

A smiling man with glasses and a beard is carrying two children on his shoulders. A baby in a white hoodie is on his left shoulder, and a young child in a grey hoodie is on his right shoulder. They are outdoors in front of a white picket fence and trees.

Growth with responsibility

JOHN MATTSON
FASTIGHETSFÖRETAGEN AB (PUBL)
2021 ANNUAL REPORT

JohnMattson

Great neighbourhoods across generations

Content

INTRODUCTION		FINANCIAL INFORMATION	43
About John Mattson	1	Comments from the Chairman	44
2021 in brief	2	Administration Report	45
Comments from the CEO	3	Multi-year review	48
STRATEGY		Appropriation of profits	49
John Mattson creating value	5	Corporate governance report	50
Goals and strategies	6	Board of Directors	54
Market review	8	Management	55
Property management	11	FINANCIAL STATEMENTS	
Adding value	13	AND NOTES	56
Infill development	15	Consolidated financial statements	57
Acquisitions	17	Notes to the consolidated financial statements	61
Our areas and properties	19	Parent Company financial statements	76
Development projects	25	Parent Company notes	79
SUSTAINABILITY	29	Assurance of the Board	82
OPPORTUNITIES AND RISKS	38	Auditor's report	83
THE SHARE	41	Property list	86
		Reconciliation tables	89
		Definitions	91

About this report

John Mattson reports the Group's financial and non-financial information together in one report. The statutory annual report includes the administration report and financial statements on pages 45–82.

This annual report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

Great neighbourhoods across generations

John Mattson is a residential property company with operations in the Stockholm region. We now own over 4,400 rental apartments as well as commercial premises in five municipalities of Stockholm: Lidingö, Sollentuna, Stockholm, Nacka and Upplands Väsby. As of 31 December 2021, the property value was SEK 15.9 billion.

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. Our vision is to create great neighbourhoods across generations. This means we make daily life easier for everyone through a holistic management perspective and close tenant contact, as well as by developing dynamic, safe and attractive neighbourhoods and local communities.

John Mattson's share is listed under the symbol JOMA on Nasdaq Stockholm, Mid Cap.

John Mattson designs neighbourhoods to meet the needs of motorists, pedestrians and cyclists.

5

municipalities in
Stockholm

15.9

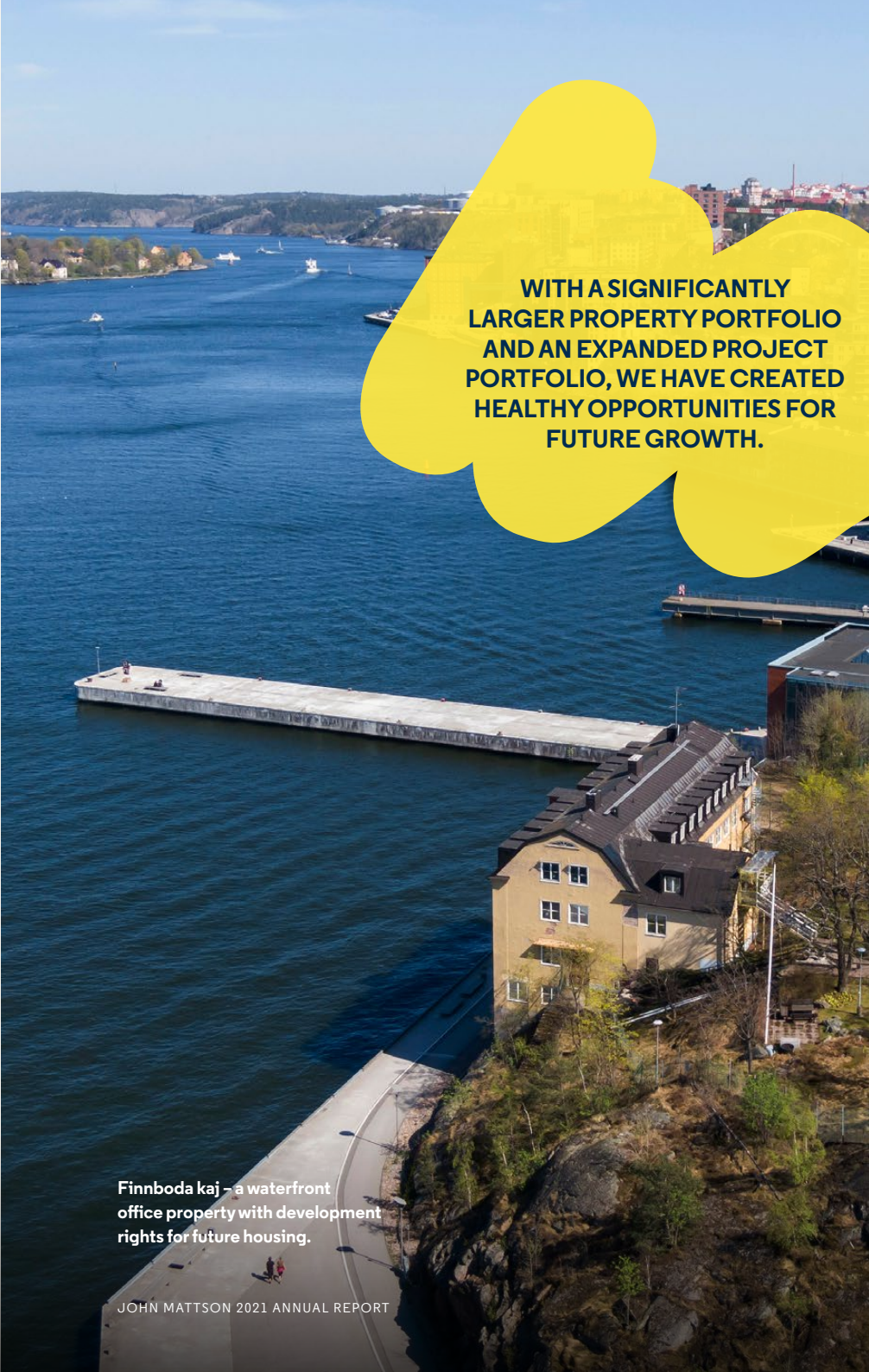
Billion kronor
in property value

55

year history

4.414

apartments



**WITH A SIGNIFICANTLY
LARGER PROPERTY PORTFOLIO
AND AN EXPANDED PROJECT
PORTFOLIO, WE HAVE CREATED
HEALTHY OPPORTUNITIES FOR
FUTURE GROWTH.**

2021 in brief

- Acquisition and transfer of properties valued at SEK 5,270 million through the acquisition of 97.15% of the shares in Hefab Fastighets AB (Hefab) and 99.95% of the shares in Efib Aktiebolag (Efib).
- Acquisition and transfer of 456 apartments together with commercial premises in Häggvik and Tureberg in the municipality of Sollentuna at an underlying property value of SEK 902 million.
- Acquisition and transfer of the office property in Finnboda in Nacka Municipality of 1,400 square metres of lettable area together with development rights for housing.
- Acquisition and transfer of housing project with 73 rental apartments in Vilunda in Upplands Väsby Municipality.
- Receipt of a land allocation in Slakthusområdet in a block where John Mattson already owns properties. Detailed development plan ongoing for new construction of a total of 100 homes.
- An agreement was signed to acquire three properties at Gullmarsplan in the City of Stockholm with an underlying property value of SEK 670 million. Possession was transferred on 1 February 2022.
- The company's CEO Siv Malmgren notified her intent to retire and Per Nilsson was recruited as the new CEO.

KEY METRICS	2021	2020
Rental revenues, SEK m	407.9	294.0
Net operating income, SEK m	249.8	196.0
Income from property management, SEK m	103.1	94.7
Income from property management, SEK/share	2.98	2.81
Growth in income from property management, SEK/share, %	6.0	45.8
Profit after tax, SEK/share	38.21	14.22
Property value at the end of the period, SEK m	15,894.5	7,958
Economic occupancy rate at the end of the period, %	95.6	94.5
LTV ratio at the end of the period, %	58.0	44.7
Interest coverage ratio, multiple	2.2	2.6
NAV, SEK/share	175.90	129.25
Growth in NAV, SEK/share, %	36.1	16.4
NNNAV, SEK/share	158.54	119.01

Finnboda kaj – a waterfront office property with development rights for future housing.

A year of strong growth

Successful acquisitions and diligent integration contributed to John Mattson's healthy growth in 2021 and the company is well-equipped for the future. The company continues to create value through property management, adding value, densification and acquisitions.

Successful year
John Mattson delivered a fantastic performance for 2021. In line with our growth strategy, the company established itself in several attractive areas in the Stockholm region. With a significantly larger property portfolio and an expanded project portfolio, we have created healthy opportunities for future growth.

