



Patriam Invest AB

Annual Report 2022

Corporate ID Number: 559201-2206

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Patriam in brief

Our business concept

Patriam develops condominiums in the premium segment in attractive locations in Stockholm.

Our mission

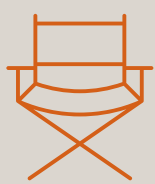
Through innovation, functionality and timeless design, we enrich the lives and well-being of people, while respecting the environment and the world around us.

Our vision

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

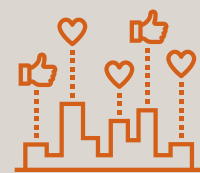
Timeless

We offer design, architecture and quality that stand the test of time.



Progressive

We shape customers' lifestyle dreams and new landmarks that contribute to the city silhouette.



Trustworthy

We build relationships and live up to both rational and emotional expectations.





2022 has been an eventful year. War and the energy crisis in Europe, high inflation and major interest rate hikes being implemented by Central Banks around the world. As a result, there is considerable uncertainty in both the financial and property markets, as well as in the housing market. Access to new capital for many property companies has fallen sharply, and bond market volumes fell significantly during the year, the stock market has undergone a historical decline and property company values have suffered an unprecedented dip. The housing market has also stalled, with falling prices and a reduction in the number of contracts. In addition, the construction cost index has increased by about 15% over the past year.

Comments from the CEO

The financial position and the organisation became stronger

In this environment, Patriam continued its journey of growth during the year, and we strengthened our financial position as well as our organisation, as well as our project portfolio with both new property acquisitions and takeovers of previously acquired properties. Our efforts to build landmarks in Stockholm's most attractive locations have now started to make an impact on the urban environment. Patriam is currently developing and producing several parallel projects that will all bring something unique and timeless to these areas, as well as a design that we can be proud of – now and forever.

Parts of our project portfolio now have a relatively short implementation time, which means that we need to continue to invest in the organisation in order to realise the projects on time. Despite the current market situation, our confidence in our project portfolio is strong. We have built up a base of progressive and unique projects in selected attractive locations in Stockholm. Projects in attractive locations have historically shown a strong and early recovery when the housing market becomes stronger after a downturn.

We have found our niche in the market

Our commitment to sustainability in both financing and housing production, coupled with our strategy of developing homes in the most attractive locations, has safeguarded our business in a reliable and secure manner with relatively low risk. For us and for our partners.

An important factor that facilitates our success is that we work with smaller projects with fewer, but larger apartments. We have found our niche in the market, where our homes are attractive and rare, and where we also provide each project with the right qualities based on the conditions of the site and what the market demands.

We continue to align our operations with the UN's Sustainable Development Goals, and are working continuously to enhance sustainability expertise through education and communication on sustainability issues. During the year, we have developed four focus areas that we will continue to work on during 2023. We have also produced Patriam's first sustainability report.

Eventful year for Patriam

The past year was an eventful one for Patriam. We issued a green bond under Patriam Invest AB (publ), the second bond in Sweden to be green-certified under the Climate Bonds Initiative. The first one was also issued by us and redeemed during the past year.

We also took over two properties in Lilla Essingen in Stockholm's inner city. The properties enjoy a unique location on the shores of Lake Mälaren with legally valid zoning plans, where residential development is now being designed for the planned start of production in 2023 and 2024, respectively.



The current market situation has also created opportunities. We entered into an agreement to acquire a project property on Nedre Kungsholmen and another in Bromma. Both properties are scheduled for completion in 2024 and are deemed to have been implemented on attractive terms.

As a company, we work hard to manage all the risks that could arise over the life of a project, and one example of this is that we only acquire projects with sufficient margins to withstand market fluctuations over time.

Our ongoing production in Patriam Torsvik is proceeding according to plan and access for our customers is scheduled for autumn 2023. A project that we are very proud of, and one that adds an innovative and progressive touch to a classic neighbourhood close to Lidingö Centrum.

During the year, Patriam recruited three new employees whose combined expertise and experience have given us both confidence and depth in our operations, resulting in increased productivity and efficiency. We have also developed a new communication platform and updated our graphic profile for Patriam AB during the year, which we will launch in Q1 2023.

2022 was Patriam's most successful year to date

The profit for the period totalled SEK 32.1 million, while the balance sheet total increased to SEK 676.6 million. I am convinced that our commitment to constant improvement and our curiosity to continually evolve are central to Patriam's success, in terms of both organisation and product.

The expansion the business has been planning for the past few years is now happening, and we're taking on more residential projects in Stockholm and creating more landmarks that will touch us all for a long time to come. We create homes for now and forever.

I'm incredibly proud of what Patriam accomplished during the turbulent year 2022. Our employees have done an incredible job over the past year and continue to work towards achieving our vision.

We now look forward with confidence to 2023, and I hope that the turbulence in the world around us will subside and that harmony will prevail so that the focus can be on the right issues. Everyone deserves that.

Thank you for this year!
Andreas Holmberg, CEO



Our Business

Patriam is a residential development company with a focus on condominiums in the most attractive locations in Stockholm. We develop condominiums, but also properties through the development of new zoning plans for housing. Patriam's philosophy is to offer unique and sustainable homes for modern and mindful people who choose their homes with care. For us, the location of the projects is one of the most important parameters, and we always start with the local site when we develop our housing. Customising the product for the site is something of a characteristic of ours.

The business and the product are adapted to the location

One of Patriam's main strengths is its ability to adapt the business and product based on local conditions. Our active risk management guides us in evaluating and executing our projects. Completed zoning plans and infill projects in established areas are good examples of conditions that we value highly. An explicit strategy has been to focus business development on projects with completed zoning plans.

Projects with ongoing zoning plans of interest

This has been extended to also include projects with ongoing zoning plans that are in the process of being adopted, but where access will only take place after the zoning plan has become law. The combination of the above creates a long-term strong development rights portfolio, where the tempo and transaction intensity are kept at a high level. Furthermore, it creates conditions for planning the business

with regard to both capital requirements and resources, while also providing opportunities to respond to changes in the market.

The goal is to run several projects in parallel

Patriam's growth and increased profitability will be achieved through a robust and secure financing model and a well-balanced loan-to-value ratio. We strive to maintain continuity and our goal is to run several parallel and profitable projects simultaneously. The result is that we strengthen our equity ratio.

The company's most important asset is its employees

Patriam's organisation consists of core competences that ensure responsibility for the entire process, from start to finish. From early stages such as acquisition and financing to project development and implementation, to sales and the after-sales market. We care about the health of our employees and emphasise the importance of the work-life balance.



A new home is a huge thing. Not only for those who are to live there, but also for everyone around them.

When you go out for a walk, you want to see architecture that fits in, gives a lift to the area, and enriches your life. Unfortunately, many newly built properties do the opposite. These are short-term structures with façades that become outdated before the end of the decade, built with substandard materials that contribute to wear and tear and waste, and requiring an unnecessary number of renovations.

We know that this is not sustainable. That's why Patriam develops homes that are quite the opposite. These are homes that stand the test of time, blend into the city and become a landmark that people will want to live in and look at, even in a hundred years' time. By looking beyond standardised solutions, we develop homes that people will not want or need to replace with anything else.

A home in which they can live and enjoy – now and forever.



Project portfolio

In 2022, Patriam strengthened its forthcoming portfolio of development rights equivalent to 7,700 sqm gross area through an agreement concluded to acquire properties in Kungsholmen and Bromma. Together with the previous holdings through the properties in Danderyd (Snödroppen 1, 10 & 12), Lilla Essingen and minority ownership in Linde Tjurhornet 7, the Group has created good conditions for continued long-term growth.

Our project portfolio

Ongoing new production

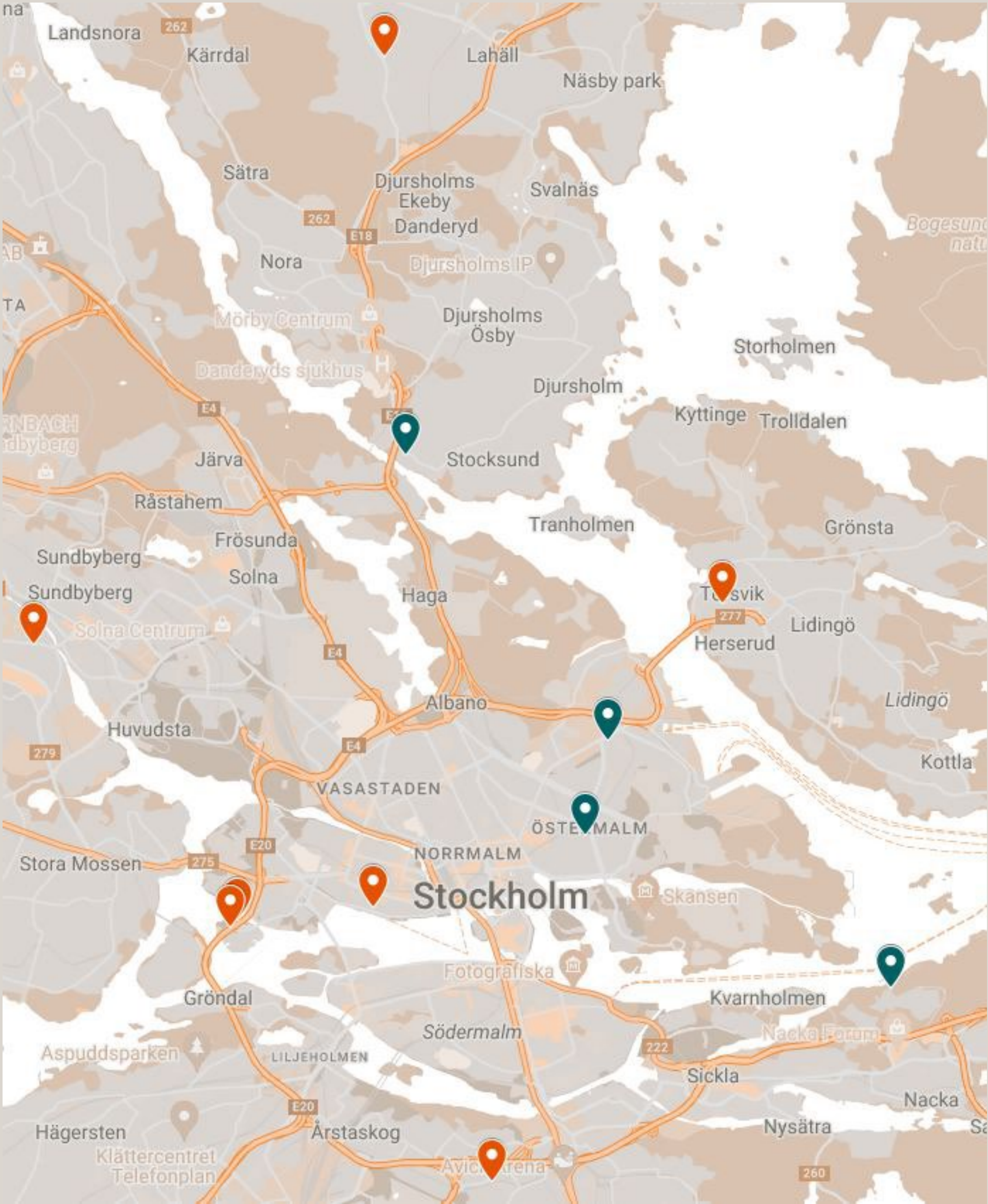
Project	Property	Number of homes	Number of sqm gross	Schedule			Homes sold		
				Construct ion start	Sales start	Complete d	During the year	Total	Sales ratio
Patriam Torsvik	Torselden 8	48	7,100	Q3 2021	Q2 2022	Q4 2023	20	20	42%

