

JohnMattson

GREAT NEIGHBOURHOODS ACROSS GENERATIONS



Interim report Q3 2019

January–September 2019

- Rental revenues totalled SEK 188.2 million (156.9), up 20%.
- Income from property management was SEK 45.2 million (20.4), corresponding to SEK 1.34 per share (0.65), up 106%.
- During the period, non-recurring costs linked to the completed stock exchange listing in June of SEK 9.9 million (10.5) were recognised under income from property management.
- Changes in property values amounted to SEK 59.5 million (206.2) and changes in the value of interest-rate derivatives to SEK -31.7 million (7.0).
- Earnings after tax for the period totalled SEK 52.5 million (228.3), corresponding to SEK 1.56 per share (7.30).
- Property value totalled SEK 6,228.8 million (5,977.7).
- Investments amounted to SEK 129.8 million (1,032.9 (of which SEK 801.9 million pertained to the acquisition of Käppala in 2018)).

July–September 2019

- Rental revenues totalled SEK 63.2 million (60.5), up 4%.
- Income from property management was SEK 24.7 million (12.2), corresponding to SEK 0.73 per share (0.36), up 102%.
- Changes in property values amounted to SEK 8.1 million (73.6) and changes in the value of interest-rate derivatives to SEK -7.0 million (13.3).
- Earnings after tax for the period totalled SEK 20.8 million (79.1), corresponding to SEK 0.62 per share (2.35).
- Investments amounted to SEK 47.6 million (58.9).

John Mattson Goals and strategies

John Mattson is Lidingö's largest residential property owner, with some 2,300 apartments located in Larsberg, Käppala, Baggeby and Dalénum. The business was founded in 1965 by master builder John Mattson and its core values — a long-term perspective, professionalism and commitment — are as strong today as they were then.

Business idea

Our business idea revolves around the long-term ownership, management and development of residential property and attractive local communities in the Stockholm region.

Offering

We make daily life easier for everyone by offering well-managed, attractive homes and safe neighbourhoods.

Financial targets

- An average annual growth in EPRA NAV per share of not less than 10%, including distributions to shareholders, over a business cycle.
- An average annual growth in income from property management per share of not less than 10% over a business cycle.
- The value of the Group's property holdings is to total at least SEK 10 billion by 2023.

Strategies

An overall and personal approach to management

We know our properties and understand our customers. We apply an overall approach taking responsibility for the portfolio and activity in the outdoor areas. We maintain our properties based on a long-term lifecycle perspective, and we optimise the use of resources and ensure low costs through efficient operations and management.

Adding value

We add value to our buildings by upgrading, extending and converting space to housing.

Infill development

We are increasing the housing density of our own properties and adjacent properties, and thereby adding new attributes to local communities and creating great neighbourhoods.

Acquisitions

We strive to acquire properties and development rights with development potential in attractive market locations in the Stockholm region, close to efficient infrastructure. Our acquisitions are based on a long-term approach.

Financing

We pursue a low risk approach to financing. In practice, this means that the long-term, net loan-to-value ratio should not exceed 50% and the long-term interest coverage ratio should not be less than 1.5.

Performance 2019



3% growth in net asset value



106% growth in income from property management



SEK 6.2 billion property value

Significant events in the third quarter of 2019

- **U25, a building in Larsberg with 74 apartments for young adults, was completed as of 30 September with lettings starting in the fourth quarter.**

Key metrics	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
Rental revenues, SEK m	63.2	60.5	188.2	156.9	249.5	218.3
Net operating income, SEK m	43.8	33.3	112.6	75.8	140.0	103.2
Income from property management, SEK m	24.7	12.2	45.2	20.4	48.6	23.7
Income from property management, SEK/share ¹⁾	0.73	0.36	1.34	0.65	1.44	0.74
Growth in income from property management, SEK/share, %	102.1	60.6	106.1	-14.0	72.2	-21.0
Adjusted growth in income from property management, SEK/share, % ²⁾	34.6	141.2	65.7	30.4	70.3	44.1
Profit after tax, SEK/share ¹⁾	0.62	2.35	1.56	7.30	1.38	6.98
Property value at the end of the period, SEK m	6,228.8	5,977.7	6,228.8	5,977.7	6,228.8	6,039.5
Economic occupancy rate at the end of the period, %	95.4	95.5	95.4	95.5	95.4	96.5
LTV ratio at the end of the period, %	41.2	40.2	41.2	40.2	41.2	41.0
Interest coverage ratio during the period, multiple	3.0	2.1	2.2	1.7	2.1	1.6
EPRA NAV, SEK/share ¹⁾	107.33	104.05	107.33	104.05	107.33	104.23
Growth in EPRA NAV, SEK/share, %	3.2	10.2	3.2	10.2	3.2	7.3
EPRA NNNAV, SEK/share ¹⁾	99.05	97.02	99.05	97.02	99.05	97.04

¹⁾ The key metrics per share have been restated to take into account the 3:1 share split resolved by the AGM on 11 March 2019 and the 10,000:1 share split decided in 2018.

²⁾ Income from property management has been adjusted for non-recurring costs linked to the planned stock exchange listing. An adjustment of SEK 9.9 million (10.5) was made to income from property management for the period and an adjustment of SEK 0.0 million (6.1) for the quarter. In a corresponding manner, an adjustment of SEK 19.6 million was made for the full-year 2018. For the rolling 12 month period, an adjustment of SEK 19.0 million was made to income from property management.

Definitions of key metrics are provided on pages 24–25.

Young people move in

In 2018, construction began of 74 apartments for young adults in Larsberg. U25, as we have named the building, has been completed and is ready for occupancy in the fourth quarter of 2019.

U25 is the latest of our infill development projects in Larsberg. With its central location in Larsberg on what was previously a carpark, U25 adds energy and life to the area, and boosts the attractiveness of the general surroundings. The project to develop apartments for young adults was conducted in close collaboration with the municipality of Lidingö Stad. Altogether, the planning process and the construction permit process for the building took less than 2.5 years. On the top floor of the 11-storey building are three apartment shares for a total of 12 young people, which we are offering as a modern format for co-living through a partnership with the company Colive.

Käppala upgrade

In the third quarter of the year, we focused on an upgrade project in Käppala, whereby some 400 apartments are receiving a base upgrade. 79 of the apartments are vacant and, in addition, many of the apartments are let on short-term contracts, which means that these can be given a total upgrade in conjunction with the base upgrade. We are also adding 36 apartments by converting the attics and other premises into apartments. The upgrades and conversions are being carried out on a building-by-building basis. The Käppala upgrade project will continue over a two-year period.

In Larsberg, where the entire portfolio has already received a base upgrade, we are focusing on total upgrades for apartments that were vacated or where the tenants have requested it. During the quarter, development has continued of the total upgrade offering to residents in apartments that have received base upgrades, and which we are now able to offer after reaching an agreement with Hyresgästföreningen (Swedish Union of Tenants) on rent levels for apartments with total upgrades.

Our objective is to totally upgrade 100 apartments each year. As the year now draws to a close, we have to note that we will not reach that goal for this year. This is primarily due to restructuring of the Käppala project, whereby completion of the base upgrade apartments that can thereafter be given total upgrades, was set for 2020 and the first half of 2021.

To date in Larsberg, some 50 apartments have been vacated, making it possible to upgrade them from base level to total. Now that the rent levels for totally upgraded apartments have been set with Hyresgästföreningen, moving forward, we can also offer residents in apartments with base upgrades the opportunity to have their apartment totally upgraded.

Over the coming 24-month period, we will thereby accelerate the number of apartments given total upgrades, which means that in the 2019–2021 period, we will have totally upgraded around 300 apartments. Accordingly, the impact of our total upgrades will not follow a straight line.



Now we can focus even more on potential acquisitions.

Dialogue with the municipality of Lidingö Stad around infill developments continue. Of the possible locations we have identified, Fyrtornet 5 in Larsberg has progressed furthest. Here we intend to build homes on the site of an existing garage. The planning process is ongoing and we will return with more information in the future.

Income from property management and net asset value

For the period from January–September 2019, income from property management was SEK 45.2 million (20.4) amounting to SEK 1.34 per share (0.65) on a per share basis, and corresponding to growth of 106.1%. The increase was primarily attributable to the Käppala acquisition and the newly constructed Parkhusen, which impacted net operating income in the second half of 2018.

EPRA NAV per share amounted to SEK 107.3 (104.1) at 30 September. Over the past 12 months, net asset value has increased 3.2%. The aim is to achieve average growth in net asset value of not less than 10% over a business cycle, which requires continued focus on project development and growth. Net asset value is assessed as following a long-term linear trend.

John Mattson included directly on Allbright's green list

In October, the Allbright Foundation presented its annual report on equality and diversity in listed companies. It is gratifying that the property sector was the first sector to reach an even gender balance. It is also gratifying that John Mattson gained inclusion on the Allbright Foundation's "green list" of gender-balanced companies.

Changes and outlook

Once U25 has been completed and fully let, and the base upgrades started in Käppala, we will be able to focus even more on potential acquisitions.

Moreover, a change is ongoing in the company's management group now that the current Head of Business Development has decided to seek new challenges. He will, however, remain available for the company until such time as his replacement has started.