At the end of 2021, property value increased to SEK 15.9 billion, nearly double the previous year. This means that by the end of 2021, we reached our goal for the Group's property value to amount to at least SEK 10 billion by the end of 2023.

As a new CEO, it is also gratifying to note that the company increased income from property management and net asset value through successful acquisitions and diligent integration. Income from property management per share increased 14% in 2021, adjusted for non-recurring costs for the year, and the net asset value grew 36%.

Sincere thanks to all of our employees who made 2021 a successful year for John Mattson!

Acquisitions totalling SEK 7 billion

During the year, John Mattson completed acquisitions representing a total property value of SEK 7 billion. The acquisition of Hefab Fastighets AB (Hefab) and Efib Aktiebolag (Efib) was the largest and encompassed almost 40 properties and some 100,000 square metres of lettable area, of which 75% is residential. The acquisition has given John Mattson even greater exposure to an increased number of submarkets in Stockholm. The acquired properties, primarily located in the west, centre and south of Stockholm, are a good fit with John Mattson's property portfolio since, prior to the acquisition, the company's properties were focussed in the north and east of Stockholm. The acquisition also adds project opportunities in the form of ongoing projects, development rights and future project opportunities as well as significantly increases the company's property portfolio, thereby strengthening our preconditions for developing the company going forward.

John Mattson is now well-positioned for the next step in the company's development



Project development is a prioritised area for carrying out continued growth in management and acquisitions.

In the municipality of Sollentuna, John Mattson's property portfolio doubled during the year and now comprises the company's second largest property management area, thus creating the prerequisites for more efficient management. In October 2021, possession was taken of the newly acquired apartments and commercial premises in Häggvik and Tureberg in the Municipality of Sollentuna.

It was also gratifying to establish operations in, for John Mattson, new municipalities during the year. The acquisitions of a property with development rights in Finnboda and a housing project in Vilunda means we are now established in Nacka and Upplands Väsby. Moreover, the land allocation in Slakthusområdet and the acquisition of three properties in Gullmarsplan increased our presence in the expansive Söderstaden, where John Mattson already owned leaseholds in Slakthusområdet and residences in Johanneshov. We look forward to developing Söderstaden together with the City of Stockholm and other property owners.

Possession was taken of the three Gullmarsplan properties on 1 February 2022, and accordingly, these are not included in this report.

Well-positioned for the next step

John Mattson is now well-positioned for continued development. The size of the property portfolio means that we have good preconditions to become a more efficient organisation. We are now building a scalable property management organisation with standardised and efficient procedures that enable continued growth by integrating Hefab with our geographically focussed property manage-

ment areas. The acquisition of Hefab also increases our project development potential. The project portfolio was expanded with ongoing projects, development rights and future development opportunities.

Continued growth

John Mattson continues to create value through its four strategic cornerstones: management, adding value, densification and acquisitions with growth focus in the Stockholm region. In 2021, we continued to successfully upgrade apartments, which increases their underlying value. A total of 179 base upgrades and 160 total upgrades were carried out during the year – the highest number of total upgrades to date. John Mattson's target is to totally upgrade at least 100 apartments a year.

The ambition is to streamline our way of working through increased digitalisation and developing our service offering, which simplifies daily life for our tenants.

The net operating income margin varies across our portfolio, both based on market conditions in the different geographic locations where we have properties and on how long we have owned the properties. The company's business model entails acquiring investment properties with development potential where our active management can strengthen net operating income over time. It is worth noting that the Lidingö property management areas, which has been managed by John Mattson for many years, has a margin of 65%, whereas the newly acquired North Stockholm property management area has a net operating income margin of 36%.

Project development is a prioritised area for carrying out continued growth in management and acquisitions. The first step is to expand the development right portfolio and develop our organisation to manage an increased project volume. Here we can

capitalise on our expertise and long experience in management when designing new, attractive and sustainable homes for efficient management.

Acquisitions remain part of our growth strategy. We will continue to evaluate acquisitions of investment properties with development potential in attractive market locations in the Stockholm region.

Next step in sustainability

Sustainability is important for John Mattson and is integrated into our business model. The company takes an overall approach toward working with buildings as well as outdoor areas to create safe, attractive and sustainable neighbourhoods and local communities. We have developed a successful way of working where, together with municipalities and other players, we work with safety issues to make our areas more attractive. Our work generates value and John Mattson is a long-term, reliable organisation in social sustainability. We will continue this work to make our areas even more attractive.

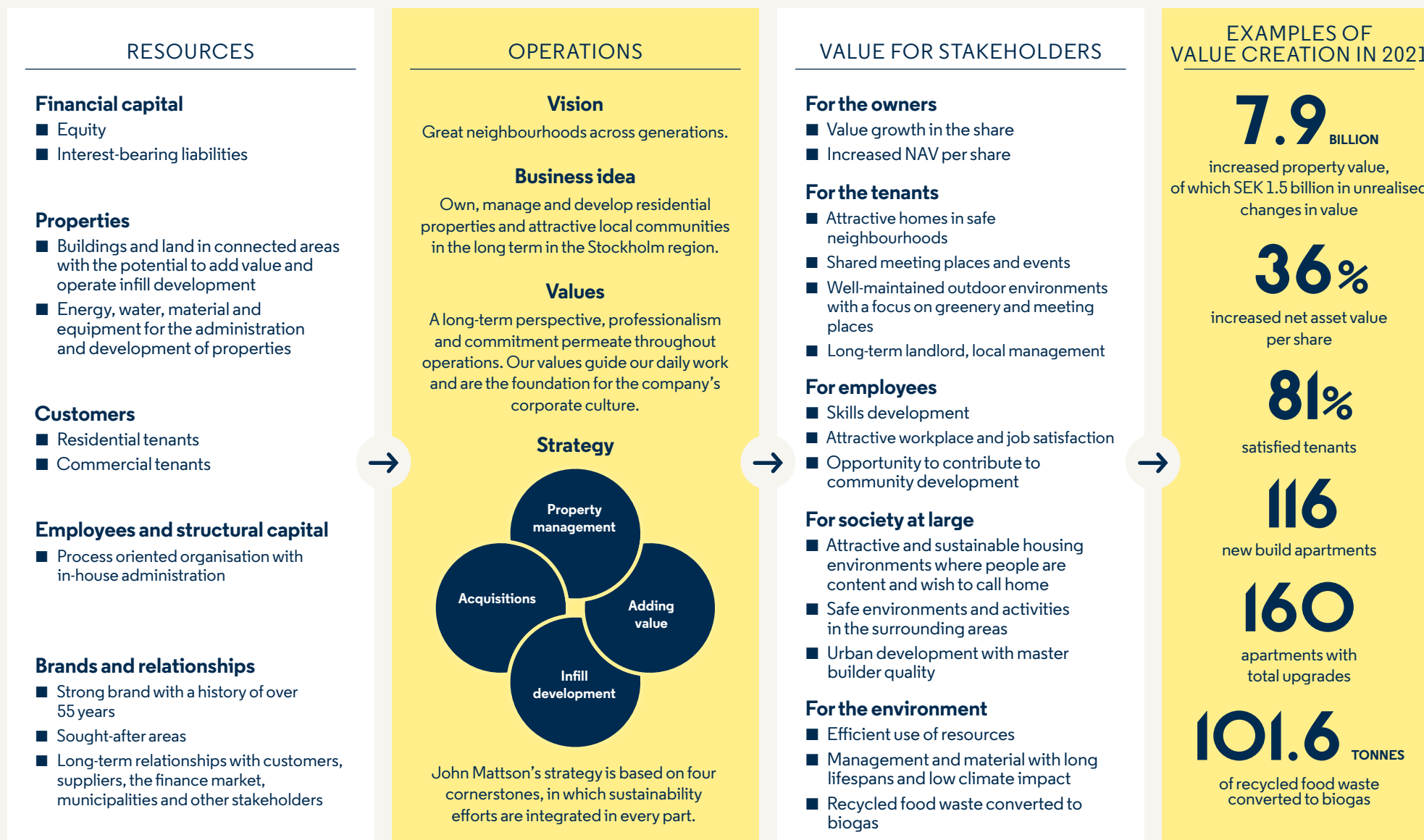
Now we're taking the next step in sustainability by strengthening our environmental sustainability. In 2022, we will establish science-based emissions targets and strengthen the organisation to meet these targets.

John Mattson is well equipped for the future and I look forward very much to working together with my colleagues and the Board to take the next step in the company's development.