Upcoming new production

Project	Property	Number of homes, approx.	Number of sqm GFA	Schedule		
				Planned start of construction	Planned start of sales	Planned occupancy
Lilla Essingen, Vinkelhuset	Part of Primus 1	14	3,200	Q3 2023	Q3 2023	Q4 2024
Patriam Kungsholmen	Fågelbärsträdet 12	13	2,000	Q1 2024	Q2 2024	Q4 2025
Lilla Essingen, Hus 6	Part of Primus 1	50	5,000	Q3 2024	Q3 2024	Q4 2025
Patriam Bromma	Hingsten 1 & 2	60	5,700	Q3 2024	Q3 2024	Q4 2025
Patriam Enebytorget	Snödroppen 1, 10 & 12	140	10,000	-	-	-
Patriam Linde	Tjurhornet 7	120	10,400	-	-	-

Other key ratios for the Group

	2022	2021
Number of homes in production, units	48	62
Number of homes sold (pre-agreement), units	20	13
Total number of development rights in the portfolio	435	553



Ongoing and upcoming projects

Completed projects

Ongoing

Patriam Torsvik

The project was completed in January 2021. The property is located at Torsplan on Lidingö, close to nature and water, only 14 minutes’ drive to Stockholm City. Production is under way with planned occupancy in Q4 2023.

Housing type:	Condominium
Number of apartments:	48
Start of production:	Q3 2021
Start of sales:	Q2 2022
Residential sizes:	38–171 sqm
Building area:	approx. 4,400 sqm
GFA:	approx. 7,100 sqm
Planned occupancy:	Q4 2023
Architect:	Arkitema Architects



Upcoming

Patriam Kungsholmen

The project was acquired in October 2022 and completion will take place in March 2024. The property is located at John Ericssongatan 4 next to Normälarstrand on Nedre Kungsholmen.

Housing type:	Condominium
Number of apartments:	approx. 13
Start of production:	Q1 2024
Planned start of sales:	Q2 2024
Residential sizes:	100 – 250 sqm
Building area:	approx. 1,525 sqm
GFA:	approx. 2,000 sqm
Planned occupancy:	Q4 2025
Architect:	TBD



Upcoming

Vinkelhuset, Lilla Essingen

The project was completed in August 2022. The property is located on the shores of Lake Mälaren in the old Primus area on Lilla Essingen and is close to parks and water in Stockholm’s inner city.

Housing type:	Condominium
Number of apartments:	approx. 14
Start of production:	Q3 2023
Planned start of sales:	Q3 2023
Residential sizes:	62 – 166 sqm
Building area:	approx. 2,000 sqm
GFA:	approx. 3,200 sqm
Planned occupancy:	Q4 2024
Architect:	Varg Arkitekter



Upcoming

Hus 6, Lilla Essingen

Hus 6 is the larger of the two Patriam projects on Lilla Essingen. The project was completed in August 2022. The property is located on the shore of Lake Mälaren and is close to parks and water in Stockholm’s inner city.

Housing type:	Condominium
Number of apartments:	approx. 50
Start of production:	Q3 2024
Planned start of sales:	Q3 2024
Residential sizes:	40–130 sqm
Building area:	approx. 3,900 sqm
GFA:	approx. 5,000 sqm
Planned occupancy:	Q4 2025
Architect:	HHL Arkitekter



Upcoming

Bromma

A new zoning plan for housing is under way around Bälstavägen and is expected to be adopted in Q4 2023. Patriam will take over after the buildings have been demolished, the zoning plan has gained legal force and the property has been registered.

Housing type:	Condominium
Number of apartments:	approx. 60
Start of production:	Q3 2024
Planned start of sales:	Q3 2024
Building area:	approx. 3,000 sqm
GFA:	approx. 5,700 sqm
Planned occupancy:	Q4 2025
Architect:	TBD



Upcoming

Enebytorġ

Patriam is running a zoning plan for new residential buildings. When the zoning plan gains legal force, Patriam plans to demolish the current properties and develop new condominiums in the properties. Ongoing management will continue until the new zoning plan has gained legal force.

Housing type:	Condominium
Number of apartments:	approx. 140
Expected legal force of zoning plan:	2025
Estimated building area:	approx. 10,000 sqm

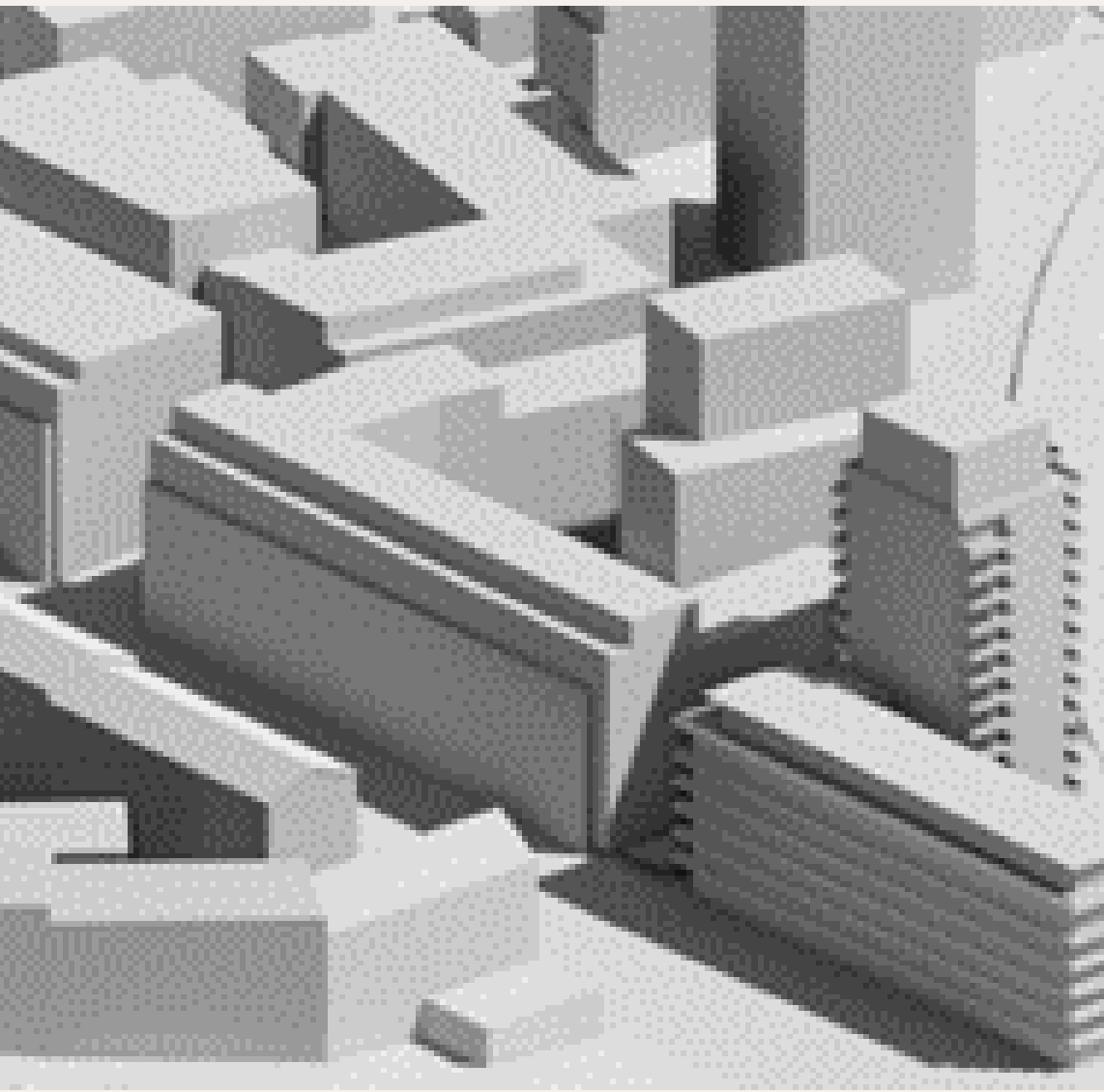


Upcoming

Linde

The property is located in the slaughterhouse area of Johanneshov and Patriam is a minority shareholder of 33%. A zoning plan process is currently under way with the City of Stockholm, but the project is on hold until the Swedish Transport Agency’s position on the matter has been reviewed.