Growing is a long-term endeavour and one where numerous factors need to be right if an acquisition is to be accomplished. We aim to establish operations outside of Lidingö and are conducting discussions with our prioritised growth municipalities.



Siv Malmgren
CEO, Siv Malmgren

John Mattson's property portfolio

John Mattson's property portfolio is concentrated in the south of Lidingö and mainly consists of residential property. The portfolio comprises 2,251 rental properties with a lettable area of 171,000 sq m, broken down as 91% residential and 9% commercial premises.

Existing portfolio

Master builder John Mattson constructed Larsberg toward the end of the 1960s. The company owns most of the land in Larsberg and has increased the area's housing density in recent years by adding a number of housing blocks. Larsberg accounts for 68% of the total number of apartments. The Barkassen and Galeasen properties, located nearby in Baggeby, have received total upgrades and encompass a total of 83 apartments. Since 2015, the company has owned and managed one property with 146 apartments in the neighbouring area of Dalénium.

The Parkhusen blocks in Larsberg, totalling 80 apartments, were completed in June 2018 and 481 apartments were acquired in Käppala on Lidingö in 2018. On 30 September 2019, U25, a building in Larsberg with 74 apartments for young adults, was completed with occupancy scheduled for the fourth quarter.

Adding value

Over the last few years, the buildings in Larsberg and Baggeby have undergone extensive upgrades to ensure their technical viability and to generate a higher net operating income primarily through higher rent levels. Renovations follow a two-step process: first, the initial base upgrade secures the building's technical status through the replacement of electrical and plumbing systems as well as bathrooms, which also aims to meet the demands of existing tenants.

The following step, the total upgrade, brings the apartments up to contemporary standards, again to meet demand from tenants. This focuses on the remaining aspects of the apartment and the installation of new kitchen interiors and renovation of all surfaces. Total upgrades are carried out when apartments are vacant or where tenants so wish. In conjunction with the upgrades, unused spaces are converted to housing.

Property portfolio at 30 September 2019

	Buildings/ Apartments		Property value		Lettable area thou- sand sq m	No. of renovated apartments		Rental value ¹⁾		Economic occupancy rate, %	Tenant turnover ²⁾	January–September 2019 ³⁾		
	No.	No.	SEK m	SEK/ sq m		Base	Total/ New build	SEK m	SEK/ sq m			Rental revenues	Property expenses	Net operating income
										%	%	SEK m	SEK m	SEK m
Housing														
Larsberg	23	1,541	4,328.6	37,000	117.0	861	680	177.0	1,513	98.7	12.7	118.1	49.1	69.0
Baggeby	2	83	237.7	41,651	5.7	–	83	9.1	1,601	98.3	9.4	7.1	2.3	4.7
Dalénium	1	146	468.0	50,759	9.2	–	146	21.8	2,365	97.8	7.2	16.2	4.1	12.1
Käppala	12	481	831.0	27,651	30.1	–	85	39.3	1,308	81.6	17.1	24.9	15.2	9.7
Total housing³⁾	38	2,251	5,865.3	36,212	162.0	861	994	247.3	1,527	95.9	–	166.3	70.7	95.5
Commercial and other premises														
Larsberg	3	–	301.3	37,857	8.0	–	–	21.8	2,735	94.4	–	20.0	4.5	15.5
Total investment properties	41	2,251	6,166.6	36,289	169.9	861	994	269.0	1,583	95.8	–	186.2	75.2	111.0
Development projects for identified development rights and undeveloped land	1	–	62.2	40,627	1.5	–	–	3.3	2,132	62.4	–	1.9	0.3	1.6
Total	42	2,251	6,228.8		171.5	861	994	272.3		95.4	–	188.2	75.5	112.6

¹⁾ New production completed during the period, U25, was included in the rental value at 30 September 2019, but did not affect the outcome for the period, since the building entered service from the fourth quarter.

²⁾ In the preceding twelve-month period.

³⁾ Residential property pertains to property that primarily consists of housing, but where a portion of the lettable area may also include other premises and garages.

In Larsberg, where the entire portfolio has already received a base upgrade, total upgrades are being carried out for apartments that were vacated or when the tenants have requested it. Development has continued of the total upgrade offering to residents in apartments that have received base upgrades, and which we are now able to offer after reaching an agreement with Hyresgästföreningen on rent levels for apartments with total upgrades. The objective is to totally upgrade 100 apartments each year. In the January to September period, 52 (120) apartments received a total upgrade.

The acquisition of 481 apartments in Käppala resulted in an increase in the percentage of unrenovated apartments in the company's portfolio. Some 400 apartments will receive base upgrades over the coming two years. Contractors' agreements have been signed for the base upgrades and in the third quarter, work on preparations and the staging area started. In conjunction with the base upgrades, unused premises and laundry rooms will be converted into 11 apartments and in the attics of two buildings, a further 25 apartments will be created. A further 36 apartments will thus be added to the property portfolio.

Acquisitions

Part of John Mattson's strategy includes continuously evaluating acquisition potential, including the acquisition of development rights and participation in competitions for land allocation projects in the Stockholm region, with the aim of adding properties and apartments with development potential in attractive market locations. Acquisitions occur on the basis of long-term acceptance of responsibility, where a key factor is the possibility of managing and developing the portfolio in line with John Mattson's business model and strategies.

Apartment structure and occupancy rate

As of 30 September 2019, the total number of apartments was 2,251 (2,171). Of these, 396 (459) were unrenovated, 861 (892) had undergone base upgrades, 505 (408) had received total upgrades and 489 (412) were newly built.

The economic occupancy rate at 30 September 2019 was 95.4% (95.5) and the occupancy rate for apartments was 96.9% (97.0). As per 30 September 2019, 91 apartments were vacant, of which 79 were attributable to the portfolio acquired in Käppala in 2018. These vacant apartments can be given a total upgrade direct from their unrenovated state.

Object	No.	Lettable area, thousand sq m	Rental value, SEK m
Unrenovated Apts.	396	24.1	27.3
Base upgrade, Apts.	861	68.4	86.8
Total upgrade, Apts.	505	36.6	56.5
New build Apts.	489	27.1	58.7
Garages and parking places	-	-	13.4
Premises and store rooms	-	15.2	29.6
Total	2,251	171.5	272.3
Vacancies and discounts	No.	Lettable area, thousand sq m	Vacancy value, SEK m
Vacant Apts.	91	5.0	6.6
Vacant garages and parking places	-	-	2.9
Vacant premises and store rooms	-	2.5	1.4
Discounts	-	-	1.7
Total	91	7.6	12.6
	No.	Let area, thousand sq m	Contract value, SEK m
Total	2,160	163.9	259.7

The rental value pertains to contractual annual rents and assessed market rents for vacant space.

The vacancy value comprises a snapshot at period end.

Infill development

John Mattson works actively to identify land where infill development is possible and appropriate for the existing built-up area. This work is mainly confined to our own land, and the aim is to generate growth through value adding construction that concurrently makes the area more attractive. Development is conducted in close collaboration with the municipality and local stakeholders.

Ongoing projects

Development and infill project ongoing at Käppala. The property is being developed through the conversion of laundry rooms into 11 ground floor apartments and densification through the creation of 25 loft apartments.

Projects completed

In 2018, construction began on U25, a building with 74 apartments for young adults in Larsberg. The building was completed on 30 September this year and lettings started in the fourth quarter.

With its central location in Larsberg on what was previously the site of a carpark, U25 adds energy and life to the area, and boosts the attractiveness of the general surroundings. The project to develop apartments for young adults was conducted in close collaboration with the municipality of Lidingö Stad. Altogether, the planning process and the construction permit process for the

building took 2.5 years. On the top floor of the 11-storey building are three apartment shares for a total of 12 young people, which the company is offering as a modern format for co-living through a partnership with the company Colive.

Development projects

The planning process is ongoing for the Fyrtornet 5 property in Larsberg under the project name of Ekporten. While work and dialogues are ongoing with the municipality of Lidingö Stad's politicians and personnel, the construction start is not estimated to be possible before 2021.

A number of additional, potential infill development projects have been identified in Larsberg and in Käppala. In total, John Mattson's development portfolio encompasses around 1,000 apartments. The carrying amount for the development right portfolio was SEK 62.2 million (62.2).

Ongoing development and infill projects as of 30 September 2019

Property/Area	Category	No. of Apts.	Additional lettable area:	Carrying amount, SEK m	Total Inv. incl. land, SEK m	Of which, left to invest, SEK m	Estimated rental value, SEK m ¹⁾	Completion
Herkules 1/ Käppala	Conversion of premises	11	480	-	11.5	8.1	approx. 1 ²⁾	Q4 2020
Herkules 1/ Käppala	Attic extension	25	820	-	34.0	25.2	approx. 2 ²⁾	Q4 2020
Total ongoing projects		36	1,300	-	45.5	33.3	approx. 3	

¹⁾ Pertains to the estimated rental value when the project has been completed and is fully let.

²⁾ A standard rent level based on similar projects is applied.

