

Patriam Invest AB

Annual Report 2023

Corporate ID Number : 559201-2206



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This document is a translation of the Swedish year-end report. In the event of discrepancies, the Swedish original will supersede the translation.



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

We create landmarks with timeless homes to live in and be touched by for a long time.

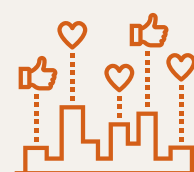
Timeless

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.



Comments from the CEO



2023 has been a special year characterised by high inflation, interest rate increases, a lack of housing policy, uncertainty in the financial and real estate market, the need for a sustainable transition and, above all, a weak housing market in new construction, where the sales chain for our customers has been significantly longer than before. For residential property developers, the conditions are difficult and there is little we can do to improve this. There have never been more bankruptcies in Sweden and the political will to create change and pave the way for sustainable transition to equip Sweden for the future seems to have got stuck in red tape in the form of investigations. In this environment, the business must be robust, our business strategies must be carefully considered, and we must be fully committed to a long-term perspective.

Challenges and successes

Residential property developers, including Patriam, face many challenges and this has been a challenging year.

We have shifted our focus to consolidating and refining our existing project portfolio. There were no project acquisitions and delays have occurred in individual projects and apartment sales. This has meant we have been forced to take costly action to raise capital for new acquisitions, in addition to those previously planned. Nevertheless, we have succeeded in strengthening our financial position. Our vision to build landmarks in Stockholm's most attractive locations have left a clear impression in Torsvik on Lidingö, where our customers were able to move in during the autumn. This is a project that does not fail to impress, with its timeless design and with a choice of materials and apartment layouts that we can be proud of for a long time to come. An environmentally certified and completed project, where the sale of apartments has now taken off, must be regarded as a great success in the current market situation and shows that our business is robust, our business strategy is carefully considered and that we are fully committed to a long-term perspective.

High-quality residential property projects

Based on our business strategy, we currently have a well-established position in the residential property market, where we have a high-quality project portfolio with a quick turnaround time consisting of smaller infill projects in the most attractive locations in Stockholm. Our target group comprises customers who are looking for something special in their homes, with a focus on function, design and choice of materials, and we have strengthened our position as the market leader in the premium segment in our geographical market. We drive our projects forward when other residential property developers sell theirs, we further develop our products when others simplify theirs, and we care about giving our customers a positive experience to create ambassadors for Patriam.

Sustainability has always been a central issue for us and we are constantly taking steps to develop further. We certify both our projects and our financing and are actively working on environmental, economic and social sustainability initiatives.

Progress, plans and new opportunities

The past year was an eventful one for Patriam. We completed Patriam Torsvik on Lidingö and customers were able to take occupancy. We have carried out project design and obtained building permits for the fantastic Vinkelhuset property in Lilla Essingen, and have prepared the project for planned production start in the first quarter of 2024. In addition, we have received a preliminary memorandum for the detailed development plans in Enebytorp in Danderyd Municipality and Linde in Stockholm Municipality. In addition to this, we have carried out project design and preparatory work to complete the acquisition and commence demolition work at Kungsholmen in the first quarter of 2024.

The current market situation also creates new opportunities, and it is important that we do not become too defensive and then regret it at a later stage. We must always evaluate unique projects, in attractive locations, involving limited risk. One of the strengths of being an entrepreneurial player is that we are an agile organisation that finds new ways and opportunities. During the year, Patriam recruited a Customer Success Manager, a commitment to our long-term efforts to always maintain a high level of service for our customers and in line with one of our focus areas – the customer offering – in our business plan.

Reflections on 2023 and expectations for 2024

2023 can be summed up in one word: challenging. At the same time, we have now completed the necessary work and positioned ourselves to manage 2024 in the best possible way, so that our performance will reach acceptable and potential levels. The financial result for 2023 was MSEK 0.8 and the balance sheet increased to MSEK 831.8.

Despite the challenges, I must pay tribute to our employees for the past year. Having to switch from management by objectives, long-term goals and a focus on achieving our vision to suddenly being required to think in new and different ways to overcome obstacles and challenges is not something that everyone can be expected to achieve. I am now looking forward to turning a new leaf and to a successful year in 2024.

Thank you!
Andreas Holmberg, CEO

“Our vision to build landmarks in Stockholm’s most attractive locations have left a clear impression in Torsvik on Lidingö.”



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

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 home now and forever

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.



Our project portfolio

In 2023, Patriam consolidated the development rights portfolio and no transactions or completions took place in the period. Instead, the focus has been on value added, with production in Torsvik on Lidingö and planning and design in the projects at Lilla Essingen in Stockholm. The projects in Danderyd and Linde in Stockholm have both received starting clearance for new zoning plans, where development work is now underway.

Our project portfolio

Completed new production

| Project | Property | Number of homes | Number of sqm gross | Construction start | Schedule | | | Homes sold | |
|-----------------|-------------|-----------------|---------------------|--------------------|-------------|-----------|-----------------|------------|-------------|
| | | | | | Sales start | Completed | During the year | Total | Sales ratio |
| Patriam Torsvik | Torselden 8 | 48 | 7,100 | Q3 2021 | Q2 2022 | Q4 2023 | 8 | 28 | 60% |