Housing type:	Condominium
Number of apartments:	approx. 120
Expected legal force of zoning plan:	2025
Estimated building area:	approx. 10,400 sqm



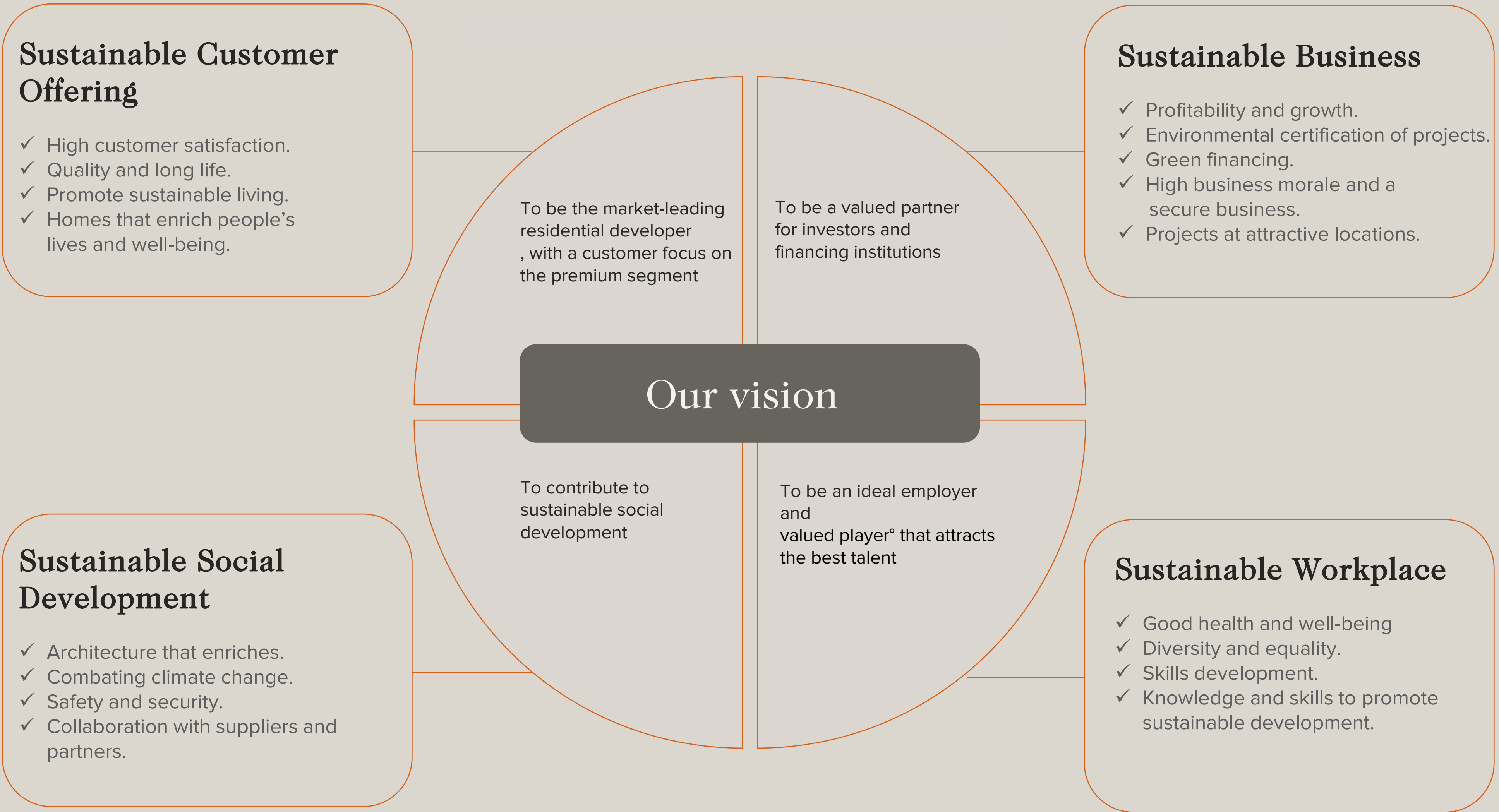
“One of Patriam’s main strengths is the ability to adapt the business and product based on local conditions.”



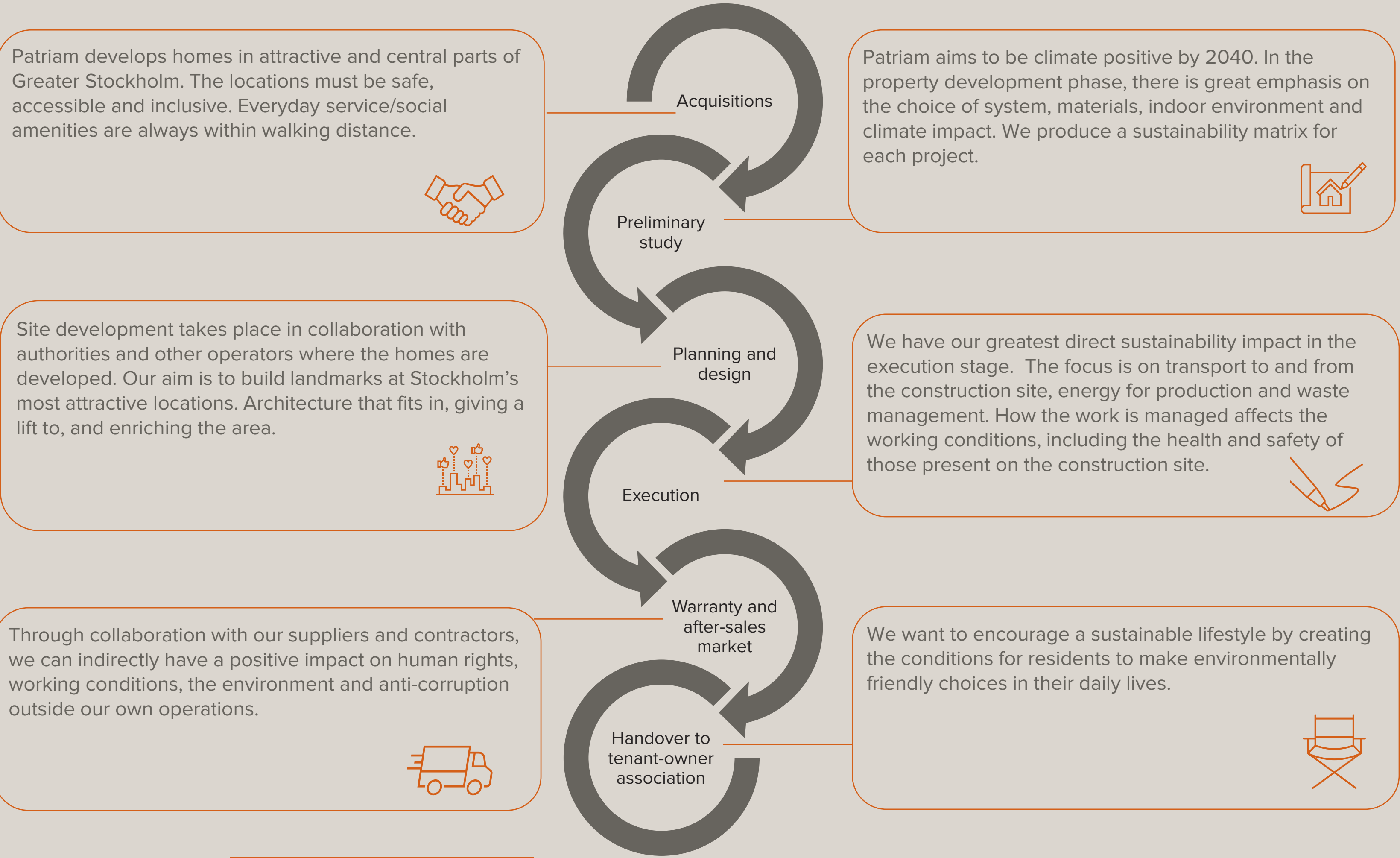
Sustainability

Everything we do must contribute to fulfilling our mission and vision, while we also work with and contribute to the Global Sustainable Development Goals. Our four focus areas: Sustainable Business, Sustainable Social Development, Sustainable Customer Offering and Sustainable Workplace contribute to a stable foundation on which to build.

Our four focus areas



Sustainable Social Development



Karlaplan 2

Sustainability in everything we do

Sustainable Business

Patriam seeks to be a valued partner to investors and financing institutions, and we believe that responsible, sustainable and profitable business is a prerequisite for the positive development of the company's business over time.

Operations are characterised by strong business ethics, sound business practice and a sense of responsibility. Our anti-corruption policy and internal Code of Conduct are signed by all employees.

Within this focus area, we work with:

- ✓ Profitability and growth.
- ✓ Environmental certification of projects.
- ✓ Green financing.
- ✓ High business morale and a secure business.
- ✓ Projects at attractive locations.

100%
of the projects are
financed
by green bonds

Selected events in 2022

- ✓ Conducted stakeholder dialogues with our stakeholders.
- ✓ A new sustainability policy and decisions on how we will contribute to the Sustainable Development Goals were established.
- ✓ Continued our work to achieve environmental certification of our projects.
- ✓ Offered investments in green bonds.
- ✓ Took over Patriam Lilla Essingen and acquired Patriam Kungsholmen and Patriam Bromma.
- ✓ Developed Patriam Trygg Affär.

Our focus area Sustainable Business contributes to Global Sustainable Development goals 8, 13 and 16.

Sustainable customer offerings

Patriam wants to offer sustainable solutions that make everyday life easier for Patriam's customers. The homes we build should be of high quality and have a long life. The idea is that they will stand for at least 100 years.

Within this focus area, we work with:

- ✓ High customer satisfaction.
- ✓ Quality and long life.
- ✓ Promote sustainable living.
- ✓ Homes that enrich people's lives and well-being.