Development projects and identified development rights

Property/Area	Category	No. of Apts. ¹⁾	Additional lettable area:	Carrying amount, SEK m	Possible construction start ²⁾	Project phase
Ekporten, Fyrtornet 5/Larsberg	New builds	200	approx. 11-12,000	-	2021	Ongoing planning process
Juno 2 & 3/Käppala	Conversion of premises	9	300	-	2020	Detailed development plan in place
Juno 2 & 3/Käppala	Attic extension	50	1,750	-	2021	Inquiry under way
Total ongoing development projects		259	approx. 13-14,050	62.2		
Larsberg	New builds	approx. 500-600	approx. 30-35,000	-	after 2022	New detailed development plan needed
Käppala	New builds	approx. 150	approx. 10,000	-	after 2022	New detailed development plan needed
Total development rights identified		approx. 650-750	approx. 40-45,000	-		
Total development portfolio		approx. 900-1,000	approx. 53-59,050	62.2		

¹⁾ The number of apartments and the area have been assessed by John Mattson and are therefore only preliminary. The figures could change during the course of the project.

²⁾ The possible construction start is an estimate of when the project could start if work on the detailed development plan progresses in line with the current assessment.

Current earnings capacity

The table illustrates John Mattson's current earnings capacity on a 12-month basis as per 30 September 2019, after taking the entire property portfolio on the balance-sheet date into consideration. The properties acquired and the projects completed during the period have been restated on an annualised basis.

Current earnings capacity is reported in conjunction with interim and year-end reports. The aim is to highlight the company's underlying earning capacity. It is important to note that the actual earnings capacity is not a forecast for the current year nor for the forthcoming 12 months.

The earnings capacity includes no assessments of rental, vacancy or interest-rate changes. Moreover, John Mattson's earnings are impacted by changes in the values of properties and derivatives. None of the above was taken into consideration when assessing current earnings capacity. Costs connected to the stock exchange listing are not included in the assessment of earning capacity. Rental revenues are based on contractual revenue on the balance-sheet date. Property expenses are based on LTM property expenses for properties owned for the entire period.

Additions are made for completed new builds, extensions and redevelopment projects and for implemented acquisitions calculated at an annualised rate. Deductions are made for any disposals.

Maintenance expenses attributable to completed upgrade projects over the most recent 12-month period have been excluded.

Property administration costs are based on estimated costs on a rolling 12-month basis using the scope and extent of property administration on the balance-sheet date.

Central administration costs are based on estimated costs on a rolling 12-month basis using the scope and extent of central administration at the balance-sheet date.

Net financial items have been calculated based on net interest-bearing debt on the balance-sheet date. Any interest on cash and cash equivalents has not been taken into account and the interest on interest-bearing liabilities has been calculated using the current average interest rate at the balance-sheet date after taking the company's interest-rate derivatives into account.

SEK m	30 September 2019
Rental value	272.3
Vacancies and discounts	-12.5
Rental revenues	259.7
Operating expenses	-59.2
Maintenance expenses	-19.8
Property administration	-16.1
Property tax	-4.4
Net operating income	160.2
Central administration costs	-27.5
Net financial items	-48.5
Income from property management	84.2

Condensed consolidated income statement

Amounts in SEK m	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018–Sep 2019	Jan-Dec 2018
Rental revenues	2	63.2	60.5	188.2	156.9	249.5	218.3
Operating expenses	3	-11.4	-10.1	-42.6	-31.2	-58.3	-46.9
Maintenance	3	-3.4	-11.7	-15.9	-33.2	-26.1	-43.3
Property tax	3	-1.1	-1.0	-3.3	-2.8	-4.4	-4.0
Property administration	3	-3.6	-4.4	-13.8	-13.9	-20.7	-20.9
Net operating income		43.8	33.3	112.6	75.8	140.0	103.2
Central administration costs	4	-6.4	-8.4	-30.5	-20.4	-47.4	-37.4
Net financial items	5	-12.6	-12.7	-37.0	-35.0	-44.0	-42.1
Income from property management	1	24.7	12.2	45.2	20.4	48.6	23.7
Change in property values	6	8.1	73.6	59.5	206.2	62.2	208.9
Change in the value of interest-rate derivatives	6	-7.0	13.3	-31.7	7.0	-37.8	0.8
EBT		25.8	99.1	73.0	233.5	73.0	233.4
Current tax	7	0.2	-	-0.3	-	-0.3	0.0
Deferred tax	7	-5.2	-20.0	-20.1	-5.2	-26.0	-11.1
Profit/loss for the period		20.8	79.1	52.5	228.3	46.6	222.3
Other comprehensive income for the period							
Profit for the period		20.8	79.1	52.5	228.3	46.6	222.3
Other comprehensive income		-	-	-	-	-	-
Comprehensive income for the period		20.8	79.1	52.5	228.3	46.6	222.3
Average No. of shares, thousand ¹⁾		33,670	33,670	33,670	31,250	33,670	31,860
Earnings per share for the period		0.62	2.35	1.56	7.30	1.38	6.98

¹⁾ The average number of shares takes into account the 3:1 share split resolved by the AGM on 11 March 2019 and the 10,000:1 share split decided in 2018.

Profit for the period is attributable in full to the Parent Company's shareholders. No dilution effects apply.

January to September 2019 period

The comparative figures pertain to the year-earlier period. Some amounts have been rounded off, which means that tables and calculations do not always tally. The stated SEK per square metre figures pertain to rolling 12 month outcomes, whereby acquired properties and completed projects have been restated at the full-year rate.

Note 1: Income from property management

Income from property management – profit excluding value changes and tax for the January–September 2019 period – was SEK 45.2 million (20.4), corresponding to SEK 1.34 per share (0.65). This corresponded to annual growth in income from property management per share of 106%. The increase was mainly due to acquired and newly built properties in the second half of 2018. Non-recurring central administration costs of SEK 9.9 million (10.5), connected to the completed stock exchange listing, were charged against income from property management. Income from property management was on a par with the cash flow from operating activities before changes in working capital.

Note 2: Revenue

The Group's revenue for the period amounted to SEK 188.2 million (156.9), corresponding to SEK 1,476 per sq m (1,395). The average economic occupancy rate over the period amounted to 95.6% (97.5) including discounts of SEK 1.4 million (0.7).

Revenue	Jan–Sep 2019, SEK m	30 Sep 2019 SEK/sq m	Jan–Sep 2018, SEK m	30 Sep 2018 SEK/sq m
Larsberg	140.0	1,495	127.5	1,418
Baggeby	7.1	1,604	5.0	1,132
Dalénium	16.2	2,339	16.0	2,324
Käppala	24.9	1,111	8.3	1,061
Total	188.2	1,476	156.9	1,395

Rental revenues for residential properties for the period totalled SEK 166.3 million (161.4), corresponding to SEK 1,427 per sq m (1,340). Rental revenues solely from housing totalled SEK 159.9 million (130.6), corresponding to SEK 1,359 per sq m (1,313). The average economic occupancy rate for apartments over the period amounted to 96.9% (98.1) including apartment vacancies of SEK 4.6 million (2.3) and apartment discounts of SEK 0.3 million (0.1). Käppala accounted for SEK 3.1 million of apartment vacancies. The vacancies were mainly linked to the planned upgrades of the portfolio.

The total revenue increase of SEK 31.3 million was attributable to acquired and newly built properties, which increased revenue by SEK 22.8 million (10.7) for the period. The increase was also due to implemented base and total upgrades, which had an impact on revenue of SEK 6.4 million (3.5). The general annual housing rent negotiations for 2019 resulted in increases of 1.8–2.1% and apply from 1 July 2019. For the period, general residential rent increases had a revenue impact of SEK 1.6 million (1.2). The remaining part of the revenue increase was attributable to commercial premises, garages and parking places.

Note 3: Property expenses

Property expenses totalled SEK 75.5 million (81.1), corresponding to SEK 646 per sq m (755), which is a cost reduction of SEK 109 per sq m or 14%.

Operating expenses amounted to SEK 42.6 million (31.2). The increase for the period was mainly due to additional operating expenses arising from acquired properties and new build projects completed in 2018, which were taken into management at the end of the first half of 2018. The largest cost item was tariff-based costs, which corresponded to around 40% of operating expenses.

Property expenses	Jan–Sep 2019, SEK m	30 Sep 2019 SEK/sq m	Jan–Sep 2018, SEK m	30 Sep 2018 SEK/sq m
Larsberg	53.8	602	66.2	773
Baggeby	2.3	616	5.0	971
Dalénium	4.1	608	3.5	478
Käppala	15.2	845	6.4	728
Total	75.5	646	81.1	755

Maintenance expenses amounted to SEK 15.9 million (33.2), of which SEK 0.0 million (15.2) was attributable to base and total upgrades carried out during the period. The SEK per square metre figures are based on rolling 12 month outcomes, where planning expenses of SEK 3.0 million for aborted projects were recognised for Käppala in 2018.

Property expenses/sq m	Larsberg	Baggeby	Dalénium	Käppala	Total
Operating expenses	312	371	403	457	345
Maintenance	149	124	71	205	154
<i>of which, upgrades</i>	27	–	–	–	19
Property tax	28	5	20	24	26
Property administration	113	116	114	159	121
Total	602	616	608	845	646

Note 4: Central administration costs

Central administration costs, which consist of costs for company management and central support functions, totalled SEK 30.5 million (20.4). During the period, non-recurring costs of SEK 9.9 million (10.5) connected to the completed stock exchange listing were recognised under central administration costs.