Upcoming new production

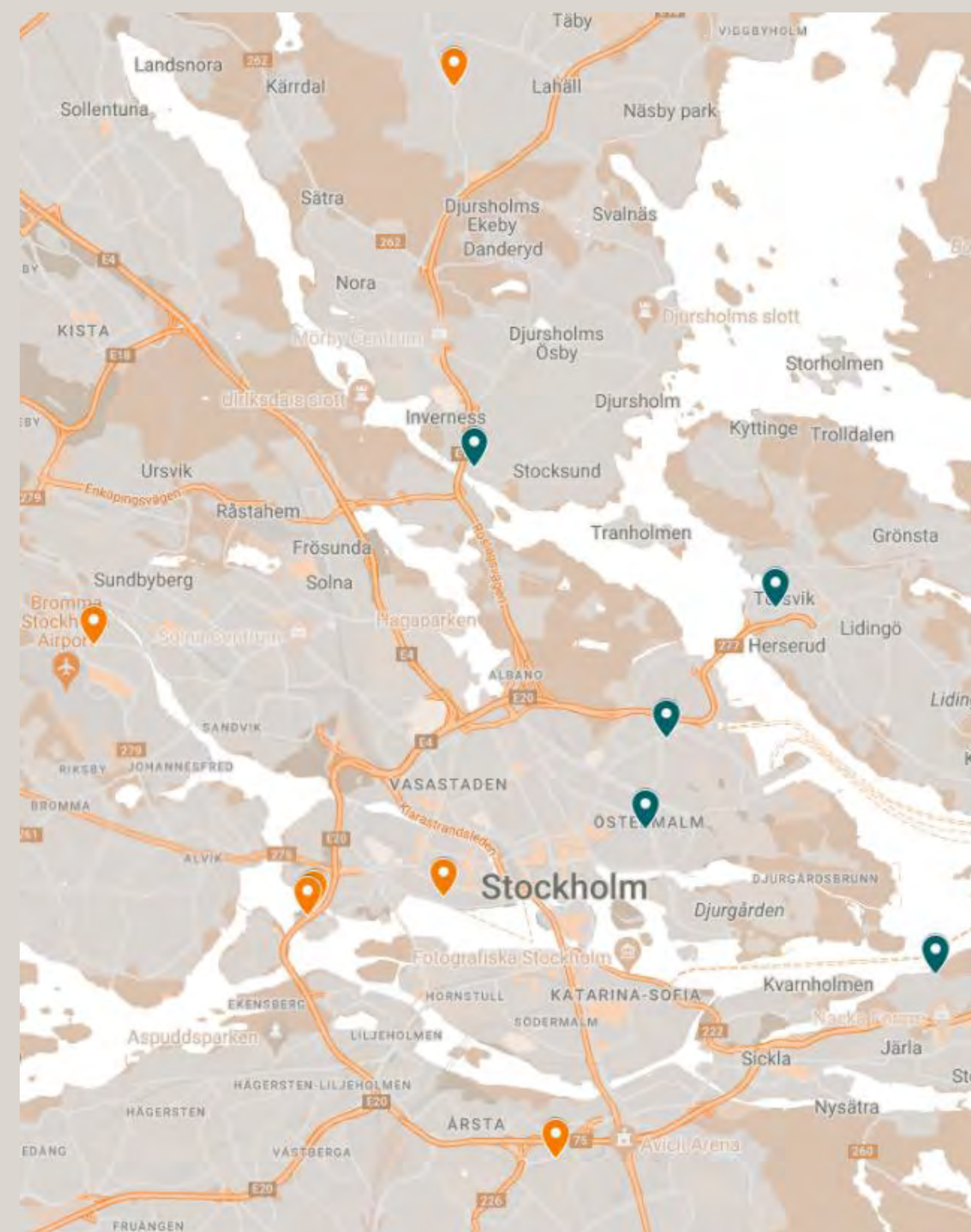
| Project | Property | Number of homes, approx | Number of sqm GFA | Planned start of construction | Planned start of sales | Planned occupancy |
|-----------------------------|-----------------------|-------------------------|-------------------|-------------------------------|------------------------|-------------------|
| | | | | | | |
| Lilla Essingen, Vinkelhuset | Gasolköket 1 | 14 | 3,117 | Q1 2024 | Q1 2024 | Q3 2025 |
| Kungsholmen, Propellerhuset | Fågelbärsträdet 12 | 15 | 2,000 | Q1 2024 | Q2 2024 | Q4 2025 |
| Lilla Essingen, Hus 6 | Fotogenköket 1 | 50 | 5,000 | Q4 2024 | Q4 2024 | Q2 2026 |
| Patriam Bromma | Hingsten 1 & 2 | 60 | 5,700 | Q1 2025 | Q1 2025 | Q4 2026 |
| Patriam Enebytorget | Snödroppen 1, 10 & 12 | 120 | 9,000 | - | - | - |
| Patriam Linde | Tjurhornet 7 | 120 | 10,400 | - | - | - |

Other key ratios for the Group

| | 2023 | 2022 |
|--|------|------|
| Number of homes in production, units | 48 | 48 |
| Number of homes sold, units | 8 | 20 |
| Total number of development rights in the portfolio, approx. | 435 | 435 |

100%
of projects are less than 1 km away from public transport and everyday services

75%
of projects have a communal area that promotes social interaction



Orange pin: Ongoing and upcoming projects

Green pin: Completed projects

Completed new production

Patriam Torsvik

The property is located at Torsplan on Lidingö, close to nature and water, only 14 minutes' drive to Stockholm City. Occupancy from Q4 2023.

Number of apartments: 48
Start of production: Q3 2021
Residential sizes: 30–171 sqm
Building area: approx. 4,400 sqm
GFA: approx. 7,100 sqm
Occupancy from: Q4 2023
Architect: Arkitema



Upcoming

Kungsholmen, Propellerhuset

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

Number of apartments: 15
Start of production: Planned for Q1 2024
Planned start of sales: Q3 2024
Residential sizes: approx. 55 – 136 sqm
Building area: approx. 1,580 sqm
GFA: approx. 2,000 sqm
Planned occupancy: Q4 2025
Architect: Arkitema



Upcoming

Lilla Essingen, Vinkelhuset

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.

Number of apartments: 14
Start of production: Q1 2024
Planned start of sales: Q1 2024
Residential sizes: 64 – 166 sqm
Building area: 2,000 sqm
GFA: 3,117 sqm
Planned occupancy: Q4 2024
Architect: Varg Arkitekter



Upcoming

Hus 6, Lilla Essingen

Fastigheten ligger vid Mälarens strandkant och har närhet till parker och vatten i Stockholms innerstad.

Number of apartments: approx. 50
Start of production: Q4 2024
Planned start of sales: Q4 2024
Residential sizes: 40–130 sqm
Building area: approx. 3,900 sqm
GFA: approx. 5,000 sqm
Planned occupancy: Q2 2026



Upcoming

Bromma

In the area around Bällstavägen, a new detailed plan for housing is underway, which is expected to be adopted in 2024. Patriam will take over when the land is ready for construction.

Number of apartments: approx. 60
Start of production: Q1 2025
Planned start of sales: Q1 2025
Building area: approx. 3,000 sqm
GFA: approx. 5,700 sqm
Planned occupancy: Q4 2026



Upcoming

Enebytorg

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.

