

**ASSURANCE REPORT
FOR PRE-ISSUANCE CERTIFICATION
OF THE GREEN BOND**
to be issued by Patriam Invest AB

ISSUING ENTITY:	Patriam Invest AB
VERIFIER:	Multiconsult Norge AS
DOCUMENT CODE:	10224827-01-TVF-RAP-001
DATE:	23.04.2021

DISCLAIMER

This report is prepared based on information disclosed by Patriam Invest AB and/or its advisors and representatives. Multiconsult has no influence and/or control over the accuracy and/or completeness of the information received, and accordingly Multiconsult cannot be held liable for use of such information. In preparing this report Multiconsult has used the skill, care and diligence that might reasonably be expected from us. The input, the analyses and the conclusions used in the preparation of this report and/or contained in this report, are of a character which is not certain. The report is subject to the qualifications, assumptions, restrictions and limitations set out herein, and Multiconsult makes no representation or warranty for the accuracy and completeness of this report, and disclaims all responsibility or liability, whether in tort or in contract, regarding the contents of this report and any decisions, acts or omissions being made in connection therewith.

For enquiries regarding this report please contact energi@multiconsult.no

Background

Issuing Entity:

Patriam Invest AB

Green Bond:

Patriam AB Green Bond (€ 0.X bn)

ISIN: TBC

Period of bond issuance:

TBC

Underwriters:

JOOL

CBI approved verifier:

Multiconsult

Period of verification:

March-April 2021

Verifier contact:

Multiconsult Norge AS

Nedre Skøyen vei 2

Oslo, Norway

energi@multiconsult.no

Patriam Invest AB (Patriam) is an unlisted Swedish real estate developer with a focus on apartments.

In 2021 Patriam are to issue their inaugural green bond backed by energy-efficient buildings projects. The pipeline consists of high quality Swedish residential buildings.

Patriam has engaged Multiconsult, a CBI approved verifier, to review and verify that Patriam's Green Bond 2021 issuance meets the pre-issuance requirements (part A and C) under the Low Carbon Buildings criteria of the Climate Bonds Standard Version 3.0.

Subject Matter & Applicable Criteria

The aim of the issuance is to finance multiple real estate development projects with added environmental value, focusing on energy performance. The bond will finance new residential building projects in Sweden that comply with the Climate Bonds Initiative's Swedish residential building criterion qualifying buildings with specific energy demand below the established thresholds documented by Energy Performance Certificates.

Swedish residential buildings that comply with this criterion are eligible for green bonds as they have significantly better energy standards and account for less than the top 15% most energy efficient buildings in the residential building stock (ref. Appendix B).

The bond issuance (and consequently, our verification) is to follow Climate Bond Standard Version 3.0 sector criteria Low Carbon Buildings: Residential buildings.

Responsibilities

Issuing Entity (Patriam AB)

Patriam AB has the responsibility for providing information and documents on its portfolio, incl. nomination of buildings, management and disbursement of proceeds etc. as per the Climate Bonds Information Form and included in the Issuer's Green Bond Framework.

Verifying Entity (Multiconsult)

The work undertaken as part of this engagement includes confirming the transaction's conformance with the Climate Bonds certification requirements, which include:

- Conformance of issuance with the Climate Bonds Standard Version 3.0;
- Conformance with the Technical Criteria on Low Carbon Buildings for Residential Property;
- Conformance with the Internal Processes & Controls requirements;
- Conformance with Reporting Pre-Issuance requirements.

Independence of the Verifier

Multiconsult is a Norwegian globally active independent consulting firm, listed on the Oslo Stock Exchange.

Multiconsult uses an ISO-9001 compliant Quality Management System to ensure high delivery standards towards its clients. The company has set up numerous internal policies – amongst which are the “Quality Policy”, “Policy for Corporate Social Responsibility”, “Ethical Code of Conduct” as well as “HSE and Environment Policy”. Copies of these policies, as well as the Multiconsult Management System, can be made available upon request.