Note 5: Net financial items

Net financial items amounted to an expense of SEK 37.0 million

(expense: 35.0). Capitalised financial expenses for ongoing projects amounted to SEK 1.1 million (1.6). The average interest rate, including the effects of interest-rate derivatives, was 1.88% (1.84) at the end of the period. The average interest coverage ratio was a multiple of 2.2 (1.7) at the end of the period.

Note 6: Changes in value

During the period, the property market in general remained strong with stable prices. Unrealised changes in the value of properties amounted to SEK 59.5 million (206.2). Value changes were mainly attributable to an improved net operating income and ongoing projects during the period.

Unrealised changes in value	Jan-Sep 2019, SEK m	Jan-Sep 2018, SEK m
Change in net operating income	33.1	124.5
Ongoing projects/development rights	26.3	73.1
Yield requirement	-	-
Acquired properties	-	8.5
Total	59.5	206.2
<i>In relation to market value, OB, %</i>	<i>1.0</i>	<i>4.4</i>

Unrealised value changes in interest-rate derivatives amounted to a negative SEK 31.7 million (negative: 7.0), as a result of falling long-term market interest rates, which resulted in an increase in the interest-rate derivatives' deficit values in the period. Refer also to the section on financing on page 15.

Note 7: Tax

Current tax for the period was an expense of SEK 0.3 million (expense: 0.0). Deferred tax amounted to an expense of SEK 20.1 million (expense: 5.2) and was impacted by temporary differences of negative SEK 14.1 million (negative: 79.9) and changes in loss carryforwards of a negative SEK 6.0 million (positive: 28.9). In the previous year, deferred tax was impacted by a non-recurring effect of SEK 45.8 million due to the lowering of the tax rate from 22.0% to 20.6%.

In conjunction with closing the books for the second quarter of 2018, a revaluation of deferred tax was carried out. The revaluation was due to a decision taken to lower corporation tax in Sweden in two stages, to 21.4% from 2019 and to 20.6% from 2021. John Mattson calculates deferred tax at the lower rate, since no significant amounts for any tax liabilities or assets are expected to be reversed in the period up to 2021.

The new tax rules also entail certain limits in terms of the tax deductibility of interest expenses. The Group is subject to the new limitations on deducting interest expenses, and based on the actual existing and the assessed future capital structure and EBIT, the new rules will have a slight negative impact on the possibility of deducting the Group's interest expenses. The estimated effect is included in the calculations of current and deferred tax.

The Group's loss carryforwards are estimated at SEK 471.9 million (500.9 at 31 December 2018), and comprise the basis for the Group's deferred tax assets. The deferred tax liability pertains primarily to temporary differences between the fair values and the fiscal residual values of properties. The properties' fair values exceed their fiscal values by SEK 4,559.1 million (4,455.9 at 31 December 2018). The full nominal tax rate of 20.6% is recognised as deferred tax liabilities, less deferred tax pertaining to historical asset acquisitions.

SEK m	Tax base, current tax	Tax base, deferred tax
Income from property management	45.2	-
<i>Tax deductible</i>		
Depreciation	-27.2	27.2
New builds and redevelopments	-16.4	16.4
Other fiscal adjustments	28.8	-2.8
Taxable income from property management	30.3	40.8
Changes in property values	-	59.5
Changes in derivative values	-	-31.7
Taxable earnings before loss carryforwards	30.3	68.6
Loss carryforwards, opening balance	-500.9	500.9
Loss carryforwards, closing balance	471.9	-471.9
Taxable profit	1.3	97.7
Tax for the period	-0.3	-20.1
Tax recognised in profit or loss	-0.3	-20.1

SEK m	Tax base	Nominal tax liability	Actual tax liability/asset
Properties	-4,559.1	-939.2	-273.5
Derivatives	105.2	21.7	20.0
Loss carryforwards	471.9	97.2	80.2
Untaxed reserves	-0.3	-0.1	-0.1
Total	-3,982.3	-820.4	-173.4
Property, asset acquisitions	584.6	120.4	-
According to balance sheet	-	-699.9	-

The nominal tax liability recognised in the balance sheet was a net amount of SEK 699.9 million (778.0). However, the actual tax liability was calculated at only SEK 173.4 million (169.3).

A tax rate of 6% has been assumed for the estimated, actual deferred tax on the Group's properties, based on a discount interest rate of 3%. This estimation was conducted with regard to the applicable tax legislation, which means that properties can be sold in a corporate wrapper with no tax consequences. The assumption underlying this assessment is that the properties will be divested on an ongoing basis over a 50-year period and where 90% of the properties will be sold using a corporate wrapper and 10% will be divested through direct property transfers.

Tax deductions for the indirect transactions have been estimated at 5.5%. In respect of loss carryforwards and derivatives, the estimated actual tax liability was calculated based on a discount interest rate of 3%, whereby the assessment is that the loss carryforwards will be realised over a ten-year period and the derivatives will be realised over a five-year period. This means that the estimated actual tax is 17% for loss carryforwards and 19% for derivatives.

Condensed consolidated balance sheet

Amounts in SEK m	Note	30 September 2019	30 September 2018	31 December 2018
Assets				
Investment properties	8	6,228.8	5,977.7	6,039.5
Other non-current assets		6.6	10.1	9.4
Total non-current assets		6,235.4	5,987.8	6,048.9
Current receivables		15.4	8.5	25.8
Cash and cash equivalents		11.3	50.4	2.8
Total current assets		26.6	58.9	28.7
Total assets		6,262.1	6,046.7	6,077.6
Equity and liabilities				
Equity	9	2,808.6	2,762.0	2,756.0
Provisions		0.6	0.6	0.6
Non-current interest-bearing liabilities	9	2,022.6	981.8	2,479.4
Deferred tax liabilities	7	699.9	673.9	679.8
Interest-rate derivatives	9	105.2	67.4	73.5
Total non-current liabilities		2,828.3	1,723.8	3,233.3
Current interest-bearing liabilities	9	556.2	1,473.4	-
Other current liabilities		69.0	87.7	88.3
Total current liabilities		625.1	1,561.1	88.3
Total liabilities		3,453.5	3,284.8	3,321.6
Total equity and liabilities		6,262.1	6,046.7	6,077.6

Condensed consolidated statement of changes in equity

Amounts in SEK m	Total shares outstanding, thousand ¹⁾	Share capital	Other contributed capital	Retained earnings	Total equity
Equity at 1 Jan 2018	30,000	10.0	-	2,159.7	2,169.7
Offset issue	3,670	1.2	362.8		364.0
Comprehensive income for the period	-	-	-	228.3	228.3
Equity at 30 Sep 2018	33,670	11.2	362.8	2,388.0	2,762.0
Comprehensive income for the period	-	-	-	-6.0	-6.0
Equity at 31 Dec 2018	33,670	11.2	362.8	2,382.0	2,756.0
Comprehensive income for the period				52.5	52.5
Equity at 30 Sep 2019	33,670	11.2	362.8	2,434.6	2,808.6

¹⁾ At 30 September 2019, the quotient value of the shares was SEK 0.33 per share (SEK 10,000). A share split was decided in 2018 that entailed each share being split into 10,000 new shares (split 10,000:1). The share split was completed in the second quarter of 2018. The Annual General Meeting on 11 March 2019 resolved to conduct a three for one split of the company's shares. In this report, restatements have been made after taking these splits into consideration.

Balance sheet at 30 September 2019

Note 8: Investment properties

John Mattson's property portfolio is concentrated to Lidingö in Stockholm and mainly consists of residential property located in the Larsberg, Baggeby, Dalénium and Käppala districts. At the end of the period, the property value was SEK 6,228.8 million (5,977.7) with a lettable area of 171,500 sq m (169,100), broken down as 91% residential and 9% commercial premises, with an annual rental value of SEK 272.3 million (254.5). The portfolio comprises 2,251 apartments (2,171).

Investments

During the period, total investments amounted to SEK 129.8 million (1,032.9), of which SEK 0.0 million (801.9) pertained to acquisitions. Investments in new builds totalled SEK 86.1 million (89.0) and essentially pertained to the completion of U25 with 74 apartments for young adults and investments in ongoing conversion of premises and attic extensions. Investments in implemented base and total upgrades amounted to SEK 28.6 million (141.8) and encompassed 52 apartments (264).

Change in property value

	SEK m
Property value, opening balance at 1 Jan 2019	6,039.5
+ Acquisitions	-
+ Investments in new builds	86.1
+ Investments in base upgrades	8.9
+ Investments in total upgrades	19.7
+ Other investments	15.2
- Sales	-
+/- Unrealised changes in value	59.5
Property value, closing balance at 30 Sep 2019	6,228.8

Property value

The Group's properties are recognised at fair value in line with level 3 under IFRS 13. As of 30 September 2019, external valuations had been carried out for all of the Group's properties by Cushman & Wakefield. The valuations use a cash-flow model with an individual assessment for each property covering its future earnings potential and the market's yield requirement.