Number of apartments: approx. 120
Expected legal force of zoning plan: 2025
Estimated building area: approx. 10,000 sqm

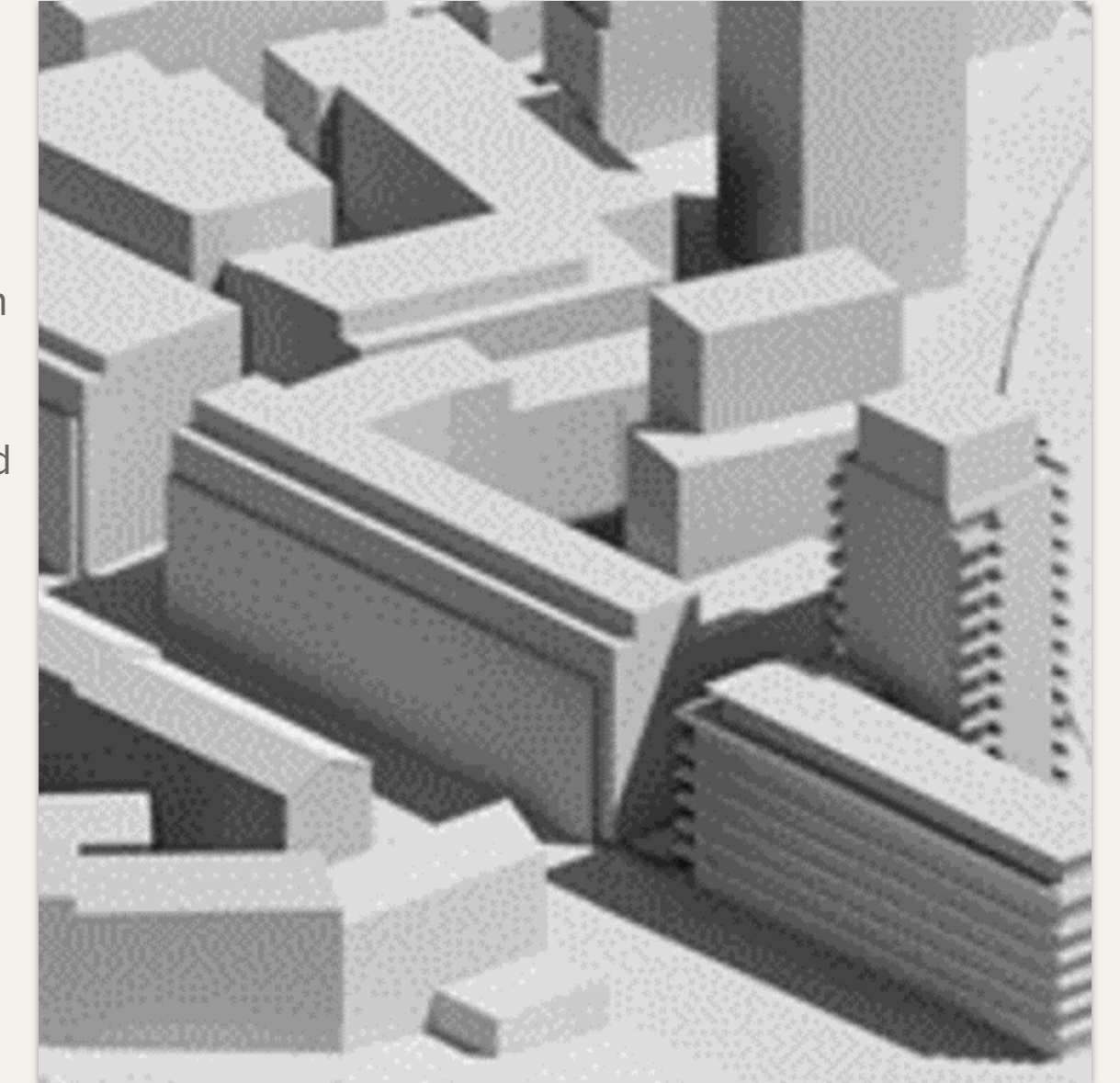


Upcoming

Linde

The property is located in the slaughterhouse area in Johanneshov where Patriam is a minority owner of 33%. Currently, a detailed planning process is underway with the City of Stockholm and is expected to be adopted in 2025.

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 work together to fulfill our mission and vision while working and contributing to the Global Sustainability Goals. Our four focus areas; Sustainable business, Sustainable social development, Sustainable customer offerings and Sustainable workplace contribute to a stable foundation to start from.

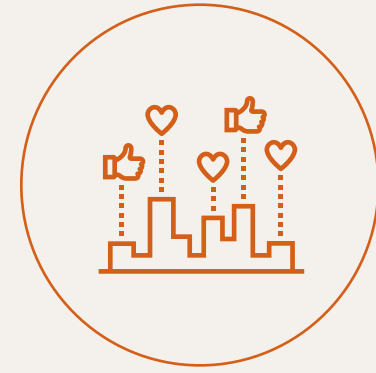
Our four focus areas



To be a valued partner for investors and financing institutions

Sustainable Business

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



To contribute to sustainable social development

Sustainable Social Development

- ✓ Architecture that enriches.
- ✓ Combating climate change.
- ✓ Safety and security.
- ✓ Collaboration with suppliers and partners.



To be the market-leading residential developer, with a customer focus on the premium segment

Sustainable Customer Offering

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



To be an ideal employer and valued player that attracts the best talent

Sustainable Workplace

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

Sustainable Business

Sustainable Business forms the core of Patriam's operations, where we strive to become a preferred partner for investors and financial institutions. We are convinced that responsible and sustainable business principles are crucial not only for our long-term success but also for the positive development of society.

We have a clear business ethic that permeates all our operations and all employees are obliged to comply with our anti-corruption policy and internal code of conduct. In this way, we ensure a high ethical standard and create a safe business environment for all parties.

We are actively working on several initiatives within our Sustainable Business focus area. This includes maximising the profitability and growth of our projects, environmentally certifying our projects to reduce our environmental impact, and promoting green financing to support sustainable investments. We also strive to implement projects in attractive locations, which not only benefits us financially, but also contributes to local development and social benefits.

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



Sustainable Social Development

Patriam develops homes in attractive and central parts of Greater Stockholm. The locations must be safe, accessible and inclusive. Everyday service/social amenities are always within walking distance.

Acquisitions

Patriam aims to be climate positive by 2040. In the property development phase, there is great emphasis on the choice of system, materials, indoor environment and climate impact. We produce a sustainability matrix for each project.