Per Nilsson, CEO

JOHN MATTSON FASTIGHETSFÖRETAGEN AB

Our model for long-term value creation



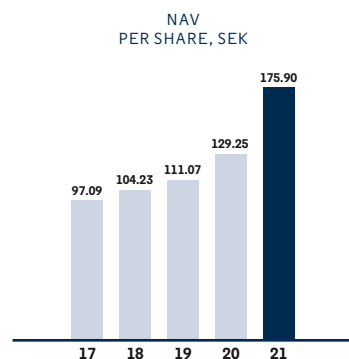
Strategic targets

In 2021, income from property management per share increased 6%, and after adjustment for non-recurring costs rose 14%. Net asset value in SEK per share increased 36%. The property value totalled SEK 15.9 billion at the end of the year.

Financial targets

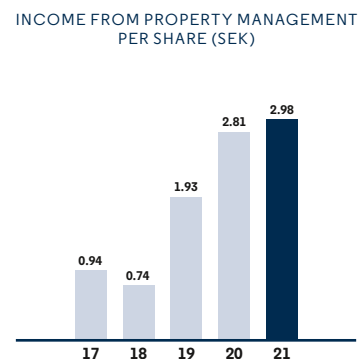
An average annual growth in NAV per share of not less than **10%**, including distributions to shareholders, over a business cycle.

In 2021, growth in net asset value amounted to 36.1% per share.



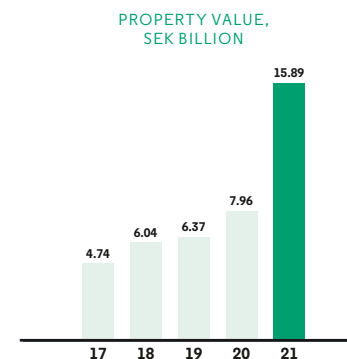
An average annual growth in income from property management per share of not less than **10%** over a business cycle.

In 2021, growth in income from property management amounted to 6.0% per share.



The value of the Group's property holdings is to total at least **SEK 10 billion by 2023**.

At the end of the year, the property value was SEK 15.9 billion, which means the financial target has been reached.



Financial risk mitigation – John Mattson aims for low financial risk. 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.

Dividend policy – Over the long term, dividends are to amount to 50% of annual income from property management. John Mattson will prioritise value-creating investments over the forthcoming years, which means that dividends may drop below 50% of income from property management or may not even transpire.

Operational targets

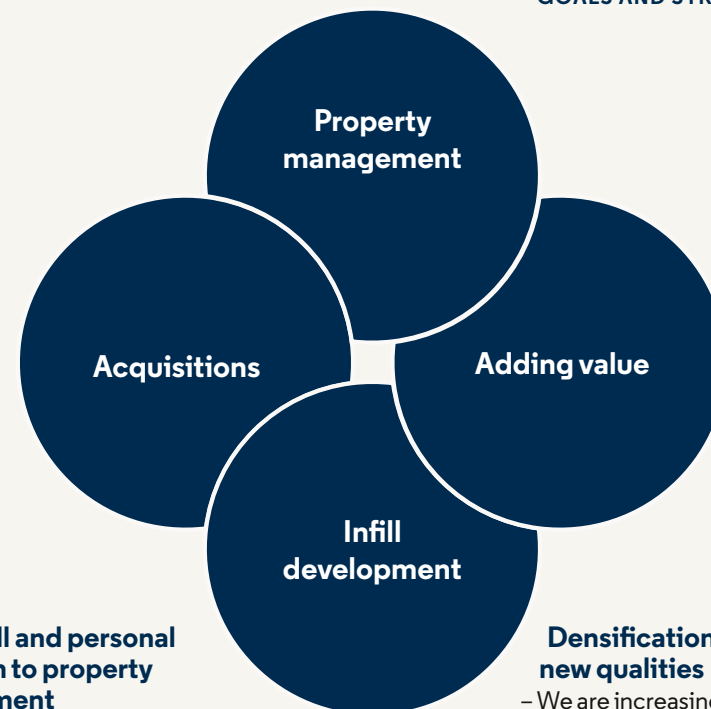
- Satisfied tenants, service and product index: to outperform the sector average
- Safe neighbourhoods as assessed by residents: to outperform the sector average for comparable properties
- Committed employees and efficient organisation: in the upper quartile in relation to comparable companies

Sustainability targets

- Set climate targets in accordance with the Science Based Targets initiative
- Develop the Outdoor Areas concept in all areas
- Increase the share of sustainable financing

Strategies for long-term value creation

John Mattson's strategy is based on four cornerstones: Property management, Adding value, Infill development and Acquisitions. A long-term strategy permeates our operations and sustainability efforts are integrated in every part.



An overall and personal approach to property 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. Efficient operations and management optimise the use of resources and ensure low costs.

[READ MORE ON PAGES 11–12](#)

Adding value with sustainable quality

– We add value to our buildings by upgrading, extending and converting space to housing or commercial businesses. We have a well-established two-step model for upgrades. All upgrades take place in dialogue with the tenants and adjusted rent levels are negotiated with Hyresgästföreningen (Swedish Union of Tenants).

[READ MORE ON PAGES 13–14](#)

Densification to add new qualities

– We are increasing the housing density of our own land or adjacent to existing properties, often on already paved land. In this way, we are expanding the range of apartments and meeting the tenants' various needs. The local community is being provided with new attributes, and diversity and variation is increasing, contributing to great neighbourhoods.

[READ MORE ON PAGES 15–16](#)

Acquisitions with a long-term approach

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

[READ MORE ON PAGES 17–18](#)

Efficient operations and management optimise the use of resources, residential facilities and ensure low costs.



Rental properties stand firm in a turbulent world

John Mattson's property portfolio is concentrated to the growth region of Stockholm. Demand for rental properties is considerable throughout the Stockholm region.

Rental apartments are a highly popular form of housing and are key to a functioning housing market.



Rental apartments make moving possible for those who want flexibility or who are unable to purchase a home.

John Mattson's primary market is in the Stockholm region. The company has properties in five municipalities of Stockholm: Lidingö, Sollentuna, Stockholm, Nacka and Upplands Väsby. The ambition is to continue growing in these municipalities and in other growth municipalities in regions where there is a political will to grow.

Stockholm's housing shortage continues to increase

In 2021, following the impact of the pandemic in 2020, the world made a remarkable recovery from the worst economic downturn since the 1930s. However, the strong economic recovery predicted in the summer of 2021, following the roll-out of vaccines, stumbled slightly in the autumn/winter with the spread of the omicron virus and subsequent increase in infection. At the same time, inflation accelerated for the first time in decades. In December 2021, inflation in Sweden reached 4.1%, the highest level for 28 years. Economic experts differ on whether these price increases are of a more transitory or permanent nature. Price increases also affect the property sector when prices increase for energy and raw materials, for example.

The Stockholm region is also experiencing an economic upturn, but the renewed spread of the disease applied the brakes here too. In 2021, the region experienced a small outward migration, but this had a negligible effect on the housing situation. The Stockholm region, which comprises 26 munici-

palities, has had a long-standing housing shortage. The 2021 housing survey found housing shortages in all municipalities in the region. According to the survey, construction starts were expected for 21,300 housing units in 2021 and 26,000 units in 2022. Slightly more than 40% of these comprise rental housing and the remainder being tenant-owner apartments and houses. To date, the coronavirus pandemic does not seem to have had significant impact on housing construction, but some municipalities have noted increased demand for houses and holiday homes.

Rental properties crucial for the housing market

John Mattson believes in rental properties. These provide a flexible and comfortable form of housing and are a crucial element in a functioning housing market. The tenant does not need to tie up capital in the home and receives a high level of service since the landlord is responsible for management and maintenance. This means that many households prioritise rental properties as their main alternative for meeting their need for appropriate accommodation.

Rentals are important, not least for younger people who are stepping on to the property ladder. John Mattson can offer rental properties of different price classes in its areas. As such, the company wishes to meet the various needs of tenants and demand in each housing area, which is important for goals such as avoiding segregated housing areas. In Larsberg in

Lidingö, for example, John Mattson has typical rent levels from SEK 1,265 to SEK 2,363 per square metre per year.

Strong demand for rental properties in the Stockholm region

Rent levels for rental properties are regulated by the utility value system. This means that the rent level is based on the apartment's standard and quality – not the location. The rent regulation normally results in rent levels that are typically lower than the expected market rents, particularly for older rental properties. This contributes to limited activity in the older portfolio through lock-in effects and entry barriers. This can be noted in, for example, longer queue times that affect younger households that rarely have the queue time required to obtain a first-hand contract for an apartment in the Stockholm region. Newly built rental properties, with higher rent levels but shorter queuing times, can in certain cases make it easier for these households to enter the housing market. Other effects of rent regulation include the large black market that has emerged for rental properties. This is a problem that John Mattson takes seriously and implements measures to prevent. For more information, see pages 11 and 32.