50%
of Patriam's
completed
projects are
environmentally
certified

Selected events in 2022

- ✓ Planned for charging points in our ongoing projects.
- ✓ Documented all materials for future needs.
- ✓ Chose materials that will stand the test of time, and with guarantees.
- ✓ Created areas where people can meet up spontaneously, as well as spaces for socialising.
- ✓ Continued to work with safety and security in our projects.
- ✓ Selected materials that contribute to a good indoor environment for residents.
- ✓ Created areas for waste management and sorting at source.
- ✓ Selected green financing that enables better loan terms for residents and tenant-owner associations.

Our focus area Sustainable Business contributes to Global Sustainable Development goals 12 and 13.

Sustainable Workplace

Patriam wants to create the conditions for a sustainable workplace and offer a work environment where employees can perform at their best in a stimulating and developing work environment.

We want to offer a workplace that is inclusive and flexible and that offers equal opportunities. Our ambition is that everyone, regardless of gender, age, cultural background or sexual orientation, shall be able to work and thrive together.

Within this focus area, we work with:

- ✓ Good health and well-being
- ✓ Diversity and equality.
- ✓ Skills development.
- ✓ Knowledge and skills to promote sustainable development.

>48
training hours per
employee in the
joint training
challenges

Selected events in 2022

- ✓ A new safety and crisis committee was formed.
- ✓ We worked actively to promote activities to ensure good health and well-being, and a sense of community among employees.
- ✓ Performed health checks.
- ✓ Training of employees' knowledge and skills, to promote sustainable development.

Our focus area Sustainable Business contributes to Global Sustainable Development goals 3, 10 and 12.

Initiative and certifications

Patriam works with various initiatives and certifications to ensure that we maintain a high standard in our sustainability work.



Nordic Ecolabelled buildings

A Nordic Ecolabelled building is mapped from a life cycle perspective. This entails a holistic approach to the entire construction process, the building and its use and management. The building must meet tough requirements for low energy consumption. The Nordic Ecolabel also sets requirements to stimulate the use of renewable energy and green innovation, for example. An on-site inspection is performed before the building is approved. The requirements are tightened around every five years, and the licensee must then perform a new inspection for the licence to be renewed.

UN Global Compact

Ten principles for sustainable business in the areas of the environment, labour law, anti-corruption and human rights. Patriam's Code of Conduct is based on the principles of the UN Global Compact.

Green bonds

The Climate Bonds Certification Scheme is the first and only international labelling system for green bonds and green loans. The system sets out best practices for the market in terms of ambitious climate action, reporting and disclosures. This places demands on the housing developer to build energy-efficient buildings with minimal carbon emissions.

The Global Sustainable Development Goals

Agenda 2030 consists of 17 global Sustainable Development Goals aimed at eradicating poverty, stopping climate change and creating peaceful and safe communities. This is the most ambitious agreement for sustainable development that the world's leaders have ever made. Patriam has identified eleven goals on which we can have the greatest impact.

Patriam Trygg Affär.TM

Buying a home is one of the biggest and most important deals in your life – and at Patriam, we do everything we can to make this a safe and secure deal. Our security package is part of every stage of the purchasing process, from signing of the agreement until the warranty inspection has been carried out, two years after the customer has moved into their new home. The customer receives all the support and advice they need when it comes to buying their new home. At Patriam, the customer receives guarantees that keep our promises and give the customer greater security.





Statutory Administration Report

Statutory Administration Report

The Board of Directors and CEO of Patriam Invest AB (publ), corporate ID number 559201-2206 (“Patriam”), with the postal address Biblioteksgatan 3, 111 46 Stockholm, Sweden, hereby submit the annual accounts and consolidated accounts for the financial year 2022. Comparisons in parentheses refer to the previous year. Unless otherwise stated, the financial statements are presented in SEK thousand, so rounding differences may occur.

Business concept

Patriam will develop condominiums in the premium segment in attractive locations in Stockholm.

Goals for the business

Patriam’s main business activity is to develop condominiums in the most attractive locations in Stockholm. 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 the homes. In addition to developing condominiums, Patriam also develops properties through the development of new zoning plans for housing. Patriam owns a project portfolio with ongoing projects, confirmed development rights and potential development rights. In addition to this, Patriam has minority ownership in a project in Linde in southern Stockholm, where a new zoning plan is being developed for new condominiums.

Business and organisation

At the turn of the year, Patriam’s portfolio consisted of one project in production, the Torselden 8 district in Torsvik on Lidingö. Two projects at

Lilla Essingen with completed zoning plans, the Gasolköket 1 district and the Fotogenköket 1 district. Gasolköket 1 is being designed ahead of the planned start of production in September 2023. Patriam also has three properties in Danderyd Municipality where zoning plans are under development with potential development rights, through the properties Snödroppen 1, 10 and 12.

A minority interest in a project with potential development rights in Linde, which is situated in southern Stockholm, through the Tjurhornet 1 district. Two projects have been agreed but not yet taken over. The Fågelbärsträdet 12 district at Kungsholmen in Stockholm’s inner city has a valid zoning plan for homes and has received a demolition permit; completion is planned for March 2024.

The Hingsten 1 and 2 district is in zoning plan development, with completion planned during Q1 2024. Total potential and completed development rights totalling approximately 43,000 sqm.

The total portfolio of potential and completed development rights and ongoing production is located in the Stockholm region in the municipalities of Danderyd and Lidingö, and in the City of Stockholm.

The following functions are based at the offices in Stockholm: Project Development, Marketing/Sales, Finance/Transactions and Business Development. Group Management consists of four people: CEO Andreas Holmberg, CDO Fredrik Andren, CFO Carina Ohlander and Marketing and Sales Director Emilia Sjöblom Adolfsson. In addition to our personnel, some administration and certain Group-wide functions are outsourced in accordance with separate management agreements. These include Klara Consulting AB, which provides ongoing accounting services. As of 31 December 2022, the average number of employees in Patriam was 9 (9).

Housing development

Patriam works continuously to identify, acquire and develop condominiums. The basis of the strategy going forward is based on completed condominiums with an adopted zoning plan, where production time and regulatory risks are considered to be limited. One important component of profitability is the average time for the implementation of the projects. Furthermore, Patriam works primarily with so-called “infill projects”, which means that the projects are located in areas that are already established.

All of Patriam’s projects that are already completed projects – Patriam Stocksund, Patriam Gärdet, Karlaplan 2 and Patriam Nacka Strand – are good examples of effective infill projects where we have created homes in established areas based on their unique geographical location.

As a complement to the above strategy, Patriam works actively to identify and acquire projects with ongoing zoning plans that are close to adoption and where completion only takes place after the zoning plan has gained legal force. The combination of the above creates a portfolio of development rights that is strong in the long term, with relatively short implementation times and where transactions are made at regular intervals. Furthermore, it creates good conditions to plan business operations with regard to both capital requirements and resources.

The extended focus on identifying and acquiring projects with ongoing zoning plans close to adoption has meant that interest in land allocations for condominium projects is a natural part of business development.

In May 2022, Patriam Invest AB issued a secured bond of approximately SEK 420 million, with a framework of SEK 1,500 million, with a green framework. The bond is an operational financing measure and has a maturity of 36 months, with an option to extend for 12 months.

Stockholm's housing market

In recent years, the housing market in Sweden has seen generally strong growth, especially in the municipalities where Patriam operates. Patriam's geographical market is narrow and limited to a number of Stockholm municipalities where there is a housing shortage, and where we target customers with strong purchasing power. Between 2019 and 2021, the housing market strengthened significantly. For 2022, the housing market started strongly, with a peak in March 2022 for housing prices, and during the remainder of 2022, housing prices fell by between 11 and 16 per cent, depending on the municipality. During the first three months of 2023, the housing market has recovered and these municipalities are now down between 6 and 14 per cent since the peak in March 2022.

Patriam continuously monitors and evaluates developments in our geographical market, and as there is also a shortage of housing in these municipalities according to the Booli Housing Market Index, and there is thus an underlying need for new housing, we believe that there is a demand for newly produced housing in attractive locations in Patriam's geographical market. Sales times for selling an apartment off-plan have increased significantly over the past year, and we have adapted to the prevailing conditions by starting up production of the projects in order to limit the time before customers can move in.

2022 has been an eventful year. War and the energy crisis in Europe, high inflation and major interest rate hikes being implemented by Central Banks around the world. As a result, there is considerable uncertainty in both the financial and property markets, as well as in the housing market. Access to new capital for many property companies has fallen sharply, and bond market volumes fell significantly during the year, the stock market has undergone a historical decline and property company values have suffered an unprecedented dip. The housing market has also stalled, with falling prices and a reduction in the number of contracts. In addition, the construction cost index has increased by about 15% over the past year.

Significant events during the financial year

- Patriam entered into an agreement to acquire the properties Hingsten 1 and 2 located in Bromma, where occupancy is planned for the first quarter of 2024 after the zoning plan and property registration have gained legal force.
- A building permit was obtained for the project in Torsvik and the construction contract was started once the groundworks had been completed.
- Patriam Invest issued a bond with a Green Bond Framework, according to the Climate Bonds Standard, of approximately SEK 420 million with a framework of SEK 1,500 million.
- The properties Gasolköket 1 and Fotogenköket 1 located on Lilla Essingen were acquired in August. Two properties in a unique location on the shores of Lake Mälaren with legally valid zoning plans, where residential development is now being designed for the planned start of production in 2023 and 2024, respectively.
- During the year, the organisation was strengthened with three new employees in development and finance. Recruitment was a strategic decision to strengthen the organisation in the ongoing expansion.
- During the fourth quarter, Patriam entered into an agreement to acquire a project property in Nedre Kungsholmen. The property is scheduled to be occupied in 2024.
- Launch of the "Patriam Trygg Affär" ("Patriam Safe Business") security package.
- Production of a new communication platform and updating of our graphic profile for Patriam AB.

Significant events after the financial year

- The bond, issued in the second quarter of 2022, was sold out in January 2023.
- A decision was made on shareholder loans of approximately SEK 45 million from Rotunda Fastigheter.



Bond debt

On 25 May 2022, Patriam Invest AB (publ) issued SEK 420,000,000 in a green bond with ISIN 0017769391 and ISIN SE0017769409.