The estimates are normally conducted using a horizon of 10.25 years, the period from October 2019 to December 2029. For an assessment of residual value at the end of the calculation horizon, net operating income for 2030 has been calculated. A couple of the valuation objects comprise new build projects that are not liable for property tax for a period of 15 years from completion. For these properties, the calculation horizon has been extended to take this into account. In addition to assumed inflation of 2.0%, the assessment of a property's future earnings capacity has also taken into consideration any changes in rent levels, occupancy rates and property expenses. Yield requirements are individual for each property and depend on the analysis of completed transactions and the property's market position.

Property-related key metrics

	Jan-Sep 2019	Jan-Sep 2018
Rental value SEK/sq m	1,588	1,505
Economic occupancy rate, %	95.4	95.5
Property expenses, SEK/sq m	646	755
Net operating income, SEK/sq m	830	640
Property value, SEK/sq m	36,328	35,106
Number of buildings	42	42
Lettable area at the end of the period, thousand sq m	171.5	169.1
Average valuation yield	3.1	3.1

Financing

Note 9: Financing

John Mattson strives to keep financial risk low with a long-term LTV ratio that is not permitted to exceed 50% and a long-term interest coverage ratio of not less than 1.5.

Equity

As of 30 September 2019, equity totalled SEK 2,808.6 million (2,762.0), which corresponds to SEK 83.42 (82.03) per share. During the period, equity increased with profit for the period of SEK 52.5 million (228.3).

Interest-bearing liabilities

John Mattson conducts its borrowing through banks using mortgage deeds as collateral. At the end of the period, John Mattson had credit agreements for SEK 3,207.6 million (2,465.2).

The loan volumes utilised at the end of the period amounted to SEK 2,578.8 million (2,455.2), of which SEK 2,022.6 million (981.8) was a non-current liability and SEK 556.2 million (1,473.4) was current. Net interest-bearing liabilities amounted to SEK 2,567.5 million (2,404.8), corresponding to an LTV ratio of 41.2% (40.2).

New borrowing during the period amounted to SEK 106.2 million (670.3 (of which SEK 429.0 million was attributable to taking over credits in conjunction with the Käppala acquisition)) to finance completed and ongoing new build projects and upgrades. Loan repayments during the period amounted to SEK 6.9 million (2.3). The average loan-to-maturity was 2.6 years (1.4) at the end of the period.

Fixed-interest and loan-to-maturity periods at 30 September 2019

Maturity	Fixed-interest period			Loan-to-maturity			Interest-rate swaps	
	Volume (SEK m)	Average interest (%) ¹⁾	Share (%)	Credit agreement volume (SEK m)	Utilised, SEK m	Share (%)	Volume (SEK m)	Average interest rate (%) ²⁾
0-1 year	1,040	2.34	40	1,041	556	22	86	-
1-2 years	0	0.00	0	695	551	21	0	-
2-3 years	501	1.59	19	522	522	20	154	-
3-4 years	0	0.00	0	475	475	18	0	-
4-5 years	171	1.21	7	475	475	18	171	-
>5 years	868	1.64	34	0	0	0	868	-
Total	2,579	1.88	100	3,208	2,579	100	1,279	1.84

¹⁾ Average interest rate at the end of the period including derivatives.

²⁾ Volume-weighted average interest for interest-rate derivatives.

Fixed interest and interest-rate derivatives

The interest-rate maturity structure is allocated over time to ensure the stability of net financial items. John Mattson utilises derivatives in the form of interest-rate swaps to limit risk for floating-rate loans. An interest-rate swap is an agreement between two parties to swap interest payments over a fixed period. By combining floating rate (Stibor) loans with interest-rate swaps, a predetermined interest rate can be secured for the duration of the swap. The agreement means that the company receives a floating interest rate (corresponding to the interest rate under the loan agreement) at the same time as a fixed interest rate (swap interest rate) is paid. None of the company's loan agreements include covenants that prevent the base rate (Stibor) declining to a negative rate when establishing the interest rates for the interest periods. Such covenants would entail rising interest expenses for the company in the case of negative base rates and would substantially limit the efficiency of interest-rate hedging. Therefore, only loan agreements without such terms are entered into.

In accordance with the accounting rules in IFRS 9, these derivatives must be marked to market. Irrespective of the credit margin, if the agreed interest rate for a derivative deviates from the market interest rate, a theoretical surplus or deficit value arises for the interest-rate derivative, and this non-cash item is

recognised in profit or loss. On expiry, the derivative contract's market value dissolves entirely and, accordingly, the value change over time has had no impact on equity.

John Mattson has contracted interest-rate swaps to a nominal value of SEK 1,279.0 million (1,279.0), corresponding to 49.6% (52.1) of interest-bearing liabilities. The company has also contracted interest-rate swaps of SEK 500.0 million with a start date of 2020, which will become effective in conjunction with the expiry of derivative agreements of SEK 586 million.

The interest-rate swaps expire between 2020 and 2028. The market value of interest-rate derivatives at the end of the period was a negative SEK 105.2 million (negative: 67.4). The related reserve of SEK 105.2 million will be gradually reversed and recognised in profit or loss up to the end date of the derivatives, regardless of the interest-rate level. No hedge accounting is applied. The fair value of non-current interest-bearing liabilities and other financial instruments measured at amortised cost does not deviate from their carrying amounts, since the discounting effect is not material.

John Mattson's average fixed-interest tenor, including interest-rate swaps, was 3.1 years (3.7) at the end of the period.

The average interest rate for the Group's total interest-bearing liability, including the effect of interest-rate swaps, was 1.88% (1.84) at the end of the period.

Condensed consolidated cash-flow statement

Amounts in SEK m	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018–Sep 2019	Jan–Dec 2018
<i>Operating activities</i>						
EBT	25.8	99.0	73.0	233.5	72.9	233.4
<i>Adjustment for non-cash items</i>						
Change in property values	-8.1	-73.6	-59.5	-206.2	-62.2	-208.9
Change in value of interest-rate derivatives	7.0	-13.3	31.7	-7.0	37.8	-0.8
Depreciation and disposals	0.3	0.4	0.9	1.2	1.3	1.6
Other non-cash items, etc.	0.0	1.8	0.2	-0.1	0.2	-0.1
Taxes paid	0.2	0.0	-0.3	0.0	-0.4	0.0
Cash flow from operating activities before changes in working capital	25.2	14.4	46.0	21.5	49.7	25.2
<i>Cash flow from changes in working capital</i>						
Change in operating receivables	-0.9	-0.9	13.3	2.4	-3.9	-14.8
Change in operating liabilities	11.9	-3.9	-19.4	10.9	-18.7	11.5
Cash flow from operating activities	36.2	9.6	39.9	34.8	27.0	21.9
<i>Investing activities</i>						
Investments in equipment	-0.4	-0.1	-0.9	-0.1	-0.9	-0.1
Acquisition of investment properties ¹⁾	-	-	-	-3.0	-2.6	-5.6
Investments in investment properties	-47.6	-60.7	-129.8	-231.0	-186.3	-287.5
Investments/divestments, financial assets	-	-	-	-	-	-
Cash flow from investing activities	-48.0	-60.8	-130.7	-234.2	-189.8	-293.2
<i>Financing activities</i>						
Borrowings	6.2	81.8	106.2	241.4	129.4	264.5
Repayments of borrowings	-2.3	-	-6.9	-1.2	-5.6	-
Cash flow from financing activities	3.9	81.8	99.4	240.2	123.7	264.5
Cash flow for the period	-7.8	30.5	8.5	40.8	-39.0	-6.8
Opening balance, cash and cash equivalents	19.1	19.9	2.8	9.6	50.4	9.6
Closing balance, cash and cash equivalents	11.3	50.4	11.3	50.4	11.3	2.8
Additional cash-flow statement disclosures						
¹⁾ Acquisition of investment properties in corporate wrappers:						
Investment properties	-	-	-	801.9	2.6	804.5
Operating receivables	-	-	-	0.5	0.0	0.5
Cash and cash equivalents	-	-	-	2.1	0.0	2.1
Acquired borrowings	-	-	-	-429.0	-1.0	-430.0
Operating liabilities	-	-	-	-6.4	1.0	-5.4
Net assets acquired	-	-	-	369.1	2.6	371.7
Offset issue	-	-	-	-364.0	0.0	-364.0
Purchase price paid	-	-	-	5.1	2.6	7.7
Less: Cash and cash equivalents in acquired operations	-	-	-	-2.1	0.0	-2.1
Net impact on cash and cash equivalents (positive = decrease)	-	-	-	3.0	2.6	5.6

Parent Company

The operations of the Parent Company, John Mattson Fastighetsföretagen AB with company registration number 556802-2858, primarily encompass shared Group services pertaining to strategy, communication, business development and accounting/finance.
The cost of the stock exchange listing was charged to the Parent Company.