The demand for rental properties remains very high in the Stockholm region. Statistics from the Stockholm Housing Agency show that slightly more than 19,000 apartments were brokered in 2021, up 7% on 2020. At the same time, queue numbers grew, which is in line with the trend of the last few years. On 31 December 2021, approximately 737,000 people were in the Stockholm Housing Agency's queue. However, not all of these are seeking actively. The average queue

time to obtain a property was just over nine years. The difference between various parts of the region remains substantial. The queue time for existing rental housing in Södermalm is more than 20 years, whereas a new build apartment in Märsta in Sigtuna municipality can be arranged almost immediately according to statistics from the Stockholm Housing Agency. Queue times are generally long in the five municipalities where John Mattson operates.

Transaction market posts new records

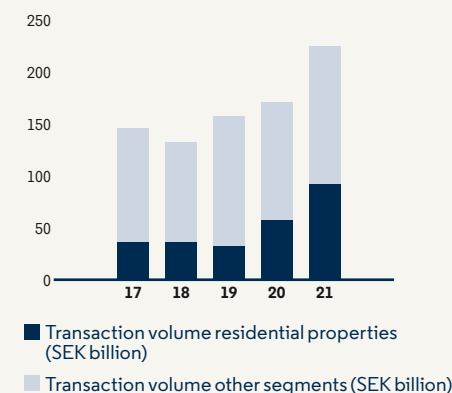
Activity in the Swedish commercial property market remained high in 2021, despite the coronavirus pandemic. Overall, transactions with a total volume of SEK 224 billion were completed, which makes it a record year and was higher than for 2020, when

the volume amounted to around SEK 170 billion. Demand for residential properties remained healthy in 2021, with transactions corresponding to about SEK 92 billion. The housing segment also comprised 41% the total transaction volume. The transaction volume for residential properties in the Stockholm region amounted to SEK 22 billion in 2021, compared with SEK 17 billion in 2020. John Mattson completed acquisitions with a property value of SEK 7 billion in 2021.

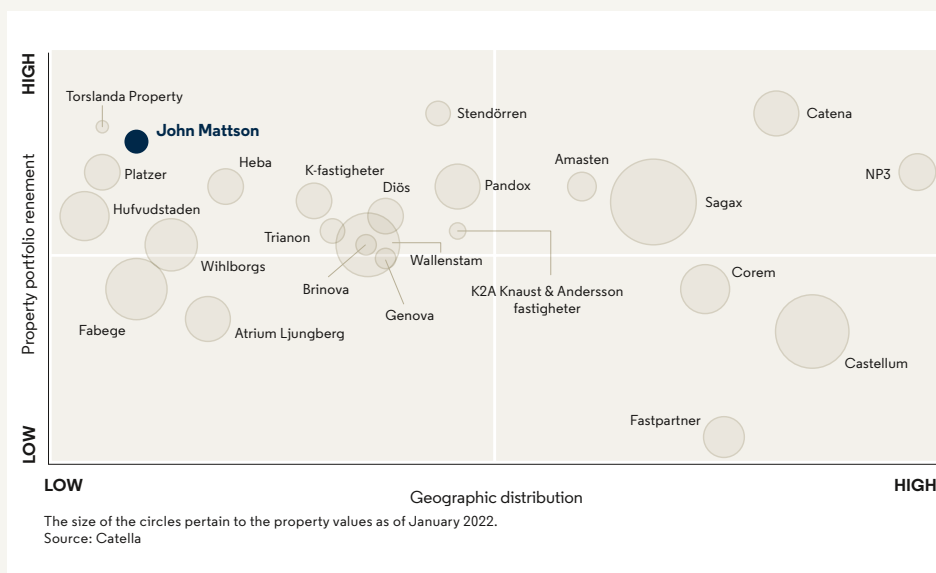
A strong transaction market for residential properties means that competition for the acquisition of existing property portfolios with potential for development and infill development is fierce. John Mattson's competitors for acquisitions primarily comprise other listed property companies and private companies with institutional owners.

Foreign property companies are also active in the Swedish rental property market. John Mattson is competing for the acquisition of development rights for new production with municipal and private property companies. □

TRANSACTION VOLUME



John Mattson's positioning among listed property companies



High concentration and low risk in the property portfolio

John Mattson's property portfolio grew in 2021 and the company now operates in several municipalities in the Stockholm region concentrated into four geographic areas: Lidingö, North Stockholm, City/Bromma and South Stockholm/Nacka. Rental properties make up 82% of the property portfolio. The properties are located close to public transportation by rail and green areas. At the same time, this provides a low risk in the property portfolio, despite a high level of concentration.



John Mattson takes clear responsibility for managing the big picture, where order prevails from when tenants sign a contract to when they move out.

Management with a focus on proximity, safety and sustainability

With long-term and professional management, John Mattson is creating attractive and safe residential areas. We apply an overall approach taking responsibility for the buildings and activity in the outdoor areas.

John Mattson's long-term property management perspective is based on the company's vision: to create great neighbourhoods across generations. Our homes and premises are constructed to be sustainable, functional and attractive over time, which is what we call master builder quality – something we inherited from master builder John Mattson, who started the company in 1965. Property is managed independently and we are physically present in the residential areas where we own properties. This is how our skilled employees can meet our tenants every day. Our property technicians oversee the areas and ensure that it is clean, tidy and safe in and around the buildings.

Managing the big picture

As John Mattson has expanded, both in terms of size and geography, work to streamline management has intensified. We are continuing to work from an overall perspective from start to finish, with a focus on business value.

With the Outdoor Areas concept, we are creating meeting places and social coherence that strengthens relationships between tenants. This increases well-being and safety and supports positive development in our neighbourhoods. We want to contribute to sustainable local communities where people are happy, and feel safe and a sense of community across cultural and generational lines.

The work is also about preventing improper rental conditions, meaning that the people who have a contract with John Mattson for an apartment are the people who are listed in the national registrar, as well as preventing criminal operations in our properties. John Mattson takes clear responsibility for managing the big picture, where order prevails from when tenants sign a contract to when they move out. We are adding local services and collaborating with municipalities, other property owners, local businesses and non-profit organisations as well as schools, the police and the fire department.

Safe, well-maintained areas are a precondition for creating attractive local communities and thereby generating business value.

Reducing our climate impact through efficient energy consumption and waste management with the ability to sort waste into fractions also is a high priority for John Mattson. Read more on page 33.

Customer satisfaction & digitalisation

Close tenant dialogues are a prerequisite for developing and continually improving operations. The annual tenant survey that we carry out is a valuable tool for identifying areas to improve. Tenant surveys, which we started 25 years ago, have consistently shown that over 80% of our residential tenants are satisfied. The same was true in 2021, where the service and product indices were at 81% and 80%, respectively.

We are continuing to enhance the efficiency of our working methods and ensure system support for good tenant communication via digitalisation. For us, as for many others, the coronavirus pandemic has accelerated work in digitalisation and the digital development creates new opportunities and simplifies communication as well as increases the level of service for our tenants. □

81%

satisfied tenants¹⁾

¹⁾ The tenants' experiences of meetings with John Mattson's employees, services and products.



John Mattson engages residents and collaborates with local players to support pride in the neighbourhoods where they live or operate.

AS A LONG-TERM PROPERTY OWNER, COLLABORATING WITH LOCAL ACTORS IS SELF-EVIDENT FOR JOHN MATTSON

Order and method – the foundation for safe homes

John Mattson works actively to create positive and safe neighbourhoods for residents. A close collaboration with municipalities, the police and other societal functions as well as other property owners and local actors, both in Lidingö and Sollentuna, are examples of how we actively work with safety issues in our daily management work.

Safety concerns are becoming increasingly significant in society. John Mattson works with them in many ways, all based on ensuring that everything is clean and tidy in and around our residential properties. Clutter, damage and littering are taken care of immediately in line with the broken windows theory. The theory suggests that the risk for escalated issues is reduced by adopting a zero-tolerance approach and taking action early and quickly, even for small offences.

Collaboration with the municipality of Sollentuna in safety concerns

“John Mattson’s close partnership with the municipality of Lidingö and other local players in the municipality to create safe neighbourhoods is something we bring with us when we expand into new municipalities,” says Christina Hansson, Head of Property Management at John Mattson. She notes that the social climate has hardened and is a part of our everyday

life, and that managing this forms the basis of our actions. Order and method in residential areas as well as in administration is important for serious property owners who want to manage properties efficiently. Tenants should also feel that they live in a safe neighbourhood.

The municipality of Sollentuna’s safety work is coordinated according to the ECS method (Effective Coordination for Safety between the municipality, the police and property companies). This means that the municipality, police and property owners collaborate to create safety. This can be about, for example, more police and field workers, better lighting and less shrubbery in unsafe places. ECS is a pilot project that has received support from the Swedish National Council for Crime Prevention (Brå). Christina Hansson thinks that it is self-evident for John Mattson, as a long-term property owner in the municipality of Sollentuna, to participate in work to improve safety in residential areas in the municipality. □

Adding value creates sustainable added value

John Mattson develops the property portfolio by upgrading existing apartments and converting unused areas to housing or commercial businesses. This raises the value of properties, increases well-being for tenants and creates more available housing.