Preliminary study

Site development takes place in collaboration with authorities and other operators where the homes are developed. Our aim is to build landmarks at Stockholm's most attractive locations. Architecture that fits in, giving a lift to, and enriching the area.

Planning and design

We have our greatest direct sustainability impact in the execution stage. The focus is on transport to and from the construction site, energy for production and waste management. How the work is managed affects the working conditions, including the health and safety of those present on the construction site.

Execution

Through collaboration with our suppliers and contractors, we can indirectly have a positive impact on human rights, working conditions, the environment and anti-corruption outside our own operations.

Warranty and after-sales market

We want to encourage a sustainable lifestyle by creating the conditions for residents to make environmentally friendly choices in their daily lives.

Handover to tenant-owner association

Our focus area Sustainable Social Development contributes to Global Sustainable Development goals 6, 7, 8, 11, 12, 13 och 16.



Sustainable Workplace

Patriam strives to create a workplace where a sustainable working life is possible and where our employees can reach their full potential in a stimulating and nurturing environment. We want to offer an inclusive and flexible workplace where everyone feels welcome.

We are actively working on several initiatives within our Sustainable Workplace focus area. We prioritise good health and wellbeing for our employees by providing support and resources to promote a balanced lifestyle. We value diversity and equality and strive to create a work environment where everyone has equal opportunities to grow and develop.

By focusing on these areas in our sustainable workplace initiatives, we not only contribute to the wellbeing and development of our employees, but also to a more sustainable and inclusive workplace and society.

Our focus area Sustainable Workplace contributes to the Global Sustainable Development Goals 3, 10 and 12.



Sustainable Customer Offering

Patriam strives to offer sustainable solutions that not only meet the needs of our customers, but also contribute to a better future for both them and the environment. We believe in creating high-quality homes that are sustainable and have a long lifespan, and our vision is that they will last for at least 100 years.

Within our Sustainable Customer Offering focus area we prioritise high customer satisfaction by listening to and understanding our customers' needs and wishes. We are committed to delivering products of the highest quality and longevity, which not only gives our customers peace of mind, but also reduces the need for frequent replacements and thereby reduces our impact on the environment.

We also strive to promote sustainable living by integrating environmentally friendly and energy-efficient solutions into our homes. We strive to enrich our customers' lives by creating homes that are functional while also promoting people's wellbeing.

Our focus area Sustainable Customer Offering contributes to the Sustainable Development Goals 12 and 13.



Initiative & 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™

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.

Administration Report

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 2023. Comparisons in parentheses refer to the previous year. Unless otherwise stated, the financial statements are presented in SEK. Rounding differences may occur.

Business concept

Patriam is to develop condominiums in the premium segment in attractive locations in Stockholm.

Ownership

Patriam Invest AB, headquartered in Stockholm, is a wholly-owned subsidiary of Rotunda Fastigheter AB, corporate ID. number 556839–3937 with its registered office 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 are key considerations in our 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 a minority interest in a project in Linde in south Stockholm, where a new zoning plan is being developed for new condominiums.

Business and organisation

At year-end, Patriam had no projects in production. The Torselden 8 project in Torsvik on Lidingö became ready for occupancy, with only some aftermarket work still in progress.

We have two projects at Lilla Essingen for which zoning plans are available, the Gasolköket 1 district and the Fotogenköket 1 district. We have received a building permit and starting clearance for the construction of Gasolköket 1 and we have carried out procurement of the contract for construction, which will start in March 2024. Patriam owns three properties in Danderyd Municipality where work on zoning plans is underway involving development rights for residential properties, through the properties Snödroppen 1, 10 and 12.

We have taken possession and received starting clearance for the demolition of the property Fågelbärsträdet 12 on Kungsholmen in Stockholm city centre, where we plan to develop around 15 new condominiums in the premium segment.

The district Hingsten 1 and 2 in Bromma, Stockholm is undergoing zoning plan work and the aim is to take possession in Q3 2024 after registration of property and demolition work has been completed. Total potential and completed development rights of approximately 43,000 sqm.

The project portfolio includes properties located in the Stockholm region in the municipalities of Danderyd, Lidingö and Stockholm.

The organisation comprises the following functions: Project Development, Marketing/Sales, Finance and Business Development/Transactions. Group Management consists of four people: CEO Andreas Holmberg, CDO Fredrik Andren, CFO Carina Ohlander and Marketing and Sales Director Emilia Sjöblom Adolfsson. Some administrative functions and certain Group-wide functions are outsourced in accordance with separate management agreements. These include Klara Consulting AB, which provides ongoing accounting services. As at 31 December 2023, the average number of employees in Patriam was 9 (9).

Residential development

Patriam is continuously working 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 time required for 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 – Patriam Stocksund, Patriam Gärdet, Karlaplan 2, Patriam Nacka Strand and Patriam Torsvik – 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 December 2023, Patriam Lilla Essingen AB issued a secured bond of approximately SEK 140 million to create an opportunity to sell unsold apartments in Torsvik under reasonable conditions. The bond is an operational financing measure and has a maturity of 6 months, with an option to extend for 6 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 2022, the housing market strengthened significantly and housing prices peaked in March 2022. By the end of 2023, housing prices had fallen by around 10–12% compared with the peak, depending on the area. 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.

The housing market's impact on Patriam

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 reduce the time between customers signing the contract and being able to move in. Unsold apartments off-plan during the year meant that we issued an extra bond as bridge financing for unsold flats after completion of the project. Nevertheless, we have succeeded in strengthening our financial position.

Significant events during the financial year

- The bond issued in the second quarter of 2022 was fully subscribed in January 2023.
- A decision was made on shareholder loans of approximately SEK 45 million from Rotunda Fastigheter.
- Kick-off memorandum issued for Enebytorg zoning plan.
- Contract procured for Patriam Lilla Essingen Vinkelhuset.
- Procurement of long-term loans for tenant-owners' association Ontario.
- Contract procured for Patriam Lilla Essingen Vinkelhuset.
- Occupancy in Patriam Torsvik.
- Obtained building permit and starting clearance for Patriam Lilla Essingen Vinkelhuset
- Obtained kick-off memorandum for new zoning plan for the Tjurhornet 7 district in Stockholm.
- Obtained starting clearance for the demolition of building at the property Fågelbärsträdet 12 on Kungsholmen.
- Refinancing of the direct loan to Patriam Lilla Essingen.