The bond is a secured share pledge in Patriam Invest AB (publ), pledge in shares in subsidiaries, partly with a pledge in receivables from subsidiaries and tenant-owner associations. Furthermore, the green bond is also secured via pledges in bank accounts (so-called “blocked account”) with Patriam Invest AB (publ), to which accrued profits from the projects are transferred after they have been completed and sold. The purpose of the green bond was to enable the acquisition of two projects at Lilla Essingen, the acquisition of future projects and general development of the project portfolio.

The green bond has a maturity of 36 months with an annual interest rate of 9.5% + Euribor/Stibor 3 months with quarterly interest payments, and was issued in SEK and EUR. The bond, which is certified green by the Climate Bonds Initiative, is listed on Nasdaq First North Bond Market.

As of the year-end, the remaining maturity is 29 months, excluding the option to extend. The project in which the funds will be used is planned to be completed during the term of the bond.

JOOL Corporate Finance AB (“JOOL”) has acted as financial advisor to Patriam in connection with the issue of the bond, for which Patriam paid a fee of 3.55% of nominal residual capital.

SIP Nordic Fondkommission AB (“SIP”) has acted as the organiser of the bond and is responsible for receiving applications, as well as handling payments in client funds accounts.

The fee to SIP is 4.45% of nominal residual capital. All costs related to the issue of the bond are recognised on a straight-line basis and amortised on an ongoing basis during the term of the bond. The financial conditions for the bond are based on the assumption that the Group’s consolidated equity ratio exceeds 25% and that the total loan structure in relation to the Group’s assets is below 85%.

This means that all of the Group’s assets are valued by an external valuation institution in accordance with current market valuations, and are set in relation to the Group’s total outstanding liabilities. Reporting in relation to the bondholders takes place quarterly. The reporting process consists of a progress report, which describes the project’s progress based on costs, schedules, financing and risks. Further terms and conditions and the Bond Term Sheet may be found at patriam.se.

The Group

Multi-year overview (SEK thousand)	2022	2021	2020
Net sales	117,763	40,524	2,868
Profit/loss after financial items	31,648	25,226	619
Balance sheet total	676,561	275,279	317,621
Equity ratio, %	25	51	27
Average number of employees	9	9	5

Other key ratios for the Group

Number of homes in production	48	62	14
Homes sold (pre-agreements)	20	13	1

Parent company

Multi-year overview (SEK thousand)	2022	2021	
Net sales	857	0	0
Profit/loss after financial items	-28,587	20,384	-1,885
Balance sheet total	454,889	241,547	257,737
Equity ratio, %	19	47	25

Appropriation of profit

(Amounts in SEK)			
Proposed appropriation of the company’s profit/loss			
The following is at the disposal of the Annual General Meeting:			
Retained earnings	113,809,134		
Profit/loss for the year	-28,587,471		
	85,221,663		
The Board of Directors proposes that:			
A dividend be paid to shareholders of	8,000,000		
Carried forward to the new accounts:	77,221,663		
	85,221,663		

The Board of Directors believes that the proposal is compatible with the precautionary rule in Chapter 17, Section 3 of the Swedish Companies Act in accordance with the following statement: The Board of Directors believes that the dividend is justifiable in view of the requirements that the nature, scope and risk of the business place on the size of equity and the company’s consolidation requirements, liquidity and position in general.

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Consolidated Income Statement

<i>Amounts in SEK</i>	Note	Jan-Dec 2022	Jan-Dec 2021
Operating income			
Net sales		117 763,179	40,523,998
Other operating income		319,456	20,674,198
Total operating income		118,082,635	61,198,196
Operating expenses			
Raw materials and consumables		-15,518,499	-878,515
Other external expenses		-12,085,592	-8,818,067
Staff costs	2	-16,617,703	-10,820,838
Depreciation of tangible and intangible fixed assets	6	-109,090	-969,167
Other operating assets		0	-3,374
Total operating expenses		-44,330,884	-21,489,961
Operating profit/loss		73,751,751	39,708,235
Profit/loss from financial investments			
Profit/loss from participations in Group companies		0	-93,628
Profit/loss from participations in associated companies and jointly controlled companies		0	3,516,933
Other interest income and similar income statement items	3	32,032,076	188,013
Interest expenses and similar income statement items	4	-74,135,551	-18,093,463
Total financial items		-42,103,475	-14,482,145
Profit/loss after financial items		31,648,276	25,226,090
Appropriations			
Tax on profit/loss for the year	5	454,087	-481,117
Profit/loss for the year		32,102,363	24,744,973
<i>Attributable to:</i>			
Parent company shareholders		32,102,363	24,340,072
Non-controlling interests		0	404,901
		32,102,363	24,744,973

Consolidated balance sheet

<i>Amounts in SEK</i>	Note	31/12/2022	31/12/2021
Assets			
Tangible fixed assets			
Equipment, tools and installations	6	111,805	157,895
		111,805	157,895
Financial fixed assets			
Participations in associated companies and jointly controlled entities	11	16,635,094	16,635,094
Other long-term receivables	12	337,708,307	140,615,512
		354,343,401	157,250,606
Total fixed assets		354,455,206	157,408,501
Current receivables			
Accounts receivable		2,073,092	784,591
Tax receivables		0	47,985
Other receivables		123,710,813	38,462,808
Accrued non-invoiced income		107,573,251	31,429,502
Prepaid expenses and accrued income		28,190,924	35,700,570
		261,548,081	106,425,456
Cash and bank balances		60,557,666	11,425,123
Total current assets		322,105,746	117,850,579
Total assets		676,560,953	275,259,080

<i>Amounts in SEK</i>	Note	31/12/2022	31/12/2021
Equity and liabilities			
Equity			
Share capital		500,000	500,000
Other paid-in capital		94,938,325	93,643,699
Revaluation reserve		10,378,600	10,378,600
Other equity incl. profit/loss for the year		66,376,593	34,191,060
Equity attributable to parent company shareholders		172,193,518	138,713,360
Non-controlling interests		0	360,000
Total equity		172,193,518	139,073,360
Provisions			
Deferred tax liabilities		2,965,605	2,965,605
Total provisions		2,965,605	2,965,605
Long-term liabilities	7		
Bond loans	9	363,566,359	126,607,048
Other long-term liabilities		2,878,105	0
Total long-term liabilities		366,444,464	126,607,048
Current liabilities			
Liabilities to credit institutions	8	103,466,946	0
Accounts payable		5,233,576	1,381,328
Current tax liabilities		39,495	0
Other liabilities		9,885,222	1,886,702
Accrued expenses and prepaid income		16,332,126	3,345,302
Total current liabilities		134,957,366	6,613,067
Total equity and liabilities		676,560,953	275,259,080

Consolidated statement of changes in equity

<i>Amounts in SEK</i>	Share capital	Other paid-in capital	Revaluation fund	Other equity incl. profit/loss for the year	Total equity main shareholders	Holdings without controlling influence	Total equity
Amount at beginning of year, 01/01/2021	500,000	67,646,633	10,171,028	6,702,706	85,020,367	488,556	85,508,923
Changes to previously applied accounting policies				2,923,360	2,923,360	-106,240	2,817,120
Adjusted amount at beginning of year, 01/01/2021	500,000	67,646,633	10,171,028	9,626,066	87,943,727	382,316	88,326,043
Shareholder contributions received		25,997,066			25,997,066		25,997,066
Transactions between shareholders			207,572	224,923	432,495	-427,217	5,278
Profit/loss for the year				24,340,072	24,340,072	404,901	24,744,973
Amount at year-end 31/12/2021	500,000	93,643,699	10,378,600	34,191,061	138,713,360	360,000	139,073,360
Amount at beginning of year, 01/01/2022	500,000	93,643,699	10,378,600	34,191,061	138,713,360	360,000	139,073,360
Dividend					0	-360,000	-360,000
Shareholder contributions received		1,294,626			1,294,626		1,294,626
Transactions between shareholders				83,169	83,169		83,169
Profit/loss for the year				32,102,363	32,102,363		32,102,363
Amount at year-end 31/12/2022	500,000	94,938,325	10,378,600	66,376,593	172,193,518	0	172,193,518

Consolidated cash flow statement

<i>Amounts in SEK</i>	Jan-Dec 2022	Jan-Dec 2021
Operating activities		
Operating profit/loss	73,751,751	39,708,235
Adjustment for items not included in cash flow	109,090	-49,389,918
Interest received	128,109	615,031
Interest paid	-46,514,458	-30,072,653
Tax paid	0	-529,102
Cash flow from operating activities before changes in working capital	27,474,492	-39,668,407
Cash flow from changes in working capital		
Decrease(+)/increase(-) in operating receivables	-123,266,687	13,479,457
Decrease(-)/increase(+) in operating liabilities	19,664,474	-11,568,686
Cash flow from operating activities	-76,127,721	-37,757,638
Investing activities		
Acquisition of subsidiaries	-162,418,794	896,239
Acquisition of tangible fixed assets	-63,000	-108,500
Acquisition of financial fixed assets	-34,674,001	0
Disposal of subsidiaries	0	-218,170
Cash flow from investing activities	-197,155,795	569,569
Financing activities		
Newly entered financial liabilities	323,564,413	0
Repayment of financial liabilities	-2,082,980	0
Shareholder contributions received	1,294,626	28,896,190
Dividend paid	-360,000	0
Cash flow from financing activities	322,416,059	28,896,190
Cash flow for the year	49,132,543	-8,291,879
Cash and cash equivalents at beginning of year	11,425,123	19,717,002
Cash and cash equivalents at end of year	60,557,666	11,425,123

