

Progress report Q4 2023

Issuer:	Patriam Invest AB
Progress report period:	Q4 2023
Info:	Volume (frame): SEK 425M (SEK 1 500M) Maturity (due date): 36 months – 17 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 was granted during Q4 2023.• Contractor agreement: Yes <p>Comments:</p> <p>A deviation in production start due to the late approval of the building permit.</p> <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 Q1 2024

	<p>Project Linde</p> <p>Initiary start-pm for the new zoning plan was approved by the municipality of Stockholm during Q4 2023. The work on the new zoning plan is expected to start during Q1 2024.</p> <p>Project Enebytorp</p> <p>Initiary start-pm for the new zoning plan was approved by the municipality of Danderyd during 2023. The work on the new Zoning plan is ongoing. The property Snödroppen 1 is now included in the zoning process.</p>						
Status financials:	<p>Patriam Torsvik</p> <ul style="list-style-type: none">• The building was completed in Q4 2023 and the first move in date took place in the beginning of November.• Construction loan: Amortization of the construction loan began in November 2024 and will finalize in February with a transition of the loan from a construction loan to a housing loan for the housing society. <p>Comments:</p> <ul style="list-style-type: none">- Per reporting date, 29 out of 48 apartments are sold which corresponds to 60% out of the total number of apartments in the project and SEK 290M in secured revenue. All of the larger attics in the projects are sold and the remainder of apartments are planned to be sold off during 2024. <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 is ongoing and per end of Q4 2023, around 2000 individual 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.						
Project timeline: Actual vs plan	<p>Patriam Torsvik</p> <table><tr><td></td><td>Actual</td><td>Deviation</td><td>Actual/new plan</td></tr></table>				Actual	Deviation	Actual/new plan
	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:

- Project construction was finished in Q4 2023 and move in started in November. The building has received an approved final inspection and Lidingö municipality has approved move in for all of the apartments. Minor adjustments are being completed to certain installations and the garage is being finalized.

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	+1Q	Q1 2025

Comments on deviations:

Building permit was applied for in April 2023 and was in Q4 2023 finally approved by the municipality of Stockholm. Normal processing time is 10 weeks but the municipality asked for an increase in processing time. Project planning and preparations have in the meantime taken place simultaneously from the project developer to keep the overall project timeline as far as possible. The sale process is planned to launch in Q1 2024 when the market sentiment is expected to have strengthened. The deviation are hence related to an extended building permit process.

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)

	<p>Milestone 6 – Move in (Q4 24)</p> <p>Patriam Lilla Essingen – Primus 6</p> <table><tr><td></td><td>Actual</td><td>Deviation</td><td>Actual/new plan</td></tr><tr><td>Milestone 1</td><td>2022-08-15</td><td>None</td><td>2022-08-15</td></tr><tr><td>Milestone 2</td><td>Q4 2022</td><td>+4Q</td><td>Q4 2023</td></tr><tr><td>Milestone 3</td><td>Q1 2024</td><td>+2Q</td><td>Q3 2024</td></tr><tr><td>Milestone 4</td><td>Q4 2024</td><td>+1Q</td><td>Q4 2024</td></tr><tr><td>Milestone 5</td><td>TBD</td><td>N/A</td><td>TBD</td></tr><tr><td>Milestone 6</td><td>Q4 2025</td><td>+1Q</td><td>Q1 2026</td></tr></table> <p>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.</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>		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	Q4 2024	+1Q	Q4 2024	Milestone 5	TBD	N/A	TBD	Milestone 6	Q4 2025	+1Q	Q1 2026
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Project costs: Actual vs budget (Accumulated MSEK)	<p>Cash on blocked account: SEK 0M</p> <p>Patriam Torsvik</p> <table><tr><td></td><td>Actual</td><td>Budget</td><td>Deviation</td></tr><tr><td>Milestone 1</td><td>110</td><td>110</td><td>0</td></tr><tr><td>Milestone 2</td><td>118</td><td>131</td><td>- 13</td></tr><tr><td>Milestone 3</td><td>120</td><td>141</td><td>- 21</td></tr><tr><td>Milestone 4</td><td>122</td><td>146</td><td>- 24</td></tr><tr><td>Milestone 5</td><td>223</td><td>258</td><td>- 35</td></tr><tr><td>Milestone 6</td><td>390</td><td>330</td><td>+73</td></tr></table> <p>Comments on deviations:</p> <ul style="list-style-type: none">- As per 2023-12-31 the actual is up, totaling SEK 390M.- The updated total budget amounts to SEK 403M. The increase in overall budget is derived from an approximate SEK 11M 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.		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	390	330	+73
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Patriam Lilla Essingen – Vinkelhuset (Primus 4)

	Actual	Budget	Deviation
Milestone 1	89	89	0
Milestone 2	96	96	0
Milestone 3	116	102	14
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 2023. The agreement is a fixed priced turnkey contract with the contractor MVB ÖST AB.

During Q4 2023 the project reached milestone 3 by getting a granted building permit. Due to the delayed building permit process, the project has had time to work up more costs (actual) in terms of preparatory ground work and project planning with the construction contractor, compared to the budget point in time for an approved building permit in the original milestone 3. This in order to meet the overall project timeline as far as possible.

Definition of Milestones

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Milestone 2 – Early groundwork (Q4 22)

Milestone 3 – Building permit (Q2 23)

	<div>Milestone 4 – Construction / Sales start (Q3 23)</div> <div>Milestone 5 – Foundation completed (Q3 23)</div> <div>Milestone 6 – Move in (Q4 24)</div> <div><div>Patriam Lilla Essingen – Primus 6</div><table><tr><td></td><td>Actual</td><td>Budget</td><td>Deviation</td></tr><tr><td>Milestone 1</td><td>161</td><td>161</td><td>0</td></tr><tr><td>Milestone 2</td><td>0</td><td>163</td><td></td></tr><tr><td>Milestone 3</td><td>0</td><td>170</td><td></td></tr><tr><td>Milestone 4</td><td>0</td><td>174</td><td></td></tr><tr><td>Milestone 5</td><td>0</td><td>TBD</td><td></td></tr><tr><td>Milestone 6</td><td>0</td><td>332</td><td></td></tr></table></div> <div>Comments on deviations: As per reporting date, there are no project cost deviations. The actual is up and amounts to SEK 168m and is attributable to exploitation.</div> <div><div>Definition of Milestones</div><div>Milestone 1 – Access (Q3 22)</div><div>Milestone 2 – Decision Garage (Q4 22)</div><div>Milestone 3 – Building permit (Q1 24)</div><div>Milestone 4 – Construction / Sales start (Q3 24)</div><div>Milestone 5 – Foundation completed (to be decided)</div><div>Milestone 6 – Move in (Q4 25)</div></div>		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	
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Other information:	<div><div>Financial update for the Group</div><div>The group’s interim report for January-June 2023 was released during Q3 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.</div><div>The result was mainly driven by the groups strong project portfolio.</div><div>Annual group figures for 2023 will be released in Q1 2024.</div><div><div>Upcoming project – Patriam Kungsholmen</div><div>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. Preparations are being made to access the property and 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.</div></div><div><div>Upcoming project – Patriam Bromma</div><div>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 somewhere in mid</div></div></div>																												

	2024. The final payment and access will occur only after the adoption. The seller needs to fulfil their obligations, in October 2024, at the latest, in accordance with the acquisition agreement.
Visuals (pictures)	Torsvik and Lilla Essingen

Patriam Torsvik – Photographs





Lilla Essingen- Rendering images

Patriam Lilla Essingen – Vinkelhuset (Primus 4)





Lilla Essingen Primus 6