A cornerstone of John Mattson's strategy and business model is to add value to older existing properties. Through upgrading properties, tenants receive an attractive home in apartments that meets modern requirements for safety, functionality and sustainability. The apartments' positive technical status increases the management efficiency and contributes to increased tenant satisfaction, increased rental revenues and lower operating expenses. We have also identified unused spaces, such as laundry rooms and attics, which can be converted to apartments or commercial premises and which will contribute to increased rental revenues and thereby higher property value.

Flexibility for tenants through the Larsberg model

John Mattson's established and successful strategy for upgrading apartments is called the Larsberg model. This means that upgrades can be carried out either as base upgrades or total upgrades. Base upgrades secure the building's technical status and tenants do not have to move during the work. Total upgrades focus on modernising the remaining aspects of the apartment and the installation of new kitchen interiors and renovation of all surfaces. Totally upgraded apartments result in higher rental adjustments than base upgraded apartments.



John Mattson's established and successful strategy for upgrades, the Larsberg model, allows tenants to choose the level of renovation.

Many tenants choose total upgrades in order to raise the standard of their apartment. Many also choose to move to a totally upgraded apartment of another size in another location. For John Mattson, this means that we can increase the percentage of totally upgraded apartments and offer differentiated rent levels. The adjusted rent levels that result from base and total upgrades are negotiated with the Hyresgästföreningen (Swedish Union of Tenants) in advance. □

A variety in upgrade levels allows tenants to choose based on their budgets.

Käppala shedding its skin – refinement with flexibility

After three years of base upgrades, the lifetime for buildings Käppala has been secured for many years in the future. Total upgrades continue on a regular basis.



John Mattson works regularly to refine its property portfolio. The renovations in Käppala are one example of how the Larsberg model works in practice, where tenants can choose the level of upgrades to their apartments.

In 2018, John Mattson acquired 480 apartments in Käppala, Lidingö. An area close to nature, with well-built homes from the 1950s and 1960s, but with many apartments in need of renovation. John Mattson started upgrading apartments here in 2019. In addition to upgrading the entrances and laundry rooms and improved the outdoor spaces. This includes energy-saving lighting in shared spaces and digital stairwell displays that improve tenant communication.

The Larsberg model in action in Käppala

The apartments in Käppala were upgraded according to the Larsberg model, where upgrades are carried out in two stages: a base upgrade where only the most necessary changes are made and the increase in rent is limited, or a total upgrade. “The Larsberg model has advantages for the tenants as well as for John Mattson,” says Martin Landerby, Head of Project Development at John Mattson. He highlights how being able to pick a major or minor upgrade

is an advantage for tenants, as is being able to continue living in the apartment during a base upgrade. For John Mattson, one of the advantages of the model is that upgrades can start earlier since there is less need for us to find temporary apartments.

During the upgrades, John Mattson had an on-site office in Käppala with its own staff to answer questions and provide information about the various stages of the upgrade. It also included a model apartment so that tenants could see what a totally upgraded apartment looks like. □

Infill development with an eye on green areas

John Mattson works actively to identify land where infill development is possible and appropriate for the existing built-up area to address the housing shortage in Stockholm. The goal is to create attractive and safe residential neighbourhoods.

John Mattson's strategy for infill development goes hand in hand with work to promote an attractive and sustainable local community. New builds offer more people the opportunity to live in a rental property and satisfy the different needs of tenants. New production expands standards as well as rent levels. This also means that tenants can move to a new property in the same area when their circumstances change. Diversity in the property portfolio creates a more varied foundation for retail and service, which in turn attracts a varied service offering.

Different methods of development

John Mattson's development work is partly about identifying the potential for new builds on our own land, and partly about maintaining a dialogue with different municipalities in the Stockholm region for land allocation. Our long experience of building quality rental apartments and managing and developing residential areas in the long term makes John Mattson an attractive partner for municipalities and other players in their work with housing and neighbourhood development.

Since stores, schools, preschools and services, in addition to building homes, are important for strengthening an area's appeal, John Mattson's new builds also encompass commercial and public service properties.

Sustainable new builds

We strive to build on land that has already been paved, such as for example, parking

90%

are content in their residential area

We preserve vegetation and plant new greenery when possible.
This supports biodiversity as well as proximity to nature for residents.

spaces. By preserving vegetation and planting new greenery when possible, we contribute to preserving biodiversity.

Quality and a long-term perspective are important watchwords for John Mattson and have been since the company was founded. This means high building and management quality together with sustainable material that is easy to maintain without compromising aesthetically. The choice of material for new builds is based on environmental aspects using lifecycle analyses as well as on economic aspects, which creates advantages from a total cost and a sustainability perspective. As part of our sustainability efforts, the ambition for all of the new residential properties that John Mattson develops from the start is for them to be environmentally certified according to Svanen, the official environmental certification of the Nordic region. For existing residential properties, the aim is to be environmentally certified according to Miljöbyggnad iDrift. □

Svanen-certified rental apartments in Högdalen ready for occupancy

The Trappsteget 2 property in Högdalen, built according to the Svanen environmental certification, meets John Mattson's goal of providing infill development and sustainable growth in the Stockholm region. The Svanen-certified rental property, which has stores, services and public transportation within walking distance, was completed in autumn 2021.



THE FIRST TENANTS MOVED INTO THE APARTMENTS, WHICH HAVE BETWEEN ONE AND THREE BEDROOMS, IN DECEMBER 2021

The Trappsteget 2 property consists of 72 rental apartments close to Högdalen centrum, about ten kilometres from central Stockholm. The property is only 200 metres away from Högdalen centrum Metro station, after which it is only a 20-minute Metro ride to Södermalm. There are also stores, restaurants, a chemists, and an off licence within walking distance. The hub provides excellent opportunities for cultural and activities as well.

The apartments, which have two to four rooms, have parquet flooring throughout and all of them have either an outdoor space or a balcony. The shared outdoor spaces at the property include laundry facilities, bicycle parking and storage for prams/wheelchairs as well as a shared

garage. The building has several functional resemblances to many of the older buildings nearby. The difference is that Trappsteget 2 is Svanen-certified. This means that special environmental requirements apply to the building so that, from a lifecycle perspective, it contributes to a more sustainable society. The construction process and the materials used were both sustainable and strict requirements were set for the building's energy consumption. The Svanen-certified building also has access to green financing, meaning loans that stimulate sustainable investments and that promote one or several of the objectives in the EU Taxonomy.

John Mattson delivers on its sustainability strategy

"Trappsteget 2 fits in well with John Mattson's high ambitions for sustainability," says Mari Edberg, Head of Communications for John Mattson. She notes that the company has a long history of prioritising sustainability, essentially since it was founded in 1965, but that the bar was set even higher when John Mattson decided on a sustainability strategy in 2019. The strategy permeates all of the company's operations, safeguarding and rewarding employee commitment in issues.

Occupancy at Trappsteget 2 started in December 2021. □



An important success factor for John Mattson is healthy relationships with customers, municipalities, local businesses and other stakeholders.

Acquisitions for long-term ownership

Part of John Mattson's strategy is to grow through the acquisition of properties and development rights. The aim is to add properties in attractive locations with good development opportunities and easy access to transportation. Acquisitions are made from a long-term ownership and management perspective.

In 2021 John Mattson made its largest acquisition ever when the property value doubled through several transactions. During the year the company acquired properties at a value of SEK 7 billion. John Mattson is now an established property owner in five municipalities in Stockholm.

John Mattson – an attractive partner

John Mattson's long-term and sustainable operational model, in which we assume significant social responsibility and ensure that our areas are developed satisfactorily, makes us a responsible partner for the development of housing and the areas where we operate. An important success factor for John Mattson is healthy relationships with customers, municipalities, local businesses and other stakeholders. We strive for close collaboration to contribute to creating attractive local communities through our societal sustainability efforts as well as through new builds.

Develop local communities through acquisitions

With extensive experience from our existing residential areas, we want to continue to develop sustainable and safe neighbourhoods and we work actively to identify interesting new builds and older properties as well as with the acquisition of development rights. We see the advantage of acquiring a coherent portfolio that gives us the prerequisites to drive high-quality local management and in time create attractive areas and great neighbourhoods interwoven with housing, workplaces, retail, local services and culture.

The attractive building at Lilla Bantorget in Stockholm was one of the acquisitions made in 2021.



Stockholm's first housing project without parking spaces


This project in Vilunda will allow us to offer a well-functioning daily life for those who are unable to own a car, or who do not want to.