Parent company income statement

<i>Amounts in SEK</i>	Note	Jan-Dec 2022	Jan-Dec 2021
Operating income		856,568	0
Net sales			
Total operating income		856,568	0
Operating expenses			
Other external expenses		-2,831,517	-1,480,225
Total operating expenses		-2,831,517	-1,480,225
Operating profit/loss		-1,974,949	-1,480,225
Profit/loss from financial investments			
Profit/loss from participations in subsidiaries		62,200,039	0
Dividends from participations in subsidiaries		967,000	39,099,062
Other interest income and similar income statement items	3	32,265,484	188,013
Impairment of financial fixed assets and short-term investments		-62,279,639	0
Interest expenses and similar income statement items	4	-59,765,405	-17,423,132
Total financial items		-26,612,521	21,863,943
Profit/loss after financial items		-28,587,471	20,383,718
Appropriations			
Group contributions received		0	282,614
Total appropriations		0	282,614
Profit/loss before tax		-28,587,471	20,666,332
Tax on profit/loss for the year	5	0	0
Profit/loss for the year		-28,587,471	20,666,332

Parent company balance sheet

<i>Amounts in SEK</i>	Note	31/12/2022	31/12/2021
Assets			
Fixed assets			
Financial fixed assets			
Participations in Group companies	10	75,126,208	69,201,208
Receivables from Group companies		37,359,529	30,383,133
Other current receivables		0	0
		112,485,737	99,584,341
Total fixed assets		112,485,737	99,584,341
Current assets			
Current receivables			
Receivables from Group companies		275,433,064	135,097,813
Other receivables		856,573	0
Prepaid expenses and accrued income		8,461,235	0
		284,750,872	135,097,813
Short-term investments			
Other short-term investments		0	0
Cash and bank balances		57,652,618	6,864,760
Total current assets		342,403,490	141,962,573
Total assets		454,889,227	241,546,914

<i>Amounts in SEK</i>	Note	31/12/2022	31/12/2021
Equity and liabilities			
Equity			
Restricted equity			
Share capital		500,000	500,000
		500,000	500,000
Unrestricted equity			
Retained earnings		113,809,134	91,847,300
Profit/loss for the year		-28,587,471	20,666,332
		85,221,663	112,513,632
Total equity		85,721,663	113,013,632
Long-term liabilities	7		
Bond loans		363,566,358	126,607,048
Total long-term liabilities		363,566,358	126,607,048
Current liabilities			
Liabilities to Group companies		4,756,274	1,255,769
Other liabilities		96,807	165,970
Accrued expenses and prepaid income		748,125	504,495
Total current liabilities		5,601,206	1,926,234
Total equity and liabilities		454,889,227	241,546,914

Parent company statement of changes in equity

<i>Amounts in SEK</i>	Share capital	Retained earnings	Profit/loss for the year	Total equity
Amount at beginning of year, 01/01/2021	500,000	64,718,133	-1,767,023	63,451,110
Appropriation as decided by this year's AGM:		-1,767,023	1,767,023	0
Shareholder contributions received		28,896,190		28,896,190
Profit/loss for the year			20,666,332	20,666,332
Amount at year-end 31/12/2021	500,000	91,847,300	20,666,332	113,013,632
Appropriation as decided by this year's AGM:		20,666,332	-20,666,332	0
Shareholder contributions received		1,295,502		1,295,502
Profit/loss for the year			-28,587,471	-28,587,471
Amount at year-end 31/12/2022	500,000	113,809,134	-28,587,471	85,721,663

Notes

NOTE 1 Accounting policies and valuation principles

The Group’s accounting and valuation principles

As of 2020, the Swedish Annual Accounts Act and the Swedish Accounting Standards Board’s general recommendations BFNAR 2012:1 (K3) are applied in the preparation of financial statements.

Changes to previously applied accounting policies

The Swedish Accounting Standards Board’s general guidance (BFNAR 2012:1) on annual accounts and consolidated accounts, K3, states in chapter 9 paragraph 9.3 that a special purpose entity, SPE, shall be included in the consolidated accounts if the parent company has a controlling influence without being the owner. The BFN has therefore ruled that a company should be treated as if it were a subsidiary even if there is no ownership of shares. In view of the above, Patriam has so far assessed that housing associations should be consolidated if the parent company has a controlling influence without being an owner.

However, this assessment is questionable given the definition of Group companies in Chapter 1, Section 4 of the Swedish Annual Accounts Act (1995:1554) (ÅRL), and the provisions of Chapter 7, Sections 1 and 5 of ÅRL on the scope of the consolidated accounts. An ownership requirement exists under ÅRL. A modernised Group definition is also proposed in ÅRL on 1 January 2025, bringing it into line with international accounting standards. The requirement to own a share has been removed.

As a consequence of the amendment to the Swedish Annual Accounts Act in 2025, Patriam has decided to change its accounting policy for the period up to 2025 and not to consolidate tenant-owner associations over which it has a controlling influence without being an owner.

This has an impact on the Group’s financial results and financial position as, under the current policy, income from the sale of properties is recognised upon sale to the tenant-owner association, and income from the implementation of the project is recognised using the percentage of completion method as the work is carried out.

As a result of the changed accounting principle, the tenant-owner association and not the purchaser of the condominium is the customer of Patriam.

The income was recognised before the change in accounting policy when the purchaser of the condominium took possession of the property. Prior to taking possession, Patriam recognised the property as a current asset under the item Projektfastigheter (Project properties). The tenant-owner association’s other assets and liabilities, as well as income and expenses, were also consolidated in Patriam’s financial statements. Internal transactions and balance sheet items between Patriam and the tenant-owner association were eliminated.

Consolidated accounts

Patriam Invest AB prepares consolidated financial statements. Companies in which Patriam Invest holds the majority of votes at general meetings are classified as subsidiaries and consolidated in the consolidated financial statements. Information about Group companies may be found in the note on financial fixed assets. Subsidiaries are included in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value on the acquisition date. The minority share of the acquired net assets is measured at fair value. Goodwill is the difference between the acquired identifiable net assets on the acquisition date and the cost, including the value of the minority interest, and is initially measured at cost.

Associated companies are all companies where the Group has a significant, but not a controlling influence, which generally applies to shareholdings that include between 20% and 50% of the votes.

Holdings in associated companies are recognised in accordance with the equity method. When applying the equity method, the investment is initially measured at cost and the carrying amount is then increased or reduced 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 the time of acquisition.

Transactions between Group companies are eliminated in full. Subsidiaries in other countries prepare their annual accounts in foreign currencies. On consolidation, the items in these companies’ balance sheets and income statements are translated at the exchange rate on the balance sheet date and the spot rate for the day on which the business event in question took place. The exchange rate differences that arise are recognised in accumulated exchange rate differences in the Group’s equity.

Accounting currency

The annual report is presented in Swedish kronor and amounts are stated in SEK, unless otherwise stated.

Foreign currencies

When currency hedging is not applied, monetary asset and liability items are measured in foreign currency at the spot rate on the balance sheet date. Transactions in foreign currency are translated at the spot rate on the transaction date. For valuation of transactions and balance sheet items when currency hedging is applied, see the section on financial instruments, subheading ‘documented hedges of financial liabilities in foreign currency’ (hedge accounting).

Revenue recognition

Compensation from project activities

The Group sells land and completed planning and design to a tenant-

owner association through companies. It is the tenant-owner association that is deemed to constitute the Group's customer. The agreement also entails a risk being taken by the Group in the contract that the Group's independent party performs for the tenant-owner association. In addition, the Group promises to buy unsold apartments from the tenant-owner association at a certain point in time. Land, including planning and design, is deemed to constitute a performance obligation and this income is recognised when the control is transferred, which is deemed to take place at a point in time. This date coincides with the legal transfer of ownership rights of the shares. The risk taken in the contract is deemed to constitute a separate performance obligation with a variable transaction price and is recognised over time. The obligation to acquire unsold apartments is deemed to be part of the transaction price and reduces income based on assessments of the probability whether purchases are expected to take place or not.

Rental income

Rental income is recognised as income in the period to which it relates. Income has been recognised at the fair value of what has been received or will be received. Income is recognised to the extent that it is probable that the financial benefits will accrue to the company and can be calculated in a reliable manner.

Service assignments

For fixed-price service assignments, the income and expenses attributable to a completed service assignment are recognised as income and expenses respectively in relation to the degree of completion of the assignment on the balance sheet date (percentage of completion method). The degree of completion of an assignment is determined by comparing accrued expenses on the balance sheet date with estimated total expenses.

In cases where the outcome of an assignment cannot be calculated reliably, income is recognised only to the extent that it corresponds to the incurred assignment expenses that are likely to be compensated by the purchaser.

An expected loss on an assignment is recognised immediately as an expense. For service assignments on an open account basis, income attributable to a completed service assignment is recognised as income as work is performed and material is delivered or consumed.

Estimates and judgements

Compensation from project activities

In order to understand revenue recognition, it is also important to understand Patriam's business model. The parent company has a number of subsidiaries that are consolidated in the Group. Via subsidiaries, Patriam sells a company containing land and completed planning and design to a tenant-owner association via a share transfer agreement. It is the tenant-owner association that is deemed to constitute the Group's customer. The tenant-owner association signs an agreement with an independent contractor regarding the contract. Patriam does not consolidate the tenant-owner associations, with reference to the previous section on Changes to previously applied accounting policies in Note 1.

Other long-term receivables

Patriam's project development of housing is carried out primarily in the form of Patriam acquiring a company, a former parent company, which has entered into an agreement with a tenant-owner association. The tenant-owner association constitutes the purchaser of a total undertaking involving the transfer of land and the construction of a residential property. The tenant-owner association has usually acquired land and built a residential property by acquiring a subsidiary of a parent company. The agreement with the tenant-owner association regarding the transfer and the circumstances in general may mean that it is likely that an additional purchase price will be paid for the subsidiary acquired by the tenant-owner association and the subsidiary transferred by the parent company. If Patriam acquires one for this parent company, and if Patriam has paid more for the acquisition than the fair value of other identifiable assets and liabilities in the acquired business, Patriam recognises the surplus value as Other non-current receivables.

Leases

Leases under which the financial risks and benefits of owning an asset are essentially transferred from the lessor to a company in Patriam Invest's Group are classified in the consolidated financial statements as financial leases.

Financial leases entail that rights and obligations are recognised as assets and liabilities respectively in the balance sheet. The asset and liability are initially measured 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. Lease payments are divided between interest and repayment in accordance with the effective interest method. Variable fees are recognised as an expense in the period in which they arise. The leased asset is depreciated on a straight-line basis over its estimated useful life.