Our impartiality is of vital importance to our clients and is their guarantee of receiving independent and neutral professional advice. Multiconsult has no vested interests in manufacturing or construction and is a qualified member of the International Federation of Consulting Engineers (FIDIC) through its membership in the Norwegian Association for Consulting Engineers (RIF). We confirm that:

- No members of this verification team are currently engaged in any other work for Patriam;
- No members of this verification team have developed any current proposals for work with Patriam;
- Multiconsult does not have any current jobs or proposals with Patriam on record keeping or compliance management systems that are at all relevant to the Climate Bond Initiative;
- Multiconsult has never advised Patriam on record keeping or compliance management systems that are at all relevant to the Climate Bond Initiative.
- Multiconsult has no financial interest in Patriam or climate bonds, other than fees for current independent evaluation.

Ref. Appendix D for more information about Multiconsult.

Work Performed

We planned and performed the verification by obtaining evidence and other information and explanations that are considered necessary to obtain a reasonable level of assurance that Patriam's issuance meets the requirements of the Climate Bond Initiative's Pre-Issuance Requirements as described in Parts A and C of Climate Bond Standard Version 3.0 (ref. Appendix C). We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our conclusion. For this assignment we:

- Reviewed the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds;
- Reviewed the Issuer's Climate Bond Information Form and supporting documentation;

This assignment has been executed as a desk-study. Clarifying Q&A sessions have been held with Patriam by phone and e-mails on an as-needed basis.

Because of the inherent limitations in any internal control structure it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period but has been performed as a one-time activity. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Conclusion

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's 2021 Green Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.

Multiconsult conducted the pre-verification in accordance with the Climate Bond Standard Version 3.0 and with International Standard on Assurance Engagements 3000 (Assurance Engagements other than Audits or Reviews of Historical Information). The verification included Climate Bond Standard Version 3.0 sector criteria for Low Carbon Buildings (Residential buildings).

Multiconsult's verification approach draws on an understanding of the risks associated with conforming to the Climate Bond Standard Version 3.0 and the controls in place to mitigate these. Multiconsult planned and performed the verification by obtaining evidence and other information and explanations that Multiconsult considers necessary to give limited assurance that the Patriam Green Bond continues to meet the requirements of the Climate Bond Standard Version 3.0.

We refer to the following appendices for the list of documents reviewed (Appendix A), proxy methodology (Appendix B) and detailed process summary (Appendix C).



Joakim Arntsen

Head of Renewable Energy Advisory Services

Multiconsult Norge AS

23.04.2021

APPENDICES

Appendix A: List of Documents Reviewed

Appendix B: Proxy Methodology

Appendix C: Audit Procedures and Findings

Appendix D: About Multiconsult



Appendix A: List of Documents Reviewed

Document Title	Publishing Responsible	Publishing Date
High level information on projects in the Patriam pipeline	Patriam	March 2021
“Patriam’s Green Bond Framework” including: <ul style="list-style-type: none"> a) Patriam Sustainability Strategy b) Use of Proceeds c) Process for Project Evaluation and Selection d) Management of Proceeds e) Reporting 	Patriam	April 2021
Location Specific Criteria for Swedish Residential Buildings	Climate Bonds Initiative	March 2021
“Climate Bond Information Form”	Patriam	20.04.2021

Appendix B: Proxy Methodology

The Climate Bonds Initiative (CBI) proxy methodology for Swedish energy efficient residential buildings was published in [March 2021](#).

Figure 1 shows the hurdle rate of which the eligible buildings' specific energy demand need to lie below. The hurdle rate is dependent on the version of the EPC system. The evidence behind this criterion is statistics from the Energy Performance Certificates database. As of the version V2.6 energy performance is described by primary energy (pe).