John Mattson is taking an important step into the future through the acquisition of a housing project in Upplands Väsby. The project is Stockholm region's first apartment building for sustainable mobility that does not require private parking spaces.

John Mattson acquired a housing project in Upplands Väsby municipality, 25 kilometres north of Stockholm, in 2021. The housing project has a central location in Vilunda, between Upplands Väsby's commuter train station and Väsby centrum. Construction of 73 rental apartments and commercial space on the ground floor is underway at the property. The project encompasses a total of 4,600 square metres of lettable area and occupancy is scheduled for the second half of 2022.

Pilot project for mobility and sharing

The housing project in Vilunda is very exciting," says Daniel Fornbrandt, Head of Business Development at John Mattson. He points out that John Mattson will now be able to offer a home to target groups that don't need their own car. Instead, they chose a home based on sharing and mobility. Daniel Fornbrandt thinks that this project is a good opportunity for John Mattson to work other players like the municipality of Upplands Väsby to help develop more sustainable housing solutions for the future.

The housing project in Vilunda is also a part of a research project called "Rikare grannskap" (Eng: Richer Neighbourhoods). The goal is to investigate how new mobility services can lead to reduced use of cars, more housing and improved residential areas. The project is being carried out within the Infra-Sweden 2030 framework and is conducted by Nyréns Arkitektkontor in collaboration with KTH Royal Institute of Technology, the City of Stockholm and a number of other housing companies, including John Mattson. The results of the study will be presented in summer 2022. 



Five municipalities in the growth region of Stockholm

During the last few years, John Mattson has gone from owning properties on Lidingö as a family-owned company to a listed company with a presence in five municipalities of Stockholm: **Lidingö, Sollentuna, Stockholm, Nacka** and **Upplands Väsby**. These are all municipalities with popular market locations and significant expansion opportunities that are well suited for John Mattson's ambitions to manage and develop attractive, safe housing and local communities. The majority of the properties were built in the 1950s to 1970s, and have good preconditions for adding value.

Property value

SEK

15.9
billion

on 31 December 2021

4.414
apartments

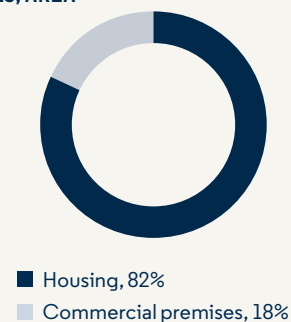
356 K
sq m
lettable area

75%

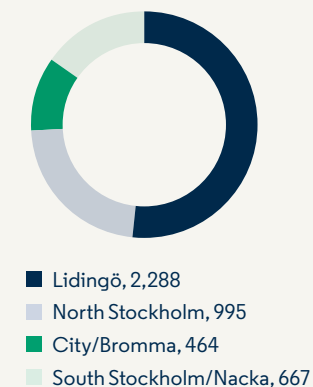
of the rental value
comprises residential
properties

**DURING THE YEAR JOHN
MATTSSON DOUBLED ITS PROPERTY
VALUE AND IS NOW ACTIVE IN FIVE
MUNICIPALITIES IN STOCKHOLM**

PERCENTAGE OF HOUSING/COMMERCIAL
PREMISES, AREA



NUMBER OF APARTMENTS PER AREA



Property holdings

31 Dec 2021

	Apartments		Lettable area		Property value		Rental value	
	No.	thousand sq m	SEK m	thousand sq m	SEK m	SEK/sq m		
Lidingö	2,288	172.4	7,999.0	46,405	301.3	1,748		
North Stockholm	995	75.3	2,048.0	27,205	90.4	1,201		
City/Bromma	464	48.8	2,821.1	57,852	100.0	2,050		
South Stockholm/Nacka	667	59.1	3,026.4	51,219	118.1	1,999		
Total properties	4,414	355.5	15,894.5	44,710	609.7	1,715		

View over the water from the
Barkassen property in Baggeby,
Lidingö.

Lidingö

Lidingö is John Mattson's largest property management area, both in terms of number of apartments and property value. This is where master builder John Mattson built the company's first residential neighbourhood in the 1960s. Lidingö is a very attractive municipality that is close to the water, parks and green areas as well as to public transportation and travel by car. The majority of the properties were constructed in the 1960s, but also include new buildings from the turn of the century. Since 59% of the portfolio has received total upgrades or is newly built, the housing is of a generally high standard.

The Larsberg and Käppala areas are John Mattson's largest residential areas in Lidingö, where the company owns close to 2,000 apartments. In Larsberg, John Mattson owns the majority of the land and residential properties, as well as premises for university education and supermarkets. This also includes the company's head office. All of the older apartments in Larsberg are base upgraded and total upgrades are being carried out regularly.

Key metrics, Lidingö	2021
Area, residentials, thousand sq m	164.3
Rental value, residentials, SEK/sq m	1,698
Economic occupancy rate, residentials, %	96.2
Property value, residentials, SEK/sq m	46,267
Surplus ratio, residentials, % ¹⁾	65%

¹⁾ The surplus ratio for residential properties is calculated on the outcomes for January to December, restated to include acquired properties.

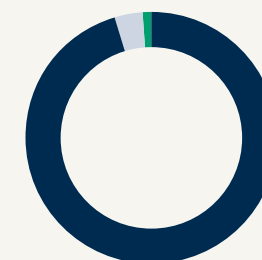
The entire property portfolio in Käppala has been undergoing comprehensive upgrades since 2019. All of the base upgrades were completed by the fourth quarter of 2021, while total upgrades are ongoing regularly. During the year, a total of 179 apartments underwent base upgrades and 160 apartments underwent total upgrades in Lidingö.

The planning process for new housing is underway in Larsberg and possibilities are being investigated in Käppala regarding the construction of loft apartments at existing properties.

Read more about development projects on page 25.

John Mattson also owns residential properties in the neighbourhoods of Baggeby and Dalénium, the new neighbourhood that grew out of the historic old AGA factory area. 

SHARE OF LETTABLE AREA



- Residential properties
- Commercial properties
- Development properties

Master builder John Mattson built the company's first residential neighbourhood in Larsberg in the 1960s.

North Stockholm

Sollentuna, north of Stockholm, is an expansive municipality with close to 75,000 residents. Here John Mattson's property portfolio consists of approximately 1,000 apartments together with commercial premises in Rotebro, Rotsunda, Häggvik and Tureberg. All of the properties are a few minutes' walk, some even immediately adjoining, the commuter train station, retail, services and green areas.

The properties in Rotebro and Rotsunda were acquired in 2019 and taken possession of in 2020. The apartments were built in the 1970s and 1950s, respectively, and need renovation. Upgrade plans in Rotebro are underway and are expected to start in 2022. Upgrades of the apartments in Rotsunda are planned for when the upgrades are completed in Rotebro.

In 2021, John Mattson acquired another 450 apartments together with commercial premises in Sollentuna, in the Häggvik and Tureberg and neighbourhoods. The buildings in Häggvik date back to the 1940s and 1950s, and the buildings in Tureberg to the 1970s.

Since 2021, John Mattson has also owned a development property in the municipality of Upplands Väsby. The housing project in Vilunda is the Stockholm region's first apartment building that does not require private parking spaces. Construction of 73 rental apartments and commercial space on the ground floor is underway at the property.

Read more about the development project on pages 18 and 27. □

The Skålen 2 property in Häggvik is surrounded by playgrounds and is just a five-minute walk from the centre with a commuter train station, retail and services.

SHARE OF LETTABLE AREA



- Residential properties
- Commercial properties
- Development properties

Key metrics, North Stockholm	2021
Area, residentials, thousand sq m	75.3
Rental value, residentials, SEK/sq m	1,201
Economic occupancy rate, residentials, %	92.5
Property value, residentials, SEK/sq m	25,266
Surplus ratio, residentials, % ¹	36%

¹⁾ The surplus ratio for residential properties is calculated on the outcomes for January to December, restated to include acquired properties.

City/Bromma

In 2021, John Mattson increased the property portfolio in central Stockholm and Bromma through the acquisition of the property companies Hefab and Efib. John Mattson already owned development properties in Slakthusområdet and after the acquisition now owns properties in Hammarby Sjöstad, Johanneshov, Abrahamsberg and Östermalm. The buildings in these areas are from the 1930s and 1940s as well as from the 1990s through to 2019, all of which are well-maintained and in good condition. Residential properties account for 57% of the lettable area in City/Bromma, commercial properties for 30% and development properties for 13%. The commercial properties contain premises for local services, offices and public sector operations.

Development properties are located in Abrahamsberg and in Söderstaden, an urban development area comprising Globenområdet, Slakthusområdet and Gullmarsplan-Nynäsvägen. Read more about development projects on page 25.