Leases in which the economic benefits and risks attributable to the leased object remain substantially with the lessor are classified as operating leases. Payments, including a first raised rent, under these agreements are recognised as an expense on a straight-line basis over the term of the lease.

Employee benefits

Short-term benefits

Short-term benefits in the Group consist of salary, social security contributions, paid holidays, paid sick leave, healthcare and bonuses. Short-term benefits are recognised as an expense and a liability when there is a legal or informal obligation to pay compensation.

Post-employment benefits

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

For the defined contribution plans, the company pays fixed contributions to another company and has no legal or informal obligation to pay anything more, even if the other company cannot fulfil its commitment. The Group's profit/loss is charged with expenses as the employees' services providing pension entitlement are performed.

Termination benefits

Termination benefits are paid when a company within the Group decides to terminate an employment relationship before the normal date of termination of employment or when an employee accepts an offer of voluntary termination in exchange for such compensation. If the compensation does not give the company any future financial benefit, a liability and an expense are recognised when the company has a legal or informal obligation to provide such compensation. Compensation is measured at the best estimate of the compensation that would be required to settle the obligation on the balance sheet date.

Income taxes

Current tax is measured based on the tax rates and tax rules that apply on the balance sheet date. Deferred tax is measured based on the tax rates and tax rules that have been adopted before the balance sheet date.

Deferred tax liabilities in respect of temporary differences attributable to investments in subsidiaries are not recognised in the consolidated financial statements as the parent company can in all cases control the date for the reversal of the temporary differences and it is not considered likely that a reversal will take place in the foreseeable future.

Deferred tax assets in respect of loss carryforwards or other future tax deductions are recognised to the extent that it is probable that the deduction can be offset against a surplus in future taxation. Receivables and liabilities are only recognised net when there is a legal right to offset.

Current tax, as well as changes in deferred tax, are recognised in the income 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 recognised at cost less depreciation. Cost includes expenses that can be directly attributed to the acquisition of the asset. When a component in a fixed asset is replaced, any remaining part of the old component is retired and the new component's cost is capitalised.

Additional expenses relating to assets that are not divided into components are added to the cost to the extent that the performance of the asset increases in relation to the value of the asset on the acquisition date. Expenses for ongoing repair and maintenance are recognised as expenses. In connection with property acquisitions, there is an assessment of 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 cost is increased by the same amount.

Capital gains and losses on the disposal of fixed assets are recognised as Other operating income and Other operating expenses respectively.

Tangible fixed assets are depreciated systematically over the asset's estimated useful life. When determining the depreciable amount of assets, the residual value of the asset is taken into account where appropriate. Depreciation is included in the income statement items Cost of goods sold, Selling expenses and Administrative expenses.

The Group's land has an unlimited useful life and is not depreciated. The linear depreciation method is used for other kinds of tangible assets.

The following depreciation periods are applied:

Equipment, tools and installations 5 years.

Financial instruments

Financial instruments are recognised in accordance with the rules in K3 Chapter 11, which means that valuation is based on cost.

Financial instruments recognised in the balance sheet include securities, accounts receivable and other receivables, current investments, accounts payable, loan liabilities and derivative instruments. The instruments are recognised in the balance sheet when Patriam Invest becomes a party to the instrument's contractual terms.

Financial assets are de-recognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred, and the Group has essentially transferred all risks and benefits associated with ownership.

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

Accounts receivable and other receivables

Receivables are recognised as current assets with the exception of items with a due date more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are recognised at the amount expected to be paid after the deduction of individually assessed doubtful receivables. Receivables that are interest-free or that are subject to interest that deviates from the market interest rate and have a maturity exceeding 12 months are recognised at a discounted present value and the change in time value is recognised as interest income in the income statement.

Short-term investments

Securities acquired with the intention of being held in the short term are initially recognised at cost and subsequently measured in accordance with the lowest value principle at the lower of cost and market value.

The short-term investments item includes shares held to invest liquidity surpluses in the short term.

Loans liabilities and accounts payable

Loan liabilities are initially recognised at cost less transaction costs (accrued cost). If the recognised amount differs from the amount to be repaid on the due date, the difference is accrued as an interest expense over the term of the loan using the instrument's effective interest rate. This means that the recognised amount and the amount to be repaid are consistent on the due date. Short-term accounts payable are recognised at cost.

Offsetting of financial receivables and financial liabilities

A financial asset and a financial liability are offset and recognised at a net amount in the balance sheet only when there is a legal right to offset

and when it is intended that settlement of a net amount will take place or when it is intended that simultaneous disposal of the asset and settlement of the liability will take place.

Impairment testing of financial fixed assets

On each balance sheet date, Patriam Invest AB assesses whether there is any indication of impairment requirement in any of the financial fixed assets.

Impairment takes place if the fall in value is deemed to be permanent. The impairment is recognised in the income statement item Profit/loss from other securities and receivables that are fixed assets. The impairment requirement is tested individually for shares and participations and other individual financial fixed assets that are significant. Examples of indications of an impairment requirement are negative economic circumstances or adverse changes in industry conditions in companies in whose shares Patriam Invest has invested. Impairment of assets measured at accrued cost is calculated as the difference between the carrying amount of the asset and the present value of company management’s best estimate of the future cash flows discounted by the asset’s original effective interest rate. For assets with variable interest rates, the current interest rate on the balance sheet date is used as 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 current value of obligations that are expected to be settled after more than twelve months. The increase in the provision due to the passing of time is recognised as an interest expense.

The parent company’s accounting policies and valuation principles

The same accounting policies and valuation principles are applied in the parent company as in the Group, except in the cases specified below.

Income

Fixed price service assignments are recognised in accordance with the provisions of the Swedish Income Tax Act. Income and expenses from fixed price assignments are recognised during the term of the assignment as work in progress in the balance sheet and are not recognised as income until the assignment has been completed.

Leases

All leases where the company is the lessee are recognised as operating leases (rental agreements), regardless of whether the agreements are financial or operational. Lease payments are recognised as an expense on a straight-line basis over the term of the lease.

The company’s rental of office premises is classified as operational leasing. Lease income is recognised on a straight-line basis during the term of the lease.

Appropriations

Changes in untaxed reserves are recognised as appropriations in the income statement. Group contributions are recognised as appropriations. Group contributions made to a subsidiary are, however, recognised as an increase in the carrying amount of the participation.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognised at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions and Group contributions are added to the cost when they are paid. Dividends from subsidiaries are recognised as income.

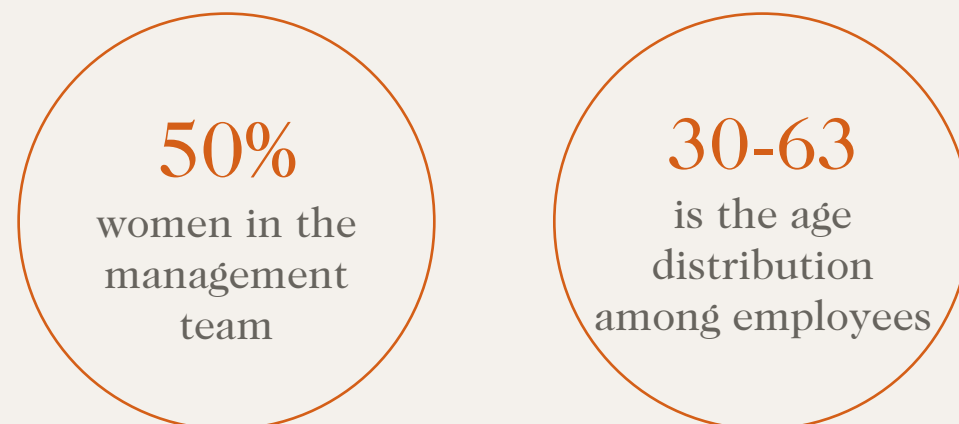
Equity

Equity is divided into restricted and unrestricted equity capital, in accordance with the Swedish Annual Accounts Act.



NOTE 2 Average number of employees

	The Group		Parent company	
	2022	2021	2022	2021
Average number of employees	9	9	0	0
<i>Of which women</i>	4	4		
<i>Of which men</i>	5	5		
Gender distribution, management team				
<i>Of which women</i>	2	0		
<i>Of which men</i>	2	3		



NOTE 3 Other interest income and similar income statement items

	The Group		Parent company	
	2022	2021	2022	2021
Interest income, other	29,628,805	0	29,965,560	0
Interest income on own share of bond	2,403,271	56,334	2,403,271	56,334
Exchange rate differences	0	131,678	-103,347	131,678
Total	32,032,076	188,012	32,265,484	188,012

NOTE 4 Interest expenses and similar income statement items

	The Group		Parent company	
	2022	2021	2022	2021
Interest expenses, Group companies	0	0	0	0
Interest expenses, bond liabilities	-46,514,458	-18,919,662	-46,753,902	-18,849,318
Interest expenses, other	-7,779,921	-599,987	0	0
Exchange rate fluctuations, liabilities	-19,575,179	1,426,186	-13,011,503	1,426,186
Other	-265,993	0	0	0
Total	-74,135,551	-18,093,463	-59,765,405	-17,423,132

NOTE 5 Tax on profit/loss for the year

	The Group	
	2022	2021
Current tax	454,087	-481,117
Total	454,087	-481,117

SEK 454,087 for 2022 refers to the adjustment of the previous year's current tax.