Condensed Parent Company income statement

Amounts in SEK m	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Revenue	5.8	3.8	64.3
Central administration costs	-27.4	-23.3	-41.2
EBIT	-21.5	-19.5	23.1
Net interest	-2.0	-2.2	-2.9
Profit/loss after financial items	-23.5	-21.7	20.2
Appropriations	0.0	0.0	-28.8
EBT	-23.5	-21.7	-8.6
Tax	3.5	-0.2	-2.4
Profit/loss for the period	-20.0	-21.9	-11.0

Condensed Parent Company balance sheet

Amounts in SEK m	30 Sep 2019	30 Sep 2018	31 Dec 2018
Assets			
Participations in Group companies	1,668.6	1,664.0	1,668.6
Deferred tax assets	3.5	2.3	-
Receivables from Group companies	99.7	71.0	97.1
Other current receivables	1.1	0.1	0.1
Cash and cash equivalents	11.0	44.2	2.5
Total assets	1,783.9	1,781.6	1,768.3
Equity and liabilities			
Equity	1,234.3	1,243.4	1,254.3
Liabilities to Group companies	546.0	527.8	492.9
Other current liabilities	3.6	10.4	21.1
Total equity and liabilities	1,783.9	1,781.6	1,768.3

Opportunities and risks in the Group and Parent Company

Opportunities and risks in cash flow

Of John Mattson's total rental revenues, 85% is generated by residential tenants. The vacancy rate is low and rents are relatively secure and predictable. All of John Mattson's properties are located in Lidingö, in attractive areas with healthy demand.

The main operating expenses for John Mattson are for media, which include electricity, heat and water. Electricity and heating costs vary slightly from year to year due to municipal tariffs, prices and consumption.

Interest expenses are one of John Mattson's single largest expenses and are impacted by changes in market interest rates, which can fluctuate over time, normally depending on growth and inflation expectations. Accordingly, the interest-bearing borrowing means that John Mattson is exposed to interest-rate risk, among other risks.

Financial risk

Access to funds is one of the largest risks that the company has to manage. This risk is kept in check through a low LTV ratio and a high level of disposable liquidity. Disposable liquidity, which comprises unutilised credit facilities and cash balances, amounted to SEK 165.1 million (60.4) at the end of the period. Furthermore, for the purpose of securing the refinancing of existing credit agreements until 30 September 2020, agreements have been signed encompassing SEK 475 million. The company's volume-weighted average loan-to-maturity increased and amounted to 2.6 years (1.4) at the end of the period. To limit the company's exposure to increasing interest rates, agreements concerning interest-rate swaps have been concluded with banks.

Full-year effect, next 12 months, SEK m	Change +/-	Impact on income from property management
Rent level	SEK 100 per sq m	+/-17.1
Economic occupancy rate	1 percentage point	+/-2.7
Property expenses	5%	+/-5.0
Underlying market interest rate	1%	+/-10.4

Opportunities and risks with property values

John Mattson initially recognises its properties at fair value with changes in value recognised in profit or loss. This entails increased volatility, primarily for earnings, but also for the financial position.

The market value of properties is determined by market supply and demand. The properties' values depend on their net operating income and yield requirements. A higher net operating income or lower yield requirement has a positive impact on the value. A lower net operating income or higher yield requirement has a negative impact on the value. The impact of a percentage change in property value on the LTV ratio is illustrated below.

	- 20%	- 10%	0%	+ 10%	+ 20%
Change in value, SEK m	-1,246	-623	0	623	1,246
Loan-to-value (LTV) ratio, %	51.5	45.8	41.2	37.5	34.4

Key metrics

Key metrics	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
Property-related key metrics						
Surplus ratio during the period, %	69.2	55.1	59.8	48.3	56.1	47.3
Economic occupancy rate at the end of the period, %	95.4	95.5	95.4	95.5	95.4	96.5
Rental value at the end of the period, SEK m	272.3	254.5	272.3	254.5	272.3	257.4
Rental value, apartments, at the end of the period, SEK/sq m	1,468	1,399	1,468	1,399	1,468	1,411
Lettable area at the end of the period, thousand sq m	171.5	169.1	171.5	169.1	171.5	169.1
Investments in new builds, extensions and redevelopments, SEK m	47.6	58.9	129.8	231.0	186.3	287.5
Property value at the end of the period, SEK m	6,228.8	5,977.7	6,228.8	5,977.7	6,228.8	6,039.5
Property value, at the end of the period, SEK/sq m	36,328	35,106	36,328	35,106	36,328	35,339
Total number of apartments	2,251	2,171	2,251	2,171	2,251	2,177
No. of upgraded apartments during the period	11	21	52	264	163	375
No. of upgraded apartments at the end of the period	1,366	1,300	1,366	1,300	1,366	1,366
No. of unrenovated apartments at the end of the period	396	459	396	459	396	396
Key financial metrics						
Rental revenues, SEK m	63.2	60.5	188.2	156.9	249.5	218.3
Net operating income, SEK m	43.8	33.3	112.6	75.8	140.0	103.2
Income from property management, SEK m	24.7	12.2	45.2	20.4	48.6	23.7
Earnings after tax for the period	20.8	79.1	52.5	228.3	46.6	222.3
LTV ratio at the end of the period, %	41.2	40.2	41.2	40.2	41.2	41.0
Average interest rate at the end of the period, %	1.9	1.8	1.9	1.8	1.9	1.9
Interest coverage ratio during the period, multiple	3.0	2.1	2.2	1.7	2.1	1.6
Fixed-interest tenor, at the end of the period, years	3.1	3.7	3.1	3.7	3.1	3.5
Loan-to-maturity at the end of the period, years	2.6	1.4	2.6	1.4	2.6	3.3
EPRA NAV, SEK m	3,613.7	3,503.3	3,613.7	3,503.3	3,613.7	3,509.3
EPRA NNAV, SEK m	3,335.1	3,266.6	3,335.1	3,266.6	3,335.1	3,267.4
Share-related key metrics						
Income from property management, SEK/share ¹⁾	0.73	0.36	1.34	0.65	1.44	0.74
Growth in income from property management, SEK/share, %	102.1	60.6	106.1	-14.0	72.2	-21.0
Adjusted growth in income from property management, SEK/share, % ²⁾	34.6	141.2	65.7	30.4	70.3	44.1
Profit after tax, SEK/share ¹⁾	0.62	2.35	1.56	7.30	1.38	6.98
EPRA NAV, SEK/share ¹⁾	107.33	104.05	107.33	104.05	107.33	104.23
Growth in EPRA NAV, SEK/share, %	3.2	10.2	3.2	10.2	3.2	7.3
EPRA NNAV, SEK/share ¹⁾	99.05	97.02	99.05	97.02	99.05	97.04
Equity, SEK/share ¹⁾	83.42	82.03	83.42	82.03	83.42	81.85

¹⁾ The key metrics per share have been restated to take into account the 3:1 share split resolved by the AGM on 11 March 2019 and the 10,000:1 share split decided in 2018.

²⁾ Income from property management has been adjusted for non-recurring costs linked to the planned stock exchange listing. An adjustment of SEK 9.9 million (10.5) was made to income from property management for the period and an adjustment of SEK 0.0 million (6.1) for the quarter. In a corresponding manner, an adjustment of SEK 19.6 million was made for the full-year 2018. For the rolling 12 month period, an adjustment of SEK 19.0 million was made to income from property management.

Definitions of key metrics are provided on pages 24–25.

Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting together with the appropriate provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has prepared in conformity with the Annual Accounts Act and the Recommendations of the Swedish Financial Reporting Board in RFR 2 Accounting for Legal Entities. The Parent Company applies the same accounting policies as the Group with the exceptions and supplements stipulated in RFR 2.

The Group started to apply IFRS 16 Leases in 2018, which otherwise entered force on 1 January 2019 for companies with financial years beginning on or after 1 January 2019. As a result of this advance application, there are no new or amended standards that took effect on 1 January 2019 that are adjudged to have an impact on John Mattson's financial statements for 2019. For further information on the accounting policies, please refer to the Group's 2018 Annual Report, which is available on John Mattson's website.

Lidingö, 7 November 2019

Anders Nylander
Chairman of the Board

Håkan Blixt
Board member

Ulrika Danielsson
Board member

Johan Ljungberg
Board member

Christer Olofsson
Board member

Anna Sander
Board member

Significant events after the end of the period

No significant events have taken place after the end of the period.

Auditor's review report

To the Board of Directors of John Mattson Fastighetsföretagen AB (publ), Corp. Reg. No. 556802-2858

Introduction

I have reviewed the condensed interim financial information (interim report) of John Mattson Fastighetsföretagen AB (publ) as of 30 September 2019 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express a conclusion on this interim report based on my review.

Scope of review

I conducted my review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 7 November 2019

Jonas Svensson
Authorised Public Accountant

The John Mattson share

John Mattson's shares are listed on Nasdaq Stockholm, Mid Cap, with a market capitalisation of SEK 3.9 billion at 30 September.

John Mattson's share was listed on Nasdaq Stockholm, Mid Cap as of 5 June 2019. The share price in conjunction with the listing was SEK 90 and the closing price on 30 September 2019 was SEK 115.60. The lowest closing price in the quarter was SEK 109.40, recorded on 28 August. The highest closing price of SEK 119.00 was posted on 8 July.