1. Before V2.6 EPCs baselines

- (a) Apartment 86 kWh/m²/yr
- (b) Houses 58 kWh/m²/yr

2. V2.6 and after EPCs baselines

- (a) Apartment 97 kWh.pe/m²/yr
- (b) Houses 79 kWh.pe/m²/yr

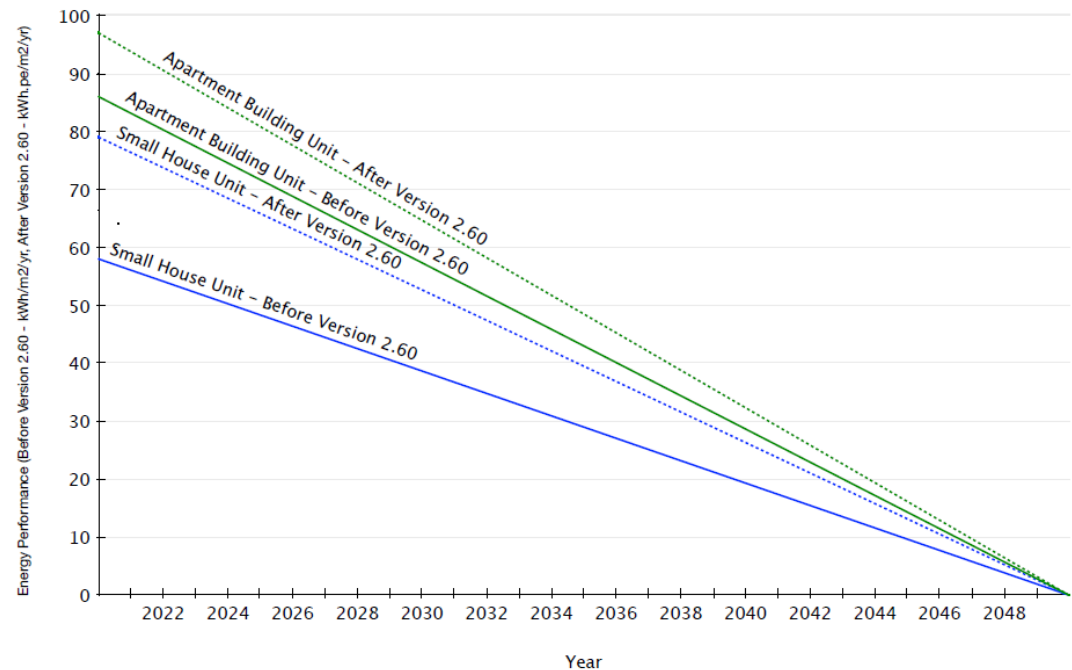


Figure 1. Residential buildings are eligible for certification if their specific energy demand lies below the hurdle rate established for the midpoint of the term of the bond.

Appendix C: Audit Procedures and Findings

Eligibility Criteria	Procedure	Findings
Compliance to Part A: Pre-Issuance Requirements	Examination of the information presented in Climate Bond Information Form and E-mail correspondence to determine if Part A (Pre-Issuance Requirements) is met.	<ul style="list-style-type: none"> • Issuer’s information indicates adequate measures to meet the General Requirements. • Projects and assets potentially eligible for Green Bond financing will be identified as Eligible Projects and Assets in Patriam’s ongoing operations. Eligible Projects and Assets will be evaluated, identified, and documented by the Sustainable Advisory Board (“SAB”) of Patriam. The SAB of Patriam will evaluate the identified projects and assets to ensure compliance with the Green Bond Principles and will determine if a project or asset is eligible or not. • SAB will maintain and update the Green Bond Framework • SAB will convene when considered necessary. • SAB consist of the CEO and the CFO.
Compliance to Part C: Eligibility of Projects & Assets	Examination of the information presented in Climate Bond Information Form to determine if Part C (Eligibility of Projects & Assets) is met.	<ul style="list-style-type: none"> • The Nominated Projects & Assets will fall under the investment area: Buildings • The eligibility criteria are based on the Sector Eligibility Criterion on residential building criteria for Sweden. • In its nomination of assets, Patriam is ensuring that the selected eligible buildings perform better than the relevant hurdle rate on specific energy demand or specific primary energy demand as described in the CBI criterion and inherent in the national EPC system. This Climate Bonds Initiative criterion ensures the buildings to belong to the top 15% most energy efficient building stock in Sweden. Evidence behind the criterion is found in the national EPC statistic.