NOTE 6 Equipment, tools and installations

	The Group	
	31/12/2022	31/12/2021
Opening cost	631,170	522,670
Closing accumulated cost	694,170	631,170
Opening depreciation	-473,275	-386,340
Depreciation for the year	-109,090	-86,935
Closing accumulated depreciation	-582,365	-473,275
Carrying amount	111,805	157,895

NOTE 7 Long-term liabilities

Due date within 2-5 years of the balance sheet date	31/12/2022	The Group	Parent company	
		31/12/2021	31/12/2022	31/12/2021
Bond loans	363,566,359	126,607,048	363,566,358	126,607,048
Liabilities to Group companies	2,878,105	0	0	0
Total	366,444,464	126,607,048	363,566,358	126,607,048

NOTE 8 Liabilities to credit institutions

	31/12/2022	The Group
		31/12/2021
Long-term part	0	0
Short-term part	103,466,946	0
Total	103,466,946	0

Due date	Less than 1 year	Between 1 and 2 years	More than 5 years
Some current liabilities to credit institutions will be refinanced.			
Loans with credit institutions	103,466,946	0	0
	103,466,946	0	0

NOTE 9 Bond liabilities

	31/12/2022	The Group	Parent company	
		31/12/2021	31/12/2022	31/12/2021
Long-term part	363,566,359	126,607,048	363,566,359	126,607,048
Short-term part	0	0	0	0
Total	363,566,359	126,607,048	363,566,358	126,607,048
Due date	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years
Bond	0	0	363,566,359	0

NOTE 10 Participations in Group companies

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

Company	Corporate ID number	Reg. office	Capital share	Equity	Profit/loss	Book value 31/12/2022
Patriam AB	556911–6394	Stockholm, Sweden	100%	9,430,173	1,147,591	8,838,494
Patriam II Holding AB	559106–4869	Stockholm, Sweden	100%	2,765,951	-27,045	66,102,610
Patriam Enebytorg AB	556950-9176	Stockholm, Sweden	100%	100,307	-1,768	
Enebytorg Bostadsutveckling AB	556985-9118	Stockholm, Sweden	98%	743,038	-103,381	
Fastigheten Danderyd Snödroppen 10 & 12 AB	559003-7155	Stockholm, Sweden	98%	732,755	-391,212	
Patriam Enebytorg 2 AB	559100-2851	Stockholm, Sweden	98%	56,270	-18,962	
Patriam Enebytorg 6 AB	559103-7287	Stockholm, Sweden	98%	5,625,139	-18,962	
Patriam Enebytorg 7 AB	559104-0489	Stockholm, Sweden	98%	102,951	-18,962	
Patriam Enebytorg 8 AB	559104-0463	Stockholm, Sweden	98%	102,950	-18,962	
Patriam Enebytorg 1 AB	559100-2869	Stockholm, Sweden	98%	73,626	-66,374	
Patriam Enebytorg 3 AB	559100-2786	Stockholm, Sweden	98%	56,271	-18,962	
Patriam Enebytorg 4 AB	559103-7238	Stockholm, Sweden	98%	56,271	-18,962	
Patriam Enebytorg 5 AB	559103-7253	Stockholm, Sweden	98%	56,271	-18,962	
Patriam III Holding AB	559119–0763	Stockholm, Sweden	100%	13,907,921	-3,592,334	110,103
Patriam Nacka Strand AB	559119-0151	Stockholm, Sweden	98%	57,617	-17,001,930	
Nacka 7 AB	559006-0942	Stockholm, Sweden	98%	749,400	-61,265	
Patriam Torsvik AB	559275-0474	Stockholm, Sweden	98%	20,027,050	19,792,050	
Nedlesrot Fastighets AB	559090-3638	Stockholm, Sweden	98%	28,489,867	457,943	
Patriam Bromma AB	559361-7490	Stockholm, Sweden	97%	25,793	-19,207	
Patriam Lilla Essingen AB	559355-3562	Stockholm, Sweden	97%	129,379	-14,895,622	
Sumrip Fastighets AB	559391-3816	Stockholm, Sweden	97%	29,669	-25,331	
OP NYAB 7 AB	559334-3899	Stockholm, Sweden	97%	33,419	-21,581	
OP NYAB 1 AB	559334-3881	Stockholm, Sweden	97%	33,419	-21,581	
OP NYAB 10 AB	559334-3873	Stockholm, Sweden	97%	33,419	-21,581	
Patriam IV Holding AB	559387-1279	Stockholm, Sweden	100%	28,052	-46,948	75,000
Patriam Kungsholmen AB	559387-1287	Stockholm, Sweden	100%	27,344	-17,656	

Contingent shareholders’ contributions at the end of the financial year totalled SEK 71,168 thousand (SEK 65,118 thousand).

	Parent company	
	31/12/2022	31/12/2021
Opening cost	69,201,208	69,251,208
Purchases	66,127,610	0
Shareholder contributions made	6,050,000	0
Disposals for the year	-3,972,971	-50,000
Impairments for the year	-62,279,639	0
Carrying amount	75,126,208	69,201,208

NOTE 11 Participations in associated companies and jointly

Company	Corporate ID number	Reg. office	Capital share	Equity	Profit/loss
Lindetorpsterassen Holding AB	556931-5178	Stockholm, Sweden	33%	69,097,901	10,171,000

		The Group	
	31/12/2022	31/12/2021	
Opening cost		16,635,094	13,704,881
Share of profit/loss from associated companies		0	3,089,915
Disposals for the year		0	-159,702
Carrying amount		16,635,094	16,635,094

NOTE 12 Other long-term receivables

		The Group		Parent company
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening cost	140,615,512	85,851,170	0	0
Additional receivables	34,674,001	54,764,342	0	0
Acquired receivables	162,418,794	0	0	0
Carrying amount	337,708,307	140,615,512	0	0

NOTE 13 Pledged collateral

		The Group		Parent company
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Company mortgages	500,000	500,000	0	0
Assets with retention of title	127,599,369	98,472,705	66,287,713	3,983,074
Pledged receivable	44,094,149	140,679,126	286,674,985	140,679,126
Total	172,193,518	239,651,831	352,962,698	144,662,200

NOTE 14 Business combinations

Patriam Invest AB, corporate ID no. 559201-2206, acquired during the year

Patriam IV Holding AB	559387-1279	Stockholm, Sweden	100%	September 2022
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Group parent company’s subsidiary Patriam III Holding AB, corp. ID no. 559119-0763, acquired during the year

Patriam Bromma AB	559361-7490	Stockholm, Sweden	97%	May 2022
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Group parent company’s subsidiary Patriam IV Holding AB, corp. ID no. 559387-1279, acquired in turn during the year

Patriam Kungsholmen AB	559387-1287	Stockholm, Sweden	100%	September 2022
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Group parent company’s subsidiary Patriam Lilla Essingen AB, corp. ID no. 559355-3562, acquired during the year

Sumrip Fastighets AB	559391-3816	Stockholm, Sweden	97%	August 2022
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OP NYAB 7 AB	559334-3899	Stockholm, Sweden	97%	August 2022
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OP NYAB 1 AB	559334-3881	Stockholm, Sweden	97%	August 2022
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OP NYAB 10 AB	559334-3873	Stockholm, Sweden	97%	August 2022
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NOTE 15 Significant events after the end of the financial year

- The bond, which was issued in the second quarter of 2022, was sold out in January 2023.
- A decision was made on shareholder loans of approximately SEK 45 million from Rotunda Fastigheter AB.

Signatures

Stockholm, 21 april 2023

Magnus Holmberg
Chairman

Andreas Holmberg
CEO, board member

Hans Holmberg
Board member

Per Holmberg
Board member

Our audit report was submitted on 21 April 2023

Strawberry Audit AB

Lars Jäderström
Chartered Accountant

Auditor's Report

To the Annual General Meeting of Patriam Invest AB, corp. ID no. 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 financial year 2022.

The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 20-40.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the Group as of 31 December 2022 and their financial performance and the Group's cash flow for the year then ended in accordance with the Swedish Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

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

Basis for opinions

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility in accordance with these standards is described in more detail in the section entitled *The auditor's responsibility*. We are independent of the parent company and the Group in accordance with generally accepted auditing standards 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.

Information other than the annual accounts

This document also contains information other than the annual accounts and consolidated accounts and is found on pages 1-19 The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this information and we do not express any form of assurance regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this review, we also take into account the knowledge we have otherwise obtained during the audit and assess whether the information otherwise appears to be materially misstated.

If, on the basis of the work performed concerning this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in this respect.

Responsibility of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a true and fair view in accordance with the Swedish Annual Accounts Act. The Board of Directors and the CEO 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 CEO are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, where appropriate, matters that may affect the ability to continue as a going concern and to use the going concern assumption. The going concern basis of accounting is not applied, however, if the Board of Directors and the CEO intend to liquidate the company, to cease operations or have no realistic alternative but to do so.

The auditor's responsibilities

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 ISA 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 combination, 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 ISA, we exercise professional judgement and maintain professional scepticism 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 part of the company's internal control that is significant for our audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the 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 CEO.

- Draw a conclusion on the appropriateness of the Board of Directors' and the CEO'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 the auditor’s report. However, future events or conditions may mean that a company and a Group can no longer continue to operate.

- 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 gives a true and fair view.

- 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 governance, monitoring and execution of the Group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and focus of the audit, as well as the timing of the audit. We must also provide information about significant audit findings during the 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 CEO of Patriam Invest AB for the financial year 2022 and the proposed appropriations of the company’s profit or loss.

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

Basis for opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section entitled *The auditor’s responsibilities*. We are independent of the parent company and the Group in accordance with generally accepted auditing standards 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 CEO

The Board of Directors is responsible for the proposal of 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 organisation 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 organisation is designed so that accounting, management of assets and the company’s financial affairs are otherwise controlled in a satisfactory manner. The CEO must manage the day-to-day administration in accordance with the Board of Directors’ guidelines and instructions and, among other things, take the measures necessary for the company’s accounting to be completed in accordance with law and for the management of assets to be performed in a satisfactory manner.

The auditor’s responsibilities

Our objective concerning the audit of the administration, and thereby our opinion on 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 CEO in any material respect:

- has undertaken any action or been guilty of any omission that may give rise to liability to the company, or

- has in any other way acted in contravention of the Swedish Companies Act, the Swedish 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 on this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Swedish 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 Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriation 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 judgement based on risk and materiality. This means that we focus the review on such measures, 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 made, 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 Swedish Companies Act.

Stockholm, date as stated in my electronic signature

Strawberry Audit AB

Lars Jäderström
Authorised Public Accountant
Authorised Public Accountant



PATRIAM