cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-5. 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. 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.

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 Patriam Invest AB for the year 2020 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm, 2021-04-28

Strawberry Audit AB

Lars Jäderström

Authorized Public Accountant



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