Compliance with Climate Bonds Standard

Part A: Pre Issuance Requirements

Requirement	Finding
1. Use of Proceeds	
<p>1.1 The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the Bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up-to-date during the term of the Bond.</p>	<p>The Issuer will nominate building which are within the 15 % of most energy efficient residential buildings in Sweden. There will be annual updates and reports about the qualified projects and assets. Patriam’s project pipeline portfolio is under development and specific energy demand and specific primary energy demand will be documented at a later stage.</p>
<p>1.2 The expected Net Proceeds of the Bond shall be no greater than the Issuer’s total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by the Issuer.</p>	<p>The issuer has confirmed this in the information form.</p>
<p>1.3 Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds).</p>	<p>The issuer has confirmed that Nominated Projects & Assets will not be nominated to other Certified Climate Bonds Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds).</p>

Compliance with Climate Bonds Standard

Pre Issuance Requirements Part A

Requirement	Finding
2. Process for Evaluation and Selection of Projects & Assets	
<p>2.1 The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.</p>	<p>The framework approach identifies buildings which are within the 15% of most energy efficient residential buildings.</p> <p>The climate-related objective of the Bond is: to offer sustainable homes by creating socially, economically, and environmentally sustainable products for customers and communities.</p> <p>Projects and Assets potentially eligible for Green Bond financing will be identified as Eligible Projects and Assets in Patriam’s ongoing operations. Eligible Projects and Assets will be evaluated, identified, and documented by the Sustainable Advisory Board (“SAB”) of Patriam. The SAB of Patriam will evaluate the identified projects and assets to ensure compliance with the Green Bond Principles and will determine if a project or asset is eligible or not. For completed properties, new development and greenfield development property projects and refurbishment/conversion projects, a property project will be eligible if there is sufficient evidence that the property is, or is likely to meet upon completion, the energy performance standards stated in the “Residential Proxy –Sweden”, set by the Climate Bond Initiative.</p>
<p>2.2 The Issuer should include under Clause 2.1 further aspects of the decision-making process.</p>	<p>Eligible housing is buildings which have been assessed to belong to the top 15% most energy efficient building stock in Sweden, described by specific energy demand or specific primary energy demand.</p>
<p>2.3 The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard.</p>	<p>The eligibility criteria are based on the eligible residential building criteria for Sweden which can be found here: https://www.climatebonds.net/standard/buildings/residential/calculator</p> <p>In its nomination of assets, Patriam is ensuring that the selected eligible buildings perform better than relevant hurdle rate on specific energy demand or specific primary energy demand as described in the CBI criterion and inherent in the national EPC system.</p>

Compliance with Climate Bonds Standard

Pre Issuance Requirements Part A

Requirement	Finding
3. Management of Proceeds	
3.1. The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include tracking of proceeds, managing unallocated proceeds and earmarking funds to Nominated Projects and Assets.	Proceeds are to be earmarked to projects and allocation disclosed annually per project. The net proceeds of any Green Bond financing will be credited to a dedicated account managed by Patriam Group. While any Green Bond net proceeds remain unallocated, Patriam will temporarily hold any unallocated net proceeds at its own discretion in this dedicated account managed by Patriam Group. Temporary holdings will not be made in entities with a business plan focused on fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.
4. Reporting Prior to Issuance	
4.1. The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance.	The Patriam Green Bond Framework is prepared and will be made publicly available on Patriam's webpage. The Framework is in line with the Climate Bonds Standard.

