

Progress report Q1 2024

Issuer:	Patriam Lilla Essingen AB
Progress report period:	Q1 2024
Info:	Volume (frame): SEK 140M Maturity (due date): 6 months – 3 months left.
Status permit/agreements:	<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: A deviation in production starts 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: - Project planning is expected to start during Q1 2024</p> <p>Patriam Kungsholmen</p> <ul style="list-style-type: none">• Zoning plan: Yes• Demolition permit: Yes• Building permit: No• Contractor agreement: No <p>Comments: - Property acquisition was completed in March. Project planning is ongoing. The agreement of demolition contract is expected to be completed in April. Applying for building permit agreement in April 2024. Sales process expected to start in April 2024.</p>

	<p>Project Linde 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 ongoing.</p> <p>Project Enebytorg The work on the new Zoning plan is ongoing.</p>																												
Status financials:	<p>Patriam Lilla Essingen – Vinkelhuset (Primus 4)</p> <ul style="list-style-type: none"> • Construction loan: Business proposal for a construction loan has been received. Per 2024-03-31 terms & conditions for the loan are being finalized. • Advance payments: No <p>Comments:</p> <ul style="list-style-type: none"> - Project marketing is ongoing and as of the end of Q4 2023, around 2400 individual interest applications have been received for the projects planned 14 apartments. - Pre-sale of apartments are planned to start in April. <p>Patriam Lilla Essingen – Primus 6</p> <ul style="list-style-type: none"> • Construction loan: No • Advance payments: No <p>Comments:</p> <ul style="list-style-type: none"> - The project is in its early stages and information regarding planned pre-sale and building permit application will follow in upcoming progress reports. <p>Patriam Kungsholmen</p> <ul style="list-style-type: none"> • Construction loan: No, Procurement to start during Q2 2024. • Advance payments: No <p>Comments:</p> <ul style="list-style-type: none"> • The property acquisition was completed in March 2024. Demolition works and project planning is ongoing. 																												
Project timeline: Actual vs plan	<p>Patriam Lilla Essingen – Vinkelhuset (Primus 4)</p> <table border="1" data-bbox="584 1675 1291 1935"> <thead> <tr> <th></th> <th>Actual</th> <th>Deviation</th> <th>Actual/new plan</th> </tr> </thead> <tbody> <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>None</td> <td>Q4 2022</td> </tr> <tr> <td>Milestone 3</td> <td>Q2 2023</td> <td>+2Q</td> <td>Q4 2023</td> </tr> <tr> <td>Milestone 4</td> <td>Q3 2023</td> <td>+2Q</td> <td>Q2 2024</td> </tr> <tr> <td>Milestone 5</td> <td>Q3 2023</td> <td>+3Q</td> <td>Q2 2024</td> </tr> <tr> <td>Milestone 6</td> <td>Q4 2024</td> <td>+3Q</td> <td>Q3 2025</td> </tr> </tbody> </table> <p>Comments on deviations:</p>		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	Q2 2024	Milestone 5	Q3 2023	+3Q	Q2 2024	Milestone 6	Q4 2024	+3Q	Q3 2025
	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	Q2 2024																										
Milestone 5	Q3 2023	+3Q	Q2 2024																										
Milestone 6	Q4 2024	+3Q	Q3 2025																										

The 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 Q2 2024 when the market sentiment is expected to have strengthened. The deviations 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)
- Milestone 6 – Move in (Q4 24)

Patriam Lilla Essingen – Primus 6

	Actual	Deviation	Actual/new plan
Milestone 1	2022-08-15	None	2022-08-15
Milestone 2	Q4 2022	+4Q	Q4 2023
Milestone 3	Q1 2024	+3Q	Q4 2024
Milestone 4	Q4 2024	N/A	Q4 2024
Milestone 5	TBD	N/A	TBD
Milestone 6	Q4 2025	+1Q	Q1 2026

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 the contractor agreement is procured.

Definition of Milestones

- Milestone 1 – Access (Q3 22)
- Milestone 2 – Decision Garage (Q4 22)
- Milestone 3 – Building permit (Q1 24)
- Milestone 4 – Construction / Sales start (Q3 24)
- Milestone 5 – Foundation completed (to be decided)
- Milestone 6 – Move in (Q4 25)

