

Progress report Q3 2023

Issuer:	Patriam Invest AB
Progress report period:	Q3 2023
Info:	Volume (frame): SEK 425M (SEK 1 500M) Maturity (due date): 36 months – 20 months left
Status permit/agreements:	<p>Patriam Torsvik</p> <ul style="list-style-type: none">• Zoning plan: Yes• Building permit: Yes• Contractor agreement: Part 1 and Part 2, including total production. <p>Comments:</p> <ul style="list-style-type: none">- All the building permits are accepted for the Torsvik project. No other authority requirements need to be approved in the project.- Project is on par with budget. <p>Patriam Lilla Essingen – Vinkelhuset (Primus 4)</p> <ul style="list-style-type: none">• Zoning plan: Yes• Building permit: Building permit has been applied for to the municipality of Stockholm. The permit process is per Q3 in its final stages and the permit is on neighbor hearing.• Contractor agreement: Yes <p>Comments:</p> <ul style="list-style-type: none">- Project planning is progressing according to plan. <p>Patriam Lilla Essingen – Primus 6</p> <ul style="list-style-type: none">• Zoning plan: Yes• Building permit: No• Contractor agreement: No <p>Comments:</p> <ul style="list-style-type: none">- Project planning is expected to start during Q4 2023. <p>Project Linde</p>

	<p>Dialogue is ongoing with Stockholm municipality regarding the time schedule for zoning plan.</p> <p>Project Enebytorg Initiary start-pm for the new zoning plan was approved by the municipality of Danderyd during Q1 2023. The work on the new Zoning plan is ongoing. The property Snödroppen 1 will be included in the zoning process.</p>																				
<p>Status financials:</p>	<p>Patriam Torsvik</p> <ul style="list-style-type: none"> • Construction loan: Yes • Advance payments: Yes, SEK 21,8M. <p>Comments:</p> <ul style="list-style-type: none"> - Per Q3 2023, 22 out of 48 apartments are sold which corresponds to 46% out of the total number of apartments in the project and SEK 218M in secured revenue. - Showings are ongoing in the projects showroom apartment which was completed in the end of May (visuals below). <p>Patriam Lilla Essingen – Vinkelhuset (Primus 4)</p> <ul style="list-style-type: none"> • Construction loan: Dialogue with credit providers is ongoing. • Advance payments: No <p>Comments:</p> <ul style="list-style-type: none"> - Project marketing launched in December 2022 and per end of Q3 2023, around 1673 interest applications have been received for the projects planned 14 apartments. - Pre-sale of apartments are planned to start in Q1 2024. <p>Patriam Lilla Essingen – Primus 6</p> <ul style="list-style-type: none"> • Construction loan: No • Advance payments: No <p>Comments:</p> <ul style="list-style-type: none"> - The project is in its early stages and information regarding planned pre-sale and building permit application will follow in upcoming progress reports. 																				
<p>Project timeline: Actual vs plan</p>	<p>Patriam Torsvik</p> <table border="1" data-bbox="584 1843 1313 2031"> <thead> <tr> <th></th> <th>Actual</th> <th>Deviation</th> <th>Actual/new plan</th> </tr> </thead> <tbody> <tr> <td>Milestone 1</td> <td>2021-01-20</td> <td>None</td> <td>2021-01-20</td> </tr> <tr> <td>Milestone 2</td> <td>2021-05-15</td> <td>2 months</td> <td>2021-07-26</td> </tr> <tr> <td>Milestone 3</td> <td>2021-07-31</td> <td>4,5 months</td> <td>2021-12-20</td> </tr> <tr> <td>Milestone 4</td> <td>2021-09-30</td> <td>None</td> <td>2021-09-30</td> </tr> </tbody> </table>		Actual	Deviation	Actual/new plan	Milestone 1	2021-01-20	None	2021-01-20	Milestone 2	2021-05-15	2 months	2021-07-26	Milestone 3	2021-07-31	4,5 months	2021-12-20	Milestone 4	2021-09-30	None	2021-09-30
	Actual	Deviation	Actual/new plan																		
Milestone 1	2021-01-20	None	2021-01-20																		
Milestone 2	2021-05-15	2 months	2021-07-26																		
Milestone 3	2021-07-31	4,5 months	2021-12-20																		
Milestone 4	2021-09-30	None	2021-09-30																		