Significant events after the financial year

- Final repayment of the construction loan for Patriam Torsvik.
- Took possession of the property Fågelbärsträdet 12 on Kungsholmen.
- Issue of hybrid bonds of SEK 65 million.
- Procurement of construction loans and start of construction for Vinkelhuset in Lilla Essingen.



Bond debt

In May 2022, Patriam Invest AB (publ) issued a green bond worth SEK 390,000,000 with ISIN 0017769391 and ISIN SE0017769409.

The bond is secured by a share pledge in Patriam Invest AB (publ), pledge in shares in subsidiaries, partly with a pledge in receivables from subsidiaries and tenant-owner associations.

The green bond has a maturity of 36 months with an annual coupon of 9.5% + 3-month Euribor/Stibor with quarterly interest payments, and it 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 at year-end, the remaining maturity is 17 months, excluding the option to extend by 12 months. The project in which the funds will be used is planned to be completed during the term of the bond.

In December 2023, Patriam Lilla Essingen AB (publ) issued a bond of SEK 140,000,000 with ISIN SE 0020998037 and SE0020998029. The bond is secured by a share pledge in Patriam Lilla Essingen AB (publ)

The bond is bridge financing for unsold apartments in Torsvik and has a maturity of 6 months with a possible extension of 6 months with an annual interest rate of 10% + 3-month Euribor/Stibor with quarterly interest payments, and it was issued in SEK and EUR. The sale of apartments in Torsvik is planned to be used to repay the bond in 2024.

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 can be found at patriam.se.

The Group

| Four-year review (SEK thousand) | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------|---------|---------|---------|---------|
| Net sales | 119,193 | 117,763 | 40,524 | 2,868 |
| Profit/loss after financial items | 645 | 31,648 | 25,226 | 619 |
| Balance sheet total | 831,790 | 676,561 | 275,279 | 317,621 |
| Equity ratio, % | 25 | 25 | 51 | 27 |
| Average number of employees | 9 | 9 | 9 | 5 |

Other key ratios for the Group

| | | | | |
|-------------------------------|----|----|----|----|
| Number of homes in production | 48 | 48 | 62 | 14 |
| Homes sold | 8 | 20 | 13 | 1 |

Parent company

| Four-year review (SEK thousand) | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------|---------|---------|---------|---------|
| Net sales | 0 | 857 | 0 | 0 |
| Profit/loss after financial items | 733 | -28,587 | 20,384 | -1,885 |
| Balance sheet total | 527,516 | 454,889 | 241,547 | 257,737 |
| Equity ratio, % | 23 | 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 | 120,221,664 |
| Profit/loss for the year | 732,756 |
| | 120,954,420 |

The Board of Directors proposes that:

| | |
|---------------------------------------|------------|
| A dividend be paid to shareholders of | 32,000,000 |
| Carried forward to the new accounts: | 88,954,420 |

120,954,420

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. On the basis of the applicable bond terms and conditions for Patriam Invest AB, the company may pay a maximum dividend corresponding to the lower of 25% of profit for the year or SEK 8 million per financial year. This means that the adopted dividend of SEK 32,000,000 is not cleared in terms of liquidity. The remaining adopted but not yet paid dividend can be paid at the earliest after Patriam Invest AB's bond has been settled in full.

Financial information

Condensed consolidated income statement

| <i>Amounts in SEK</i> | Not | Jan–Dec 2023 | Jan–Dec 2022 |
|--|-----|---------------------|--------------------|
| Operating income | | | |
| Net sales | | 119,193,036 | 117,763,179 |
| Income Sold shares in tenant-owner association | | 46,727,500 | – |
| Other operating income | | – | 319,456 |
| Total operating income | | 165,920,536 | 118,082,635 |
| Operating expenses | | | |
| Raw materials and consumables | | -74,319,391 | -15,518,499 |
| Other external expenses | | -11,395,532 | -12,085,592 |
| Staff costs | 2 | -17,936,498 | -16,617,703 |
| Depreciation of tangible and intangible fixed assets | 6 | -57,167 | -109,090 |
| Total operating expenses | | -103,708,588 | -44,330,884 |
| Operating profit/loss | | 62,211,948 | 73,751,751 |
| Profit/loss from financial investments | | | |
| Profit/loss from participations in Group companies | | -4,492,047 | – |
| Profit/loss from participations in associated companies and jointly controlled companies | 3 | 30,552,533 | 32,032,076 |
| Other interest income and similar income statement items | 4 | -86,634,852 | -54,560,372 |
| Total financial items | | -61,567,283 | -42,103,475 |
| Profit/loss after financial items | | 644,664 | 31,648,276 |
| Appropriations | | | |
| Tax on profit/loss for the year | 5 | 106,860 | – |
| Profit/loss for the year | | 751,524 | 32,102,363 |
| <i>Attributable to:</i> | | | |
| Parent company shareholders | | 751,524 | 32,102,363 |
| Non-controlling interests | | – | – |
| | | 751,524 | 32,102,363 |

Comments on the consolidated income statement

Full year January – December 2023

Operating income

Operating income amounted to SEK 165.9 (118.1) million.

Income consisted primarily of income from profit recognition, which during the period was attributable to the projects Patriam Torsvik, Patriam Lilla Essingen Vinkelhuset and Patriam Lilla Essingen Hus 6. Revenue from sold shares in a tenant-owners' association relates to the Patriam Torsvik project.

Operating costs

The increase in costs for the year was primarily attributable to the share of unsold apartments in Patriam Torsvik and increased financial costs for the refinancing of loans for the Patriam Lilla Essingen Vinkelhuset project. Negative unrealised exchange rate changes on underlying financial instruments decreased compared with the previous year. This was mainly explained by a stronger SEK exchange rate on the balance sheet date.

Operating profit/loss

Operating profit/loss amounted to SEK 62.2 (73.8) million and the operating margin was 37.5% (62.4).

Profit for the year

Profit for the year amounted to SEK 0.8 (32.1) million.