Over the quarter, stock turnover on Nasdaq Stockholm amounted to 1,484,799 shares with a combined value of SEK 168.93 million, representing an annualised stock turnover of 17.64%. Nasdaq Stockholm accounted for 92.62% of all trading in John Mattson shares. John Mattson has one class of shares and each share entitles the holder to one vote.

Net asset value

EPRA NAV amounted to SEK 107.33 per share (104.05). EPRA NAV increased by 3.2% compared with 30 September 2018. EPRA NNNNAV amounted to SEK 3,335.1 million (3,266.6) or SEK 99.05 per share (97.03) following deductions for the estimated actual deferred tax liability.

Dividend policy

Over the long term, dividends are to amount to 50% of annual income from property management. Because John Mattson will prioritise value-creating investments in the property portfolio over the years ahead, dividends over the next few years may in the short term drop below the long-term target or may not even transpire.

Net asset value

	30 September 2019		30 September 2018		31 December 2018	
	SEK m	SEK/share ¹⁾	SEK m	SEK/share ¹⁾	SEK m	SEK/share ¹⁾
Equity according to balance sheet	2,808.6	83.42	2,762.0	82.03	2,756.0	81.85
Add back:						
Derivatives according to balance sheet	105.2	3.12	67.4	2.00	73.5	2.18
Deferred tax liability in balance sheet	699.9	20.79	673.9	20.02	679.8	20.19
EPRA NAV	3,613.7	107.33	3,503.3	104.05	3,509.3	104.23
Less:						
Derivatives according to balance sheet	-105.2	-3.12	-67.4	-2.00	-73.5	-2.18
Estimated actual deferred tax liability	-173.4	-5.15	-169.3	-5.03	-168.3	-5.00
EPRA NNNNAV	3,335.1	99.05	3,266.6	97.02	3,267.4	97.04

¹⁾ The key metrics per share have been restated to take into account the 3:1 share split resolved by the AGM on 11 March 2019 and the 10,000:1 share split decided in 2018.

Main shareholders at 30 September 2019

The following table presents the owners with a shareholding in John Mattson exceeding 3% together with other shareholders.

	No. of shares	Percentage
AB Borudan Ett	12,277,055	36.46%
Tagehus Holding AB	4,336,698	12.88%
Länsförsäkringar Fonder	3,300,368	9.80%
Första AP-fonden (AP1)	2,777,777	8.25%
Carnegie Fonder	2,000,000	5.94%
Prior & Nilsson Fonder	1,653,419	4.91%
Fidelity Investments (FMR)	1,248,200	3.71%
Other shareholders	7,324,715	18.05%
Of which, foreign shareholders	2,244,882	6.70%

Source: Euroclear/Modular Finance

Share-related key metrics

	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Income from property management, SEK/share ¹⁾	1.34	0.65	0.74
Growth in income from property management, SEK/share, %	106.1	-14.0	-21.0
Adjusted growth in income from property management, SEK/share, % ²⁾	65.7	30.4	44.1
Profit after tax, SEK/share ¹⁾	1.56	7.30	6.98
EPRA NAV, SEK/share ¹⁾	107.33	104.05	104.23
Growth in EPRA NAV, SEK/share, %	3.2	10.2	7.3
EPRA NNAV, SEK/share ¹⁾	99.05	97.02	97.04
Equity, SEK/share ¹⁾	83.42	82.03	81.85
Market capitalisation (SEK/share)/EPRA NAV, SEK/share, %	107.7	-	-

¹⁾ The key metrics per share have been restated to take into account the 3:1 share split resolved by the AGM on 11 March 2019 and the 10,000:1 share split decided in 2018.

²⁾ An adjustment of SEK 9.9 million (10.5) was made to income from property management for the period and a corresponding adjustment of SEK 19.6 million for the full-year 2018.

Development of share capital

Year	Event	Changes in no. of shares	Total no. of shares	Change in share capital (SEK)	Share capital (SEK)	Quotient value (SEK)
2010	Founded	1,000	1,000	100,000	100,000	100
2011	Bonus issue	-	1,000	9,900,000	10,000,000	10,000
2018	Share split 10,000:1	9,999,000	10,000,000	-	10,000,000	1
2018	New share issue	1,223,344	11,223,344	1,223,344	11,223,344	1
2019	Share split 3:1	22,446,688	33,670,032	-	11,223,344	0.33

Definitions

John Mattson Fastighetsföretagen AB applies the European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures (APMs). Under these Guidelines, an APM is a financial measure of historic or projected earnings trends, financial position, financial performance or cash flows that are neither defined nor specified in applicable rules for financial reporting, such as IFRS and the Swedish Annual Accounts Act.

Key metrics	Definition	Objective
EPRA NNAV, SEK/share	EPRA NAV (European Public Real Estate Association (EPRA) net asset value (NAV)) excluding interest-rate derivatives and estimated actual tax liability at the end of the period divided by shares outstanding on the balance sheet date.	Used to illustrate John Mattson's current net asset value per share in a manner compatible with other listed companies.
EPRA NNAV, SEK m	EPRA NAV excluding interest-rate derivatives and estimated actual tax liability at the end of the period.	An established metric for the Group's net asset value that facilitates analyses and comparison.
LTV ratio at the end of the period, %	Interest-bearing liabilities less cash and cash equivalents as a percentage of the carrying amount for the properties at the end of the period.	Used to illustrate John Mattson's financial risk and shows how large a share of the operations is mortgaged with interest-bearing liabilities. This metric facilitates comparability with other property companies.
Equity, SEK/share	Recognised equity divided by the number of shares outstanding on the balance-sheet date.	This metric shows how large a share of John Mattson's recognised shareholders' equity that each share represents.
Economic occupancy rate at the end of the period, %	Annualised contracted rents in relation to contracted rents plus annualised discounts and vacancies at the end of the period.	This metric facilitates assessment of John Mattson's efficiency at using the floor area in its investment properties.
Property expenses, SEK m	This item includes direct property expenses, such as costs for operations, maintenance and property taxes, as well as indirect property expenses in the form of lettings and property administration.	Not an alternative performance measure.
Property value, at the end of the period, SEK/sq m	The fair value of properties excluding ongoing projects divided by lettable area for properties owned at the end of the period.	Used to illustrate John Mattson's average property value per sq m.
Income from property management, SEK m	Profit excluding value changes and tax.	This metric facilitates increased understanding of John Mattson's profit generation.
Income from property management, SEK/share	Earnings excluding value changes and tax divided by the average number of shares outstanding during the period.	This metric facilitates increased understanding of the trend in income from property management taking shares outstanding into account.
Average economic occupancy rate, %	Rental revenue for the period in relation to the period's gross rents.	This metric is used to measure John Mattson's efficiency during the period at using the floor area in its investment properties.
Average economic occupancy rate, apartments, %	Residential rental revenue for the period in relation to gross rents during the period.	This metric is used to measure John Mattson's efficiency during the period at using the residential floor area in its investment properties.
Average interest rate at the end of the period, %	Weighted average contractual interest rate for all credits in the debt portfolio, including interest-rate derivatives.	Used to illustrate John Mattson's financial risk.

Rental value, apartments, at the end of the period, SEK/sq m	Annualised contractual residential floor area plus the value of vacancies and discounts at period-end divided by lettable residential floor area for properties owned at the end of the period.	Used to illustrate John Mattson's revenue potential in respect of housing, per square metre.
Rental value at the end of the period, SEK m	Annualised contractual rent plus the annualised value of vacancies and discounts at the end of the period.	Used to illustrate John Mattson's revenue potential.
Contract value at the end of the period, SEK m	This item pertains to contracted annual rents for properties owned at the end of the period.	Not an alternative performance measure.
EPRA NAV, SEK m	Recognised equity, adding back interest-rate derivatives and deferred tax. EPRA NAV is a metric that has been defined by the European Public Real Estate Association.	An established metric for the Group's net asset value that facilitates analyses and comparison.
EPRA NAV, SEK/share	Recognised equity, adding back interest-rate derivatives and deferred tax, and divided by the number of shares outstanding on the balance-sheet date.	Used to illustrate John Mattson's long-term net asset value per share in a manner compatible with other listed companies.
Net interest-bearing liabilities at the end of the period, SEK m	Interest-bearing liabilities less cash and cash equivalents at the end of the period.	Used to illustrate John Mattson's level of debt.
Interest coverage ratio during the period, multiple	Earnings before value changes with the addition of interest expenses in relation to interest expenses.	This metric is used to illustrate how sensitive John Mattson's earnings are to changes in interest rates; i.e. it shows how many times the company could pay the interest it incurs using profit from business operations.
Surplus ratio, %	Net operating income for the period as a percentage of recognised rental revenues.	Used to illustrate the proportion of John Mattson's revenue that remains after deducting property expenses. This metric is an efficiency ratio that is comparable over time and also between property companies.