Milestone 5	Q2 2022	None	Q2 2022
Milestone 6	Q2 2023	+ 2Q	Q4 2023

Comments on deviations:

- Construction follows the “new timeline” for Milestone 6. The new timeline is a conscious decision where the move-in process has been given extra time to ensure a flawless experience for the buyers. The initial timeline was also too close to the Swedish summer vacation. The starting move in date have been set to November 1st 2023.

Definition of Milestones

- Milestone 1 – Access (Jan 21)
- Milestone 2 – Demolition start (May 21)
- Milestone 3 – Building permit (Jul 21)
- Milestone 4 – Construction- / sales start (Sep 21)
- Milestone 5 – Foundation completed (Q2-22)
- Milestone 6 – Move in (Q2-23)

Patriam Lilla Essingen – Vinkelhuset (Primus 4)

	Actual	Deviation	Actual/new plan
Milestone 1	2022-08-15	None	2022-08-15
Milestone 2	Q4 2022	None	Q4 2022
Milestone 3	Q2 2023	+2Q	Q4 2023
Milestone 4	Q3 2023	+2Q	Q1 2024
Milestone 5	Q3 2023	+1Q	Q4 2023
Milestone 6	Q4 2024	None	Q4 2024

Comments on deviations:

Building permit was applied for in April 2023 and is being processed by the municipality of Stockholm. Normal processing time is between 10 weeks and the municipality have asked for an increase in processing time for another 10 weeks. The permit process is per Q3 in its final stages. Project planning and preparations are taking place simultaneously from the project developer in order to keep the overall project timeline. The sale process is planned to launch in early 2024 when the market sentiment is expected to have strengthened. The deviation for milestone 5 is due to the ongoing building permit process. Efforts are being made to keep the overall project timeline intact.

Definition of Milestones

- Milestone 1 – Access (Q3 22)
- Milestone 2 – Early groundwork (Q4 22)
- Milestone 3 – Building permit (Q2 23)
- Milestone 4 – Construction / Sales start (Q3 23)
- Milestone 5 – Foundation completed (Q3 23)
- Milestone 6 – Move in (Q4 24)

Patriam Lilla Essingen – Primus 6

	Actual	Deviation	Actual/new plan
Milestone 1	2022-08-15	None	2022-08-15
Milestone 2	Q4 2022	+4Q	Q4 2023
Milestone 3	Q1 2024	+2Q	Q3 2024
Milestone 4	Q3 2024	None	Q3 2024
Milestone 5	TBD	N/A	TBD
Milestone 6	Q4 2025	None	Q4 2025

Comments on deviations:

The deviation for milestone 2 and 3 is related to ongoing discussions with other developers in the Primus area whether one or two separate garages are needed for the residential development. The garage will be located on an adjacent property. The timeline for milestone 5 will be determined when contractor agreement is procured.

Definition of Milestones

Milestone 1 – Access (Q3 22)

Milestone 2 – Decision Garage (Q4 22)

Milestone 3 – Building permit (Q1 24)

Milestone 4 – Construction / Sales start (Q3 24)

Milestone 5 – Foundation completed (to be decided)

Milestone 6 – Move in (Q4 25)

Project costs: Actual vs budget
(Accumulated MSEK)

Cash on blocked account: SEK 0M

Patriam Torsvik

	Actual	Budget	Deviation
Milestone 1	110	110	0
Milestone 2	118	131	- 13
Milestone 3	120	141	- 21
Milestone 4	122	146	- 24
Milestone 5	223	258	- 35
Milestone 6	0	330	

Comments on deviations:

- As per 2023-09-30 the actual is up, totaling SEK 360M.
- The updated total budget amounts to SEK 400M. The increase in overall budget can be derived from an approximate SEK 8M increase in forecasted interest rates on the project's construction loan. The remaining SEK 62M increase in overall budget relates to higher remediation cost and conscious add-on to the turnkey contract as explained in previous progress reports. The add-ons relate to quality upgrades that are necessary to defend a higher overall price tag.

