

PATRIAM

Press release

28 February 2024

Patriam Invest AB Year-end Report January–December 2023

Full-year January–December 2023

- Total operating income amounted to MSEK 165.9 (118.1)
- Operating profit was MSEK 62.2 (73.8)
- Profit/loss for the year was MSEK 0.8 (32.1)

Significant events January–December 2023

After the end of the period

- Final amortization of the construction loan for Patriam Torsvik.

Fourth Quarter

- Occupancy at Patriam Torsvik.
- Obtaining building permits and commencement permits for Vinkelhuset, Patriam Lilla Essingen.
- Initial memorandum issued for Tjurhornet in Linde detailed development plan.
- Receipt of demolition permits for Patriam Kungsholmen.
- Refinancing of the direct loan against Patriam Lilla Essingen.

Third Quarter

- Contract awarded for Patriam Lilla Essingen, Vinkelhuset.
- Procurement of long-term loans for Brf Ontario.

Second Quarter

- Contract procured for Patriam Lilla Essingen Vinkelhuset.
- Procurement of long-term loans tenant-owners' association Ontario.

First Quarter

- The bond issued in the second quarter of 2022 was fully subscribed in January 2023.
- A decision was made on shareholder loans of approximately MSEK 45 from Rotunda Fastigheter.
- Initial memorandum issued for Patriam Enebytorget detailed development plan.

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 Enebytorget 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 0.6 and the balance sheet increased to MSEK 832.

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

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This information is inside information that Patriam Invest AB (publ) is obliged to make public according to the EU's market abuse regulation. The information was provided, through the care of the above contact person, for publication on February 28, 2024 at 08.00 CET.

About Patriam

Patriam is a family-owned real estate developer based in Stockholm. The group was founded in 2015 and has its roots in the EBAB Group, which is one of Sweden's largest in projects and property development. Patriam is an experienced developer that focuses on attractive locations where both demand and purchasing power are expected to be good. Patriam is currently working on a handful of projects in Stockholm.