Compliance with Climate Bonds Standard

Pre Issuance Requirements Part A

Requirement	Finding
4. Reporting Prior to Issuance (continuation)	
<p>4.2. The Issuer shall include in the Disclosure Documentation:</p> <ul style="list-style-type: none"> • The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall; • The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3; • The Verifier engaged by the Issuer for the mandatory verification engagements; • The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents; • The Climate Bonds Initiative Disclaimer provided in the Certification Agreement. 	<ul style="list-style-type: none"> • The Nominated Projects & Assets fall into investment area low carbon buildings (residential). The ambition level is to meet standard. • While any Green Bond net proceeds remain unallocated to Green projects and assets, they will be credited to a dedicated account managed by Patriam Group. • Reports on allocation of proceeds and green credentials/outcomes will be made available to bondholder/lender on an annual basis. The report on green credentials/outcomes will be included as a section in CSR project reports. As only one category (residential buildings in Sweden) is being financed, the report is automatically dividing between categories and location of projects. • The performance KPI will be 1) Reduced energy compared to baseline. • A designated energy efficiency expert will verify the reporting on green credentials/outcomes. • Patriam have confirmed that the Disclaimer will be made available to investors as part of the pre issuance information.

Compliance with Climate Bonds Standard

Part C: Eligibility of Projects & Assets

Requirement	Finding
9. Climate Bonds Taxonomy	
9.1. Nominated Projects & Assets, as identified by the Issuer under Clauses 1.1 and 5.1, shall fall into one or more of the investment areas listed as included in the Climate Bonds Taxonomy.	The Nominated Projects & Assets will fall under the investment area: Buildings
10. Sector Eligibility Criteria	
<p>10.1. Nominated Projects & Assets shall meet the specific eligibility requirements provided in the relevant Sector Eligibility Criteria documents. If there are different versions of the relevant Sector Eligibility Criteria documents, then the version which was current at issuance of the bond may be used for demonstration of the eligibility of Nominated Projects & Assets for the duration of the bond.</p>	<p>The eligibility criteria are based on the Sector Eligibility Criteria on residential building criteria for Sweden which can be found here: https://www.climatebonds.net/standard/buildings/residential/calculator</p> <p>In its nomination of assets, Patriam is ensuring that the selected eligible buildings perform better than relevant hurdle rate on specific energy demand or specific primary energy demand as described in the CBI criterion and inherent in the national EPC system. This Climate Bonds Initiative criterion ensures the buildings to belong to the top 15% most energy efficient building stock in Sweden. Evidence behind the criterion is found in the national EPC statistic.</p>

Appendix D: About Multiconsult

Multiconsult is **one of the leading firms of consulting engineers** in Norway and Scandinavia, with about 3000 permanent staff and expertise spanning a wide range of disciplines within our **7 core activity areas**:



With the company's **roots dating back to 1908**, we have over the past 110 years carried out several thousand international assignments **in more than 100 countries worldwide**.

With its highly skilled engineers and economists, Multiconsult is able to provide a range of services including **multidisciplinary consulting and design, project engineering and management, verification, inspection, supervision and architecture**.

Sustainability is important to us, and thanks to our **specialist expertise in health, safety and the working environment, environmental management, risk assessment and BREEAM**, we are able to help our customers to identify and implement environmental goals, in order to facilitate sustainable development. Our strategy states that HSE shall always have priority over financial considerations.

Multiconsult utilises an integrated, multidisciplinary approach and emphasises an open and continuous dialogue with our clients in order to jointly reach the best solutions possible. We strongly emphasise **responsibility, openness, integrity, knowledge sharing and environmental sustainability** in our projects.

In addition to business in Norway, Multiconsult Group includes subsidiaries in Denmark, Poland, Singapore, Sweden, Tanzania and the UK. Multiconsult has project offices in Ethiopia, Nepal and Uganda, and sales offices in Kenya, the Philippines and Thailand. Our network of partners ranges from Africa, Asia, Central and South America, Europe and Middle East to North America. This enables Multiconsult to provide its expertise and resources to **customers throughout the world**.

For more information about the company, visit <http://www.multiconsultgroup.com>