Consolidated balance sheet

| <i>Amounts in SEK</i> | Not | 2023-12-31 | 2022-12-31 |
|--|-----|--------------------|--------------------|
| Assets | | | |
| Tangible fixed assets | | | |
| Equipment, tools and installations | 6 | 54,638 | 111,805 |
| | | 54,638 | 111,805 |
| Financial fixed assets | | | |
| Participations in associated companies and jointly controlled entities | 8 | 16,635,094 | 16,635,094 |
| Other long-term receivables | 9 | 384,801,338 | 337,708,307 |
| | | 401,436,432 | 354,343,401 |
| Total fixed assets | | 401,491,070 | 354,455,206 |
| Current assets | | | |
| Other inventory assets | | | |
| Participations in tenant-owner association | | 186,416,764 | – |
| Current receivables | | | |
| Accounts receivable | | 557,789 | 2,073,092 |
| Other receivables | | 21,752,168 | 123,710,813 |
| Accrued non-invoiced income | | 186,401,173 | 107,573,251 |
| Prepaid expenses and accrued income | | 18,114,750 | 28,190,924 |
| | | 413,242,644 | 261,548,080 |
| Cash and bank balances | | 17,056,036 | 60,557,666 |
| Total current assets | | 430,298,680 | 322,105,746 |
| Total assets | | 831,789,750 | 676,560,952 |

31 December 2023

Assets

The Group's assets at the end of the period totalled SEK 831.8 (676.6) million. The increase compared with the previous period was mainly attributable to a larger project portfolio. Short-term receivables were reclassified as long-term receivables during the year.

| <i>Amounts in SEK</i> | Not | 2023-12-31 | 2022-12-31 |
|---|-----------|--------------------|--------------------|
| Share capital | | 500,000 | 500,000 |
| Other paid-in capital | | 137,938,325 | 94,938,325 |
| Revaluation reserve | | 10,378,600 | 10,378,600 |
| Other equity incl. profit/loss for the year | | 59,128,117 | 66,376,593 |
| Equity attributable to parent company shareholders | | 207,945,042 | 172,193,518 |
| Non-controlling interests | | – | – |
| Total equity | | 207,945,042 | 172,193,518 |
| Provisions | | | |
| Deferred tax liabilities | | 2,858,745 | 2,965,605 |
| Övriga avsättningar | | 3,258,670 | – |
| Total provisions | | 6,117,415 | 2,965,605 |
| Long-term liabilities | 10 | | |
| Bond loans | | 389,045,650 | 363,566,359 |
| Other long-term liabilities | | 1,344,113 | 2,878,105 |
| Total long-term liabilities | | 390,389,763 | 366,444,464 |
| Current liabilities | | | |
| Bond loan | 11 | 120,163,339 | – |
| Liabilities to credit institutions | 11 | – | 103,466,946 |
| Accounts payable | | 3,495,909 | 5,233,576 |
| Current tax liabilities | | 112,139 | 39,495 |
| Other liabilities | | 92,848,521 | 9,885,222 |
| Accrued expenses and prepaid income | | 10,717,622 | 16,332,126 |
| Total current liabilities | | 227,337,529 | 134,957,365 |
| Total equity and liabilities | | 831,789,750 | 676,560,952 |

Equity and liabilities

The Group's equity amounted to SEK 207.9 million (172.2) at the end of the period. The increase was attributable to shareholder contributions from Rotunda Fastigheter AB. The Group's liabilities at the end of the period totalled SEK 617.7 (501.4) million. During the year, a short-term loan was refinanced with a bond loan, which at the balance sheet date amounted to SEK 120.1 million.

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, 01/01/2022 | 500,000 | 93,643,699 | 10,378,600 | 34,191,061 | 138,713,360 | 360,000 | 139,073,360 |
| Dividend | – | – | – | – | – | -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 | – | 172,193,518 |
| Amount at beginning of year, 01/01/2023 | 500,000 | 94,938,325 | 10,378,600 | 66,376,593 | 172,193,518 | – | 172,193,518 |
| Dividend | – | – | – | -8,000,000 | -8,000,000 | – | -8,000,000 |
| Shareholder contributions received | – | 43,000,000 | – | – | 43,000,000 | – | 43,000,000 |
| Profit/loss for the year | – | – | – | 751,524 | 751,524 | – | 751,524 |
| Amount at year-end 31/12/2023 | 500,000 | 137,938,325 | 10,378,600 | 59,128,117 | 207,945,042 | – | 207,945,042 |

Consolidated cash flow statement

| <i>Amounts in SEK</i> | Jan-Dec 2023 | Jan-Dec 2022 |
|--|--------------------|---------------------|
| Operating activities | | |
| Operating profit/loss | 62,211,948 | 73,751,751 |
| Adjustment for items not included in cash flow | -75,543,486 | 109,090 |
| Interest received | 22,392 | 128,109 |
| Interest paid | -54,482,369 | -46,514,458 |
| Tax paid | -644,322 | – |
| Cash flow from operating activities before changes in working capital | -68,435,837 | 27,474,492 |
| Cash flow from changes in working capital | | |
| Decrease(+)/increase(-) in operating receivables | 34,977,461 | -123,266,687 |
| Decrease(-)/increase(+) in operating liabilities | -5,831,111 | 19,664,474 |
| Cash flow from operating activities | -39,289,487 | -76,127,721 |
| Investing activities | | |
| Acquisition of subsidiaries | – | -162,418,794 |
| Acquisition of tangible fixed assets | – | -63,000 |
| Acquisition of financial fixed assets | -47,093,031 | -34,674,001 |
| Disposal of subsidiaries | -119,112 | – |
| Cash flow from investing activities | -47,212,143 | -197,155,795 |
| Financing activities | | |
| Newly entered financial liabilities | – | 323,564,413 |
| Repayment of financial liabilities | – | -2,082,980 |
| Shareholder contributions received | 43,000,000 | 1,294,626 |
| Dividend paid | – | -360,000 |
| Cash flow from financing activities | 43,000,000 | 322,416,059 |
| Cash flow for the year | -43,501,630 | 49,132,543 |
| Cash and cash equivalents at beginning of year | 60,557,666 | 11,425,123 |
| Cash and cash equivalents at end of year | 17,056,036 | 60,557,666 |