In November 2021, John Mattson signed an agreement to acquire three properties at Gullmarsplan in central Stockholm, close to the Metro and bus station. This includes a total of approximately 12,000 square metres of lettable area, split relatively evenly between rental apartments and commercial premises. This acquisition makes John Mattson an important part of the development of Söderstaden. The properties were transferred in 2022 and therefore had no financial impact on the year-end reporting for 2021.



SHARE OF LETTABLE AREA



- Residential properties
- Commercial properties
- Development properties

Key metrics, City/Bromma	2021
Area, residentials, thousand sq m	27.7
Rental value, residentials, SEK/sq m	1,910
Economic occupancy rate, residentials, %	98.9
Property value, residentials, SEK/sq m	60,957
Surplus ratio, residentials, % ¹	66%

¹⁾ The surplus ratio for residential properties is calculated on the outcomes for January to December, restated to include acquired properties.

Three residential properties in Johanneshov after the acquisition of Hefab. They total 97 apartments.

South Stockholm/Nacka

John Mattson's property portfolio in South Stockholm is mainly concentrated to Hägerstensåsen, Västberga and Örby.

In April 2021, an office property was acquired, located in Finnboda kaj in Nacka Municipality.

Residential properties account for 72% of the total lettable area and mainly comprise properties built in the 1940s and in the first two decades of this century. Commercial properties account for 17% of the total lettable area and mainly comprise offices, nursing and care homes, and local services.

In 2021, 44 new apartments were finished in Hägerstensåsen and 72 in Högdalen centrum.

John Mattson has three development properties at different stages of development in South Stockholm/Nacka.

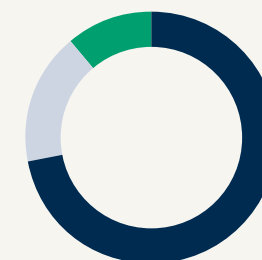
The development of the Gengasen property is ongoing at Örby centrum, a new production project that includes rental apartments, store premises and LSS housing as well as project planning for apartment upgrades with a planned start in 2022. A land allocation has been received in Örnsberg, where John Mattson is working with the detailed development plan for the new construction of rental and tenant-owner apartments, commercial premises and a preschool. There are also plans to develop housing at the Finnboda kaj property. Read more about development projects on page 25. □

In summer 2021, possession was taken of one property in Finnboda kaj with an existing office building and a development right where John Mattson is planning new housing.

Key metrics, South Stockholm/Nacka	2021
Area, residentials, thousand sq m	42.7
Rental value, residentials, SEK/sq m	1,905
Economic occupancy rate, residentials, %	96.5
Property value, residentials, SEK/sq m	57,865
Surplus ratio, residentials, % ¹	62%

¹⁾ The surplus ratio for residential properties is calculated on the outcomes for January to December, restated to include acquired properties.

SHARE OF LETTABLE AREA



- Residential properties
- Commercial properties
- Development properties

Development projects

Property development is important for John Mattson's long-term value growth. We work continuously to create new project opportunities through acquisitions of development rights for future development projects and of investment properties with development potential. This is primarily through the production of new rental apartments but also of commercial premises, premises for public sector operations and tenant-owner apartments. John Mattson's project portfolio grew through the acquisitions of Hefab and Efib in 2021.

In 2021, two new production projects in the acquired project portfolio were completed, totalling 116 new apartments. Two new production projects encompassing just over 200 new apartments are ongoing. John Mattson also has a project portfolio that will enable the development of approximately

600 additional apartments. These projects are in early stages and various phases of the detailed development planning process. John Mattson's total project portfolio and the various phases are presented in the table below. □

116

new apartments
completed

201

apartments
in production

831

total apartments in the
development portfolio

DEVELOPMENT PROJECTS

Project	Area	Category	Type	No. of Apts. ¹⁾	Additional lettable area ¹⁾	Status	Possible construction start ²⁾
Vilunda/Upplands Väsby	North Stockholm	Own management	Rental apartments	73	4,600	Production	Ongoing
Gengasen, Örby	South Stockholm/Nacka	Own management	Rental apartments	128	8,000	Production	Ongoing
Juno, Käppala	Lidingö	Own management	Rental apartments	50	1,750	Early phase	2022
Geografiboken, Abrahamsberg	City/Bromma	Own management	Nursing and care home	80	5,900	Detailed development plan adopted	2022
Finnboda, Nacka	South Stockholm/Nacka	Own management	Rental apartments	20	1,300	Detailed development plan entered force	2023
Ekporten, Larsberg/Dalén	Lidingö	Own management	Rental apartments	150	8,500	Detailed development plan in progress	2023
Hjälpslaktaren, Slakthusområdet	City/Bromma	Own management	Rental apartments	100	9,000	Planning notice	2025
Pincetten, Örsnäs	South Stockholm/Nacka	Own management	Rental apartments and tenant-owner apartments	230	13,500	Detailed development plan in progress	2025
Total development portfolio				831	52,550		

¹⁾The number of apartments and the area are assessments 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.

From idea to move-in

The timeline shows the different stages of the process from preliminary study to residents moving in.



■ Early stage – detailed development plan entering legal force 0–5 years

■ Production – occupancy 2–3 years

Completed projects



VÄRNSKATTEN 7/ SKATTSEDELN 15, HÄGERSTENSÅSEN

Three apartment buildings built in three stages, the last of which was finished in 2021. The buildings will be certified to Silver under Miljöbyggnad.

Type: Rental apartments, preschool, LSS housing

Number of apartments: 132 (of which 44 finished in 2021)

Production start: Q2 2018

Occupancy: Q4 2020 and Q1 2021



TRAPPSTEGET 2, HÖGDALEN

Apartment building in Högdalen centrum with stores, services and public transportation within walking distance. The buildings carry the Svanen environmental certification.

Type: Rental properties

Number of apartments: 72

Production start: Q1 2020

Occupancy: Q4 2021

Ongoing projects



VILUNDA/ UPPLANDS VÄSBY

Apartment building and commercial businesses in central Upplands Väsby. The Stockholm region's first apartment building for sustainable mobility that does not require private parking spaces.

Type: Rental apartments, commercial premises

Number of apartments: 73

Number of premises: 1

Commercial area: 570 sq m

Production start: Q3 2020

Occupancy: Q4 2022



GENGASEN 4, ÖRBY

New production in Örby centrum that includes rental apartments, retail premises and LSS housing.

Type: Rental apartments, commercial premises, LSS housing

Number of apartments: 128

Number of premises: 4

Commercial area: 1,241 sq m

Production start: Q3 2021

Occupancy: Q4 2023

Coming projects

NEW BUILD PROJECTS

Geografiboken, Abrahamsberg

A detailed development plan has been adopted for the construction of a nursing and care home with 80 apartments at the Geografiboken 1 property in Bromma. Construction is scheduled to start in 2022.

Finnboda, Nacka

The Sicklaön 37:46 property at Finnboda kaj in Nacka Municipality includes development rights for residential properties, where 20 apartments are being developed with a possible construction start in 2023.

Ekporten, Larsberg/Dalén

The detailed development plan process for 150 new apartments is ongoing for the Fyrtornet 5 property in Larsberg in Lidingö under the project name of Ekporten. The expected construction start is 2023.

Juno, Käppala

Possibilities are being investigated in Käppala regarding the construction of loft apartments at existing properties, but the project is at an early stage.

Hjälpslaktaren, Slakthusområdet

John Mattson has leasehold properties in Slakthusområdet in Söderstaden comprising almost 6,500 square metres and are almost fully let. The leasehold properties are attractively and centrally located adjacent to the future metro station entrance and park. Planning is underway to develop 100 new apartments and workplaces. Work on the detailed development plan will start in spring 2022 with a possible construction start in 2025.

Pincetten, Örnberg

A land allocation has been received in Örnberg for the Pincetten project, where work is ongoing with the detailed development plan for the new construction of 230 rental and tenant-owner apartments, commercial premises and a preschool. The expected construction start is 2025.

UPGRADE PROJECTS

Rotebro – project planning is underway for an upgrade project encompassing 283 apartments with a planned construction start in 2022.

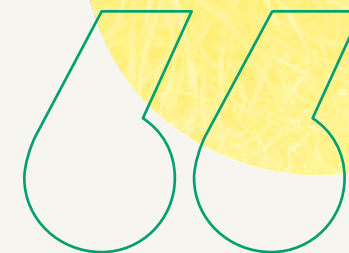
Örby – project planning is underway for an upgrade and conversion project encompassing 76 apartments with a planned construction start in 2022.

John Mattson is one of the businesses that will transform the historic Slakthusområdet to a modern city district.



Integration of sustainability into a growing organisation

During the year, John Mattson has expanded significantly within the Stockholm region. We actively integrate sustainability into the entire organisation in order to take responsibility in our ongoing journey of growth.



As a long-term property owner with growth as a strategy, it is critical for John Mattson's operations to responsibly manage long-term issues such as safe neighbourhoods and climate impact across the entire value chain."