Definition of Milestones

- Milestone 1 – Access (Jan 21)
- Milestone 2 – Demolition start (May 21)
- Milestone 3 – Building permit (Jul 21)
- Milestone 4 – Construction- / sales start (Sep 21)
- Milestone 5 – Foundation completed (Q2-22)
- Milestone 6 – Move in (Q2-23)

Patriam Lilla Essingen – Vinkelhuset (Primus 4)

	Actual	Budget	Deviation
Milestone 1	89	89	0
Milestone 2	96	96	0
Milestone 3	0	102	
Milestone 4	0	106	
Milestone 5	0	TBD	
Milestone 6	0	177	

Comments on deviations:

The updated total budget amounts to SEK 253M and is unchanged since the last project report. Overall budget increase can partly be derived from increased forecasted interest rates of approximately SEK 10M and partly due to heavily indexed construction costs amounting to approximately SEK 20M.

Furthermore, the building’s location and unconventional shape along with conscious add-ons to defend a higher selling price constitutes the remaining budget change of approximately SEK 46M.

Pricing for the project is discussed on an ongoing basis with the contracted broker engaged in the project. The product’s quality is deemed to motivate an overall higher pricing strategy.

Construction agreement for the project was signed during Q2. The agreement is a fixed priced turnkey contract with the contractor MVB ÖST AB.

Definition of Milestones

- Milestone 1 – Access (Q3 22)
- Milestone 2 – Early groundwork (Q4 22)
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- Milestone 5 – Foundation completed (Q3 23)
- Milestone 6 – Move in (Q4 24)

Patriam Lilla Essingen – Primus 6

	Actual	Budget	Deviation
Milestone 1	161	161	0
Milestone 2	0	163	
Milestone 3	0	170	
Milestone 4	0	174	

	Milestone 5	0	TBD	
	Milestone 6	0	332	
Other information:	<p>Comments on deviations: As per reporting date, there are no project cost deviations.</p> <p>Definition of Milestones Milestone 1 – Access (Q3 22) Milestone 2 – Decision Garage (Q4 22) Milestone 3 – Building permit (Q1 24) Milestone 4 – Construction / Sales start (Q3 24) Milestone 5 – Foundation completed (to be decided) Milestone 6 – Move in (Q4 25)</p> <p>Financial update for the Group The group’s interim report for January-June 2023 was released during Q2 2023. The group figures resulted in a profit of SEK 8M. The total equity was SEK 215M, corresponding to an equity ratio of 27,9% per cent.</p> <p>The result was mainly driven by the groups strong project portfolio.</p> <p>Upcoming project – Patriam Kungsholmen In October 2022 a down payment was made on a new infill project located in the central part of Stockholm, Kungsholmen (Stockholm Municipality). The project is estimated to provide 11-13 apartments with a useable floor area (BOA) of 1,326 sqm. Patriam gains access to the property in Q1 2024 with a completed demolition permit. The project is a great addition in Patriam’s project portfolio and align with the company’s vision of real estate development in attractive and prosperous locations in Stockholm.</p> <p>Upcoming project – Patriam Bromma In January 2022 a down payment was made on another infill-project located in Bromma (Stockholm municipality). The zoning plan is ongoing and expected to be adopted in late 2023. The final payment and access will occur only after the adoption.</p>			
Visuals (pictures)	Torsvik and Lilla Essingen			

Torsvik – Photographs from Show apartment





2023-10-16

Lilla Essingen- Rendering images

Patriam Lilla Essingen – Vinkelhuset (Primus 4)





Lilla Essingen Primus 6