Reconciliation tables

EPRA NNNNAV, SEK/share		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	EPRA NNNNAV at the end of the period, SEK m	3,335.1	3,266.6	3,335.1	3,266.6	3,335.1	3,267.4
B	Number of shares outstanding at the end of the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	EPRA NNNNAV, SEK/share	99.05	97.02	99.05	97.02	99.05	97.04

LTV ratio at the end of the period, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Interest-bearing debt at the end of the period according to balance sheet, SEK m	2,578.8	2,455.1	2,578.8	2,455.1	2,578.8	2,479.4
B	Cash and cash equivalents at the end of the period according to balance sheet, SEK m	11.3	50.4	11.3	50.4	11.3	2.8
C	Investment properties according to balance sheet at the end of the period, SEK m	6,228.8	5,977.7	6,228.8	5,977.7	6,228.8	6,039.5
(A-B)/C	LTV ratio at the end of the period, %	41.2	40.2	41.2	40.2	41.2	41.0

Equity, SEK/share		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Equity according to balance sheet at the end of the period, SEK m	2,808.6	2,762.0	2,808.6	2,762.0	2,808.6	2,756.0
B	Number of shares outstanding at the end of the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	Equity, SEK/share	83.42	82.03	83.42	82.03	83.42	81.85

Economic occupancy rate at the end of the period, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Annualised contract value at the end of the period, SEK m	259.7	243.0	259.7	243.0	259.7	248.5
B	Annualised vacancy value at the end of the period, SEK m	12.5	11.5	12.5	11.5	12.5	8.9
A/(A+B)	Economic occupancy rate during the period, %	95.4	95.5	95.4	95.5	95.4	96.5

Property value, at the end of the period, SEK/sq m		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Investment properties according to balance sheet at the end of the period, SEK m	6,228.8	5,977.7	6,228.8	5,977.7	6,228.8	6,039.5
B	Carrying amount of ongoing projects at the end of the period, SEK m	0.0	42.9	0.0	42.9	0.0	65.3
C	Lettable area at the end of the period, thousand sq m	171.5	169.1	171.5	169.1	171.5	169.1
(A-B)/C	Property value, at the end of the period, SEK/sq m	36,328	35,106	36,328	35,106	36,328	35,339

Income from property management, SEK/share		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Income from property management during the period, SEK m	24.7	12.2	45.2	20.4	48.6	23.7
B	Average number of shares outstanding during the period, thousand	33,670	33,670	33,670	31,250	33,670	31,860
A/B	Income from property management, SEK/share	0.73	0.36	1.34	0.65	1.44	0.74

Income from property management, SEK m		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Profit for the period	20.8	79.1	52.5	228.3	46.6	222.3
B	Current and deferred tax	5.0	20.0	20.5	5.2	26.4	11.1
C	Change in value of investment properties and interest-rate derivatives	1.1	86.9	27.8	213.2	24.4	209.7
A+B-C	Income from property management, SEK m	24.7	12.2	45.2	20.4	48.6	23.7

Average economic occupancy rate, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Rental revenues during the period, SEK m	63.2	60.5	188.2	156.9	249.5	218.3
B	Gross rent during the period, SEK m	66.6	62.6	196.8	160.9	260.4	224.4
A/B	Average economic occupancy rate, %	94.9	96.7	95.6	97.5	95.8	97.3

Average economic occupancy rate, apartments, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Rental revenues during the period, apartments, SEK m	54.2	50.9	159.9	130.6	212.3	183.0
B	Gross rent during the period, apartments, SEK m	55.9	52.2	165.0	133.2	218.6	186.7
A/B	Average economic occupancy rate, apartments, %	97.0	97.5	96.9	98.1	97.1	98.0

Average interest rate at the end of the period, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Annualised interest expense at the end of the period, SEK m	48.5	45.3	48.5	45.3	48.5	46.6
B	Interest-bearing debt at the end of the period, SEK m	2,578.8	2,455.1	2,578.8	2,455.1	2,578.8	2,479.4
A/B	Average interest rate at the end of the period, %	1.9	1.8	1.9	1.8	1.9	1.9

Rental value at the end of the period, SEK m		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Annualised contract value at the end of the period, SEK m	259.7	243.0	259.7	243.0	259.7	248.5
B	Annualised vacancy value at the end of the period, SEK m	12.5	11.5	12.5	11.5	12.5	8.9
A+B	Rental value at the end of the period, SEK m	272.3	254.5	272.3	254.5	272.3	257.4

Rental value, apartments, at the end of the period, SEK/sq m		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Annualised contract value, apartments, at the end of the period, SEK m	222.3	208.5	222.3	208.5	222.3	213.5
B	Annualised vacancy value, apartments, at the end of the period, SEK m	7.0	6.5	7.0	6.5	7.0	3.7
C	Lettable area of apartments at the end of the period, thousand sq m	156.3	153.7	156.3	153.7	156.3	154.0
(A+B)/C	Rental value, apartments, at the end of the period, SEK/sq m	1,468	1,399	1,468	1,399	1,468	1,411

Adjusted income from property management, SEK/share		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Income from property management during the period, SEK m	24.7	12.2	45.2	20.4	48.6	23.7
B	Non-recurring costs pertaining to listing, SEK m	0.0	6.1	9.9	10.5	19.0	19.6
C	Average number of shares outstanding during the period, thousand	33,670	33,670	33,670	31,250	33,670	31,860
(A+B)/C	Adjusted income from property management, SEK/share, for the period	0.73	0.54	1.64	0.99	2.01	1.36

Adjusted growth in income from property management, SEK/share, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Adjusted income from property management, SEK/share during the period	0.73	0.54	1.64	0.99	2.01	1.36
B	Income from property management, SEK/share during the preceding period	0.54	0.23	0.99	0.76	1.18	0.94
A/B-1	Adjusted growth in income from property management, SEK/share, %	34.6	141.2	65.7	30.4	70.3	44.1

EPRA NAV, SEK/share		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	EPRA NAV at the end of the period, SEK m	3,613.7	3,503.3	3,613.7	3,503.3	3,613.7	3,509.3
B	Number of shares outstanding at the end of the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	EPRA NAV, SEK/share	107.33	104.05	107.33	104.05	107.33	104.23

EPRA NAV and EPRA NNAV, SEK m		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Equity according to balance sheet at the end of the period, SEK m	2,808.6	2,762.0	2,808.6	2,762.0	2,808.6	2,756.0
B	Derivatives according to the balance sheet at the end of the period, SEK m	105.2	67.4	105.2	67.4	105.2	73.5
C	Deferred tax liabilities according to the balance sheet at the end of the period, SEK m	699.9	673.9	699.9	673.9	699.9	679.8
A+B+C=D	EPRA NAV, SEK m	3,613.7	3,503.3	3,613.7	3,503.3	3,613.7	3,509.3
B	Derivatives according to the balance sheet at the end of the period, SEK m	-105.2	-67.4	-105.2	-67.4	-105.2	-73.5
E	Estimated actual deferred tax liability at the end of the period, SEK m	-173.4	-169.3	-173.4	-169.3	-173.4	-168.3
D-B-E	EPRA NNAV, SEK m	3,335.1	3,266.6	3,335.1	3,266.6	3,335.1	3,267.4

Net interest-bearing liabilities at the end of the period, SEK m		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Annualised interest-bearing liabilities at the end of the period, SEK m	2,578.8	2,455.1	2,578.8	2,455.1	2,578.8	2,479.4
B	Cash and cash equivalents at the end of the period, SEK m	11.3	50.4	11.3	50.4	11.3	2.8
A-B	Net interest-bearing liabilities at the end of the period, SEK m	2,567.5	2,404.7	2,567.5	2,404.7	2,567.5	2,476.6

Interest coverage ratio during the period, multiple		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Income from property management during the period according to income statement, SEK m	24.7	12.2	45.2	20.4	48.6	23.7
B	Financial expense during the period, SEK m	12.6	11.4	37.0	31.3	44.0	42.1
(A-B)/B	Interest coverage ratio during the period, multiple	3.0	2.1	2.2	1.7	2.1	1.6

Growth in income from property management, SEK/share, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Income from property management, SEK/share during the period	0.73	0.36	1.34	0.65	1.44	0.74
B	Income from property management, SEK/share during the preceding period	0.36	0.23	0.65	0.76	0.84	0.94
A/B-1	Growth in income from property management, SEK/share, %	102.1	60.6	106.1	-14.0	72.2	-21.0

Growth in EPRA NAV, SEK/share, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	EPRA NAV at the end of the period, SEK/share	107.33	104.05	107.33	104.05	107.33	104.23
B	EPRA NAV at the end of preceding 12-month period, SEK/share	104.05	94.43	104.05	94.43	104.05	97.09
A/B-1	Growth in EPRA NAV, SEK/share, %	3.2	10.2	3.2	10.2	3.2	7.3

Surplus ratio during the period, %		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Rolling 12 months Oct 2018-Sep 2019	Jan-Dec 2018
A	Net operating income during the period according to income statement, SEK m	43.8	33.3	112.6	75.8	140.0	103.2
B	Rental revenues during the period according to income statement	63.2	60.5	188.2	156.9	249.5	218.3
A/B	Surplus ratio during the period, %	69.2	55.1	59.8	48.3	56.1	47.3

Contact information, calendar

Financial calendar

Year-end report 2019: 19 February 2020
2020 Annual General Meeting 21 April 2020
Interim Report January–March 2020: 7 May 2020

Information

You can download and subscribe to press releases and interim reports on John Mattson's website.
www.johnmattson.se

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