	<p>Patriam Kungsholmen</p> <table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>Deviation</th> <th>Actual/new plan</th> </tr> </thead> <tbody> <tr> <td>Milestone 1</td> <td>March 2024</td> <td>None</td> <td>March 2024</td> </tr> <tr> <td>Milestone 2</td> <td>Q1 2024</td> <td>None</td> <td>Q1 2024</td> </tr> <tr> <td>Milestone 3</td> <td>Q2 2024</td> <td>None</td> <td>Q2 2024</td> </tr> <tr> <td>Milestone 4</td> <td>Q3 2024</td> <td>None</td> <td>Q3 2024</td> </tr> <tr> <td>Milestone 5</td> <td>Q3 2024</td> <td>None</td> <td>Q3 2024</td> </tr> <tr> <td>Milestone 6</td> <td>Q3 2025</td> <td>None</td> <td>Q3 2025</td> </tr> </tbody> </table> <p>Comments on deviations:</p> <p>As per 2024-03-31 there are no deviations to the timeline.</p> <p>Definition of Milestones Milestone 1 – Access (March 2024) Milestone 2 – Demolition start (Q1 2024) Milestone 3 – Sales start (Q2 2024) Milestone 4 – Building permit (Q3 2024) Milestone 5 – Construction start (Q3 2024) Milestone 6 – Move in (Q3 25)</p>		Actual	Deviation	Actual/new plan	Milestone 1	March 2024	None	March 2024	Milestone 2	Q1 2024	None	Q1 2024	Milestone 3	Q2 2024	None	Q2 2024	Milestone 4	Q3 2024	None	Q3 2024	Milestone 5	Q3 2024	None	Q3 2024	Milestone 6	Q3 2025	None	Q3 2025
	Actual	Deviation	Actual/new plan																										
Milestone 1	March 2024	None	March 2024																										
Milestone 2	Q1 2024	None	Q1 2024																										
Milestone 3	Q2 2024	None	Q2 2024																										
Milestone 4	Q3 2024	None	Q3 2024																										
Milestone 5	Q3 2024	None	Q3 2024																										
Milestone 6	Q3 2025	None	Q3 2025																										
Project costs: Actual vs budget (Accumulated MSEK)	<p>Cash on blocked account: SEK 0M</p> <p>Patriam Lilla Essingen – Vinkelhuset (Primus 4)</p> <table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>Budget</th> <th>Deviation</th> </tr> </thead> <tbody> <tr> <td>Milestone 1</td> <td>89</td> <td>89</td> <td>0</td> </tr> <tr> <td>Milestone 2</td> <td>96</td> <td>96</td> <td>0</td> </tr> <tr> <td>Milestone 3</td> <td>116</td> <td>102</td> <td>14</td> </tr> <tr> <td>Milestone 4</td> <td></td> <td>106</td> <td></td> </tr> <tr> <td>Milestone 5</td> <td></td> <td>TBD</td> <td></td> </tr> <tr> <td>Milestone 6</td> <td></td> <td>177</td> <td></td> </tr> </tbody> </table> <p>Comments on deviations:</p> <p>The updated total budget amounts to SEK 253M and has been 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.</p> <p>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.</p> <p>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.</p>		Actual	Budget	Deviation	Milestone 1	89	89	0	Milestone 2	96	96	0	Milestone 3	116	102	14	Milestone 4		106		Milestone 5		TBD		Milestone 6		177	
	Actual	Budget	Deviation																										
Milestone 1	89	89	0																										
Milestone 2	96	96	0																										
Milestone 3	116	102	14																										
Milestone 4		106																											
Milestone 5		TBD																											
Milestone 6		177																											

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 groundwork 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 to meet the overall project timeline as far as possible.

Definition of Milestones

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

Patriam Lilla Essingen – Primus 6

	Actual	Budget	Deviation
Milestone 1	161	161	0
Milestone 2		163	
Milestone 3		170	
Milestone 4		174	
Milestone 5		TBD	
Milestone 6		332	

Comments on deviations: As of the reporting date, there are no project cost deviations. The actual is up and amounts to SEK 168m and is attributable to exploitation.

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)

Patriam Kungsholmen

	Actual	Budget	Deviation
Milestone 1	75	75	0
Milestone 2	79	79	0
Milestone 3	79	79	0
Milestone 4		111	
Milestone 5		111	
Milestone 6		205	

	<p>Comments on deviations:</p> <p>Definition of Milestones Milestone 1 – Access (March 2024) Milestone 2 – Demolition start (Q1 2024) Milestone 3 – Sales start (Q2 2024) Milestone 4 – Building permit (Q3 2024) Milestone 5 – Construction start (Q3 2024) Milestone 6 – Move in (Q3 25)</p>
Other information:	<p>Financial update for the Group The group’s financial statement for January-December 2023 was released during Q1 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.</p> <p>Upcoming project – Patriam Bromma In January 2022 a down payment was made on another infill-project located in Bromma (Stockholm municipality). The zoning plan is ongoing and expected to be adopted somewhere in mid-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.</p>
Visuals (pictures)	Torsvik and Lilla Essingen

Lilla Essingen- Rendering images

Patriam Lilla Essingen – Vinkelhuset (Primus 4)





Lilla Essingen Primus 6



Kungsholmen – rendering images