Parent company income statement

| <i>Amounts in SEK</i> | Not | Jan-Dec 2023 | Jan-Dec 2022 |
|---|-----|------------------|--------------------|
| Operating income | | – | 856,568 |
| Net sales | | | |
| Total operating income | | – | 856,568 |
| Operating expenses | | | |
| Other external expenses | | -926,372 | -2,831,517 |
| Total operating expenses | | -926,372 | -2,831,517 |
| Operating profit/loss | | -926,372 | -1,974,949 |
| Profit/loss from financial investments | | | |
| Profit/loss from participations in subsidiaries | | – | 62,200,039 |
| Dividends from participations in subsidiaries | | 52,500,000 | 967,000 |
| Other interest income and similar income statement items | 3 | 14,856,165 | 32,265,484 |
| Impairment of financial fixed assets and short-term investments | | -42,202 | -62,279,639 |
| Interest expenses and similar income statement items | 4 | -65,654,835 | -59,765,405 |
| Total financial items | | 1,659,128 | -26,612,521 |
| Profit/loss after financial items | | 732,756 | -28,587,471 |
| Profit/loss before tax | | 732,756 | -28,587,471 |
| Tax on profit/loss for the year | | – | – |
| Profit/loss for the year | | 732,756 | -28,587,471 |

Parent company balance sheet

| <i>Amounts in SEK</i> | Not | 31/12/2023 | 31/12/2022 |
|-------------------------------------|-----|--------------------|--------------------|
| Assets | | | |
| Fixed assets | | | |
| Financial fixed assets | | | |
| Participations in Group companies | 7 | 75,134,006 | 75,126,208 |
| Receivables from Group companies | | 386,335,244 | 37,359,529 |
| Total fixed assets | | 461,469,250 | 112,485,737 |
| Current assets | | | |
| Current receivables | | | |
| Receivables from Group companies | | 52,500,000 | 275,433,064 |
| Other receivables | | – | 856,573 |
| Prepaid expenses and accrued income | | 93,750 | 8,461,235 |
| | | 52,593,750 | 284,750,872 |
| Cash and bank balances | | 13,452,717 | 57,652,618 |
| Total current assets | | 66,046,467 | 342,403,490 |
| Total assets | | 527,515,717 | 454,889,227 |

| <i>Amounts in SEK</i> | Not | 31/12/2023 | 31/12/2022 |
|-------------------------------------|-----|--------------------|--------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Restricted equity | | | |
| Share capital | | 500,000 | 500,000 |
| | | 500,000 | 500,000 |
| Unrestricted equity | | | |
| Retained earnings | | 120,221,664 | 113,809,134 |
| Profit/loss for the year | | 732,756 | -28,587,471 |
| Total equity | | 121,454,420 | 85,721,663 |
| Long-term liabilities | | | |
| Bond loans | 10 | 389,045,650 | 363,566,358 |
| Total long-term liabilities | | 389,045,650 | 363,566,358 |
| Current liabilities | | | |
| Liabilities to Group companies | | 11,011,165 | 4,756,274 |
| Other liabilities | | 480,019 | 96,807 |
| Accrued expenses and prepaid income | | 5,524,463 | 748,125 |
| Total current liabilities | | 17,015,647 | 5,601,206 |
| Total equity and liabilities | | 527,515,717 | 454,889,227 |

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, 01/01/2022 | 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 | – |
| 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 |
| Amount at beginning of year, 01/01/2023 | 500,000 | 113,809,134 | -28,587,471 | 85,721,663 |
| Appropriation as decided by this year's AGM: | – | -28,587,471 | 28,587,471 | – |
| Dividend | – | -8,000,000 | – | -8,000,000 |
| Shareholder contributions received | – | 43,000,000 | – | 43,000,000 |
| Profit/loss for the year | – | – | 732,756 | 732,756 |
| Amount at year-end 31/12/2023 | 500,000 | 120,221,664 | 732,756 | 121,454,420 |

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 in 2022 to change its accounting policy for the period from 2022 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 |
| Of which women | 4 | 4 | | |
| Of which men | 5 | 5 | | |
| Gender distribution, management team | | | | |
| Of which women | 2 | 2 | | |
| Of which men | 2 | 2 | | |

50%
women in the
management team

30-64 år
is the age
distribution
among employees

NOTE 3 Övriga ränteintäkter och liknande resultatposter

| | The Group | | Parent company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| NOTE 3 Other interest income and similar income statement items | 30,552,533 | 29,628,805 | 14,856,165 | 29,965,560 |
| NOTE 3 Other interest income and similar income statement items | 0 | 2,403,271 | 0 | 2,403,271 |
| NOTE 3 Other interest income and similar income statement items | 0 | 0 | 0 | -103,347 |
| Total | 30,552,533 | 32,032,076 | 14,856,165 | 32,265,484 |

NOTE 4 Interest expenses and similar income statement items

| | The Group | | Parent company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest expenses, bond liabilities | -69,770,727 | -46,514,458 | -55,307,943 | -46,753,902 |
| Interest expenses, other | -16,861,684 | -7,779,921 | -11,271,290 | 0 |
| Exchange rate fluctuations, liabilities | -992,917 | -19,575,179 | 924,398 | -13,011,503 |
| Other | -2,441 | -265,993 | 0 | 0 |
| Total | -87,627,769 | -74,135,551 | -65,654,835 | -59,765,405 |

NOTE 5 Tax on profit/loss for the year

| | The Group | |
|--------------|----------------|----------------|
| | 2023 | 2022 |
| Current tax | 106,860 | 454,087 |
| Total | 106,860 | 454,087 |

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

NOTE 6 Equipment, tools and installations

| | The Group | |
|---|-----------------|-----------------|
| | 2022/12/31 | 2021/12/31 |
| Initial acquisition value | 694,170 | 631,170 |
| Purchase | 0 | 63,000 |
| Closing accumulated cost | 694,170 | 694,170 |
| Opening depreciation | -582,365 | -473,275 |
| Depreciation for the year | -57,167 | -109,090 |
| Closing accumulated depreciation | -639,532 | -582,365 |
| Carrying amount | 54,638 | 111,805 |

NOTE 7 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 31/12/2023 |
|--|---------------------|-------------|---------------|-------------|-------------|-----------------------|
| Patriam AB | 556911-6394 | Stockholm | 100% | 11 045 019 | 1 614 846 | 8 888 494 |
| Patriam II Holding AB | 559106-4869 | Stockholm | 100% | 2 696 997 | -68 954 | 66 102 610 |
| Patriam Enebytorg AB | 556950-9176 | Stockholm | 100% | 82 040 | -18 268 | |
| Enebytorg Bostadsutveckling AB | 556985-9118 | Stockholm | 98% | 724 395 | -18 643 | |
| Fastigheten Danderyd Snödroppen 10 & 12 AB | 559003-7155 | Stockholm | 98% | 763 218 | 30 463 | |
| Patriam Enebytorg 2 AB | 559100-2851 | Stockholm | 98% | 65 123 | -11 148 | |
| Patriam Enebytorg 6 AB | 559103-7287 | Stockholm | 98% | 5 613 992 | -11 148 | |
| Patriam Enebytorg 7 AB | 559104-0489 | Stockholm | 98% | 91 803 | -11 148 | |
| Patriam Enebytorg 8 AB | 559104-0463 | Stockholm | 98% | 91 803 | -11 148 | |
| Patriam Enebytorg 1 AB | 559100-2869 | Stockholm | 98% | 62 479 | -11 148 | |
| Patriam Enebytorg 3 AB | 559100-2786 | Stockholm | 98% | 65 124 | -11 148 | |
| Patriam Enebytorg 4 AB | 559103-7238 | Stockholm | 98% | 65 123 | -11 148 | |
| Patriam Enebytorg 5 AB | 559103-7253 | Stockholm | 98% | 65 124 | -11 143 | |
| Patriam III Holding AB | 559119-0763 | Stockholm | 100% | 67 288 735 | 53 380 813 | 110 103 |
| Patriam Torsvik AB | 559275-0474 | Stockholm | 98% | 74 999 801 | 54 972 751 | |
| Nedlesrot Fastighets AB | 559090-3638 | Stockholm | 98% | 110 521 012 | 82 031 145 | |
| Nedlesrot 1 AB | 559450-8359 | Stockholm | 98% | 111 415 710 | -5 194 290 | |
| Nedlesrot 2 AB | 559450-8367 | Stockholm | 98% | 114 110 602 | -2 499 398 | |
| Patriam Bromma AB | 559361-7490 | Stockholm | 97% | 33 659 | -12 135 | |
| Patriam Lilla Essingen AB | 559355-3562 | Stockholm | 97% | 682 842 | -22 421 536 | |
| Sumrip Fastighets AB | 559391-3816 | Stockholm | 97% | 36 075 | -8 594 | |
| OP NYAB 7 AB | 559334-3899 | Stockholm | 97% | 38 575 | -24 844 | |
| OP NYAB 1 AB | 559334-3881 | Stockholm | 97% | 38 575 | -24 844 | |
| OP NYAB 10 AB | 559334-3873 | Stockholm | 97% | 38 575 | -24 844 | |
| Patriam IV Holding AB | 559387-1279 | Stockholm | 100% | 32 798 | -45 254 | 32 798 |
| Patriam Kungsholmen AB | 559387-1287 | Stockholm | 100% | 33 936 | -10 409 | |

Contingent shareholders' contributions at the end of the financial year totalled SEK 71,218,000 (SEK 71,168,000).

| | Parent company | |
|--------------------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| Opening cost | 75,126,208 | 69,201,208 |
| Purchases | 0 | 66,127,610 |
| Shareholder contributions made | 50,000 | 6,050,000 |
| Disposals for the year | 0 | -3,972,971 |
| Impairments for the year | -42,202 | -62,279,639 |
| Carrying amount | 75,134,006 | 75,126,208 |

NOTE 8 Investments in associates and joint

| Company | Corporate ID number | Reg. office | Capital share | Equity | Profit/loss |
|-------------------------------|---------------------|-------------------|---------------|------------|-------------|
| Lindetorpsterassen Holding AB | 556931-5178 | Stockholm, Sweden | 33% | 67,589,343 | -97,423 |

| | The Group | |
|--|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| Opening cost | 16,635,094 | 16,635,094 |
| Share of profit/loss from associated companies | 0 | 0 |
| Disposals for the year | 0 | 0 |
| Carrying amount | 16,635,094 | 16,635,094 |

NOTE 9 Other long-term receivables

| | The Group | | Parent company | |
|------------------------|--------------------|--------------------|----------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| Opening cost | 337,708,307 | 140,615,512 | 0 | 0 |
| Additional receivables | 47,093,031 | 34,674,001 | 0 | 0 |
| Acquired receivables | 0 | 162,418,794 | 0 | 0 |
| Carrying amount | 384,801,338 | 337,708,307 | 0 | 0 |

NOTE 10 Long-term liabilities

| Due date within 2-5 years of the balance sheet date | The Group | | Parent company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| Bond loans | 389,045,650 | 363,566,359 | 389,045,650 | 363,566,358 |
| Liabilities to Group companies | 1,344,113 | 2,878,105 | 0 | 0 |
| Total | 390,389,763 | 366,444,464 | 389,045,650 | 363,566,358 |

NOTE 11 Liabilities to credit institutions

| | The Group | |
|------------------------------------|--------------------|--------------------|
| | 31/12/2023 | 31/12/2022 |
| Bond loans | 120,163,339 | 0 |
| Liabilities to credit institutions | 0 | 103,466,946 |
| Total | 120,163,339 | 103,466,946 |

| Due date | Less than 1 year | Between 1 and 2 years | More than 5 years |
|--------------------------------|------------------------------------|-----------------------|-------------------|
| | Liabilities to credit institutions | 120,163,339 | 0 |
| Loans with credit institutions | 120,163,339 | 0 | 0 |
| | 120,163,339 | 0 | 0 |

NOTE 12 Pledged collateral

| | The Group | | Parent company | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| Company mortgages | 500,000 | 500,000 | 0 | 0 |
| Assets with retention of title | 154,616,105 | 127,599,369 | 66,337,713 | 66,287,713 |
| Pledged receivable | 52,828,937 | 44,094,149 | 386,159,289 | 286,674,985 |
| Total | 207,945,042 | 172,193,518 | 452,497,002 | 352,962,698 |

NOTE 13 Business combinations

There were no acquisitions during the year.

NOTE 14 Significant events after the financial year

Significant events after the financial year

- Final repayment of the construction loan for Patriam Torsvik.
- Took possession of the property Fågelbärsträdet 12, on Kungsholmen.
- Issued a hybrid bond of SEK 65 million.
- Began construction of Patriam Lilla Essingen Vinkelhuset.



Signatures

Stockholm, 19 April 2024

Magnus Holmberg

Chairman

Andreas Holmberg

CEO, Board member

Hans Holmberg

Board member

Per Holmberg

Board member

Our Auditor's report was submitted on 19 April 2024

Strawberry Audit AB

Lars Jäderström

Authorised Public 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 mistakes.

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 mistakes, 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 mistakes 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 mistakes, 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 mistakes 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