PER NILSSON, CEO

Responsible growth

Our vision for our operations is to create great neighbourhoods across generations. Our values – a long-term perspective, professionalism and commitment – are to permeate our corporate culture and all of our operations. The company's core values, Code of Conduct and policies guide us in our day-to-day work, which is based on sustainability. Read more about sustainability governance on page 51 and sustainability risks on page 39.

Joint development in sustainability

Dialogues with our stakeholders – tenants, employees, shareholders, municipalities, suppliers and contractors – provide us with regular insight that is essential for how we will continue to prioritise our

work. Ongoing dialogues are supplemented with employee and tenant surveys as well as strategic projects with partners like municipalities. In 2020, a separate stakeholder dialogue was carried out with shareholders, property investors and employees in order to gain their perspectives on the company's priorities and future sustainability work.

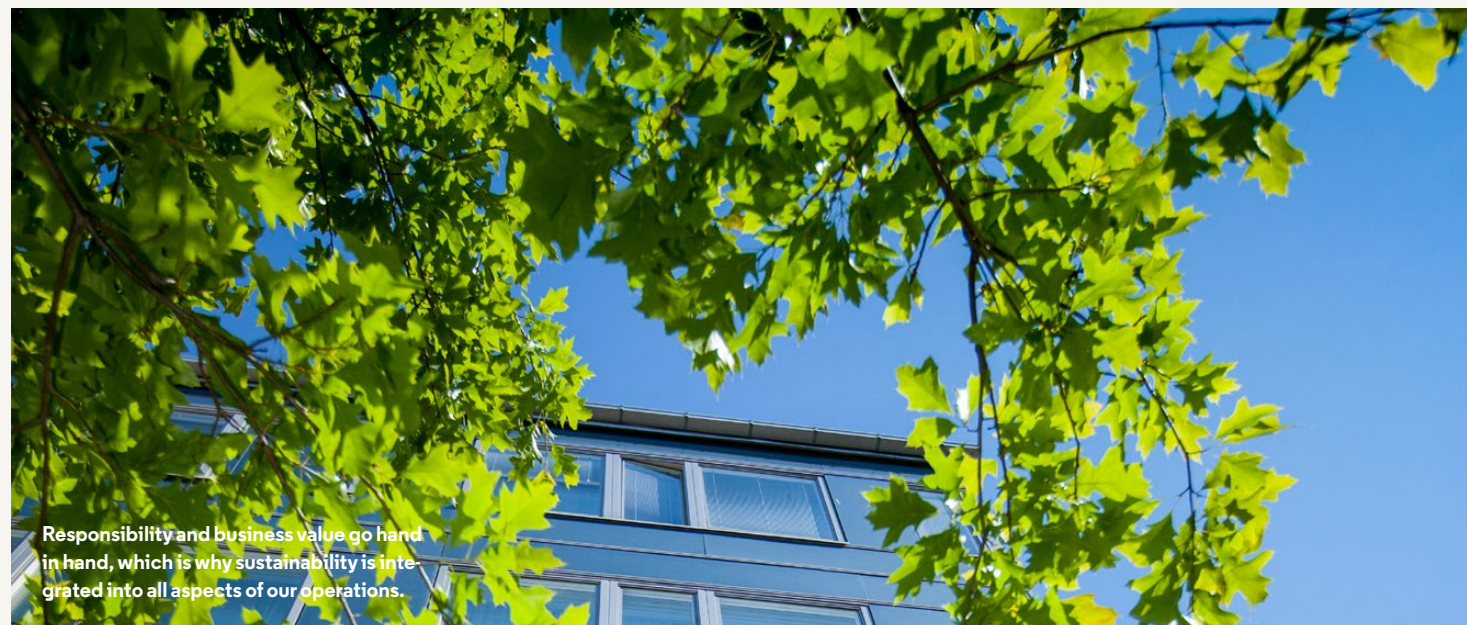
As John Mattson expands and continues its journey of growth, an open dialogue with our stakeholders to prioritise our investments and future initiatives remains valuable.

Areas of prioritised sustainability

Stakeholder dialogue, continuous monitoring of the operating environment and analysis of the company's impact on the climate form the basis of our materiality analysis.

John Mattson's properties only use ecolabelled electricity. This is Parkhusen in Larsberg on Lidingö.

Sustainability is integrated in the company's strategy and governance. We focus on four areas: dynamic and safe local communities, responsible material and waste management, energy efficient and fossil-free solutions and healthy and inspiring workplaces. These areas contribute the most to the company's long-term ability to compete strategically and financially. Work within the framework of these areas also supports seven of the UN Sustainable Development Goals. In addition to the focus areas, John Mattson supports human rights and works against corruption. These are part of our basic responsibilities. □



Responsibility and business value go hand in hand, which is why sustainability is integrated into all aspects of our operations.

1. Dynamic and safe local communities

- Commitment for social issues creates value for tenants and local communities.



2. Responsible material and waste management

- Responsible material choices, reusing materials and efficient waste management reduce climate impact and increase the recycling rate.



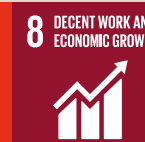
3. Energy efficient and fossil-free solutions

- The energy consumption during the lifespan of a property is considerable. Energy classifications, choosing fossil-free energy types and efficient management of the properties reduce their climate impact.



4. Healthy and inspiring workplaces

- Proactive efforts for a healthy, safe and stimulating work environment for employees and suppliers are a prerequisite for well-being and commitment.



1. Dynamic and safe local communities

The goal is for all tenants to thrive where they live and we involve tenants as well as employees to improve the neighbourhood in all of our areas. Safety and security are a precondition for a dynamic and attractive residential area.

An open dialogue with tenants is important for helping property owners prioritise the right issues. The surveys that John Mattson regularly carries out are essential for efforts to maintain high-quality service and property upkeep. All employees, regardless of role, are continuously involved in developing proposals for measures based on the results of the surveys.

This year's tenant survey showed that close to 90% of tenants are content in their residential area. The results vary between different areas. When it comes to safety in residential areas, 83% of John Mattson's tenants say that our properties and neighbourhoods are safe, compared with an industry average of 81%. They also give high points for their interactions with our employees. Areas for improvement include faster means of contact and more property-specific information.

83%

would say our properties and areas are safe

A safe neighbourhood is essential for well-being

Safety and security are essential for an attractive neighbourhood. Safety supports the well-being of residents, increases the appeal of residential properties and creates a positive work environment for everyone who works in the area.

The foundation of John Mattson's safety efforts in property management is to ensure that it is clean and tidy in and around the buildings and that we know who lives in our properties. To a large extent, John Mattson's own staff are the ones who work closely with tenants. We also work continuously and systematically to combat improper rental conditions such as prohibited subletting, apartment exchange under false pretences and illicit trade with rental contracts. During the year, several unlawful sublettings were cancelled.

9/10

are satisfied with their home

In addition to our own preventative safety measures, we collaborate with the police, municipalities, other property owners and organisations that work to promote safety. One example is our participation in Business Improvement District¹⁾ Tureberg, where we work together with the municipality of Sollentuna, the police, the general public and other private players to increase safety. Another example is the municipality of Sollentuna's participation in the ECS project (Effective Coordination for Safety between the municipality, the police and property companies). Read more on page 12.

Inclusive residential areas

John Mattson strives to offer rental apartments in different price classes and various sizes and locations to provide more people with an attractive home. Promoting inclusion and diversity strengthens residential neighbourhoods as well as the local community. Human interaction strengthens relationships and we regularly carry out activities together with other players to increase neighbourhood safety and appeal as a way to take our societal responsibility. The activities are intended to create shared value for the participants and for us as property owners. In 2021, John Mattson arranged an outdoor movie screening in Lidingö, in a partnership with the municipality of Lidingö Stad. The movie attracted a total of 2,800 visitors. We also carried out activities like free sausages and coffee, open-air quizzes and bicycle workshops in Lidingö and Sollentuna. □



Focus moving forward

- Develop concepts for dynamic and safe neighbourhoods
- Holistic safety work in all of our areas
- Actively participating in joint safety efforts with municipalities, police, other property owners and organisations
- Systematic work to prevent improper rental conditions

¹⁾ Business Improvement District (BID) is a term for organised collaboration within a geographically limited area to increase its appeal and the property value in the area.

2. Responsible material and waste management

A long-term perspective means that buildings and material need to last for a long time, and that as property owners we ensure, through partnerships with suppliers and tenants, that material and waste is handled responsibly throughout the entire value chain.

Materials and building stage have the greatest climate impact

New buildings should have a lifespan of several centuries. When the properties are renovated or when we build new properties, we select materials with long lifespans that age sustainably and are possible to maintain. In new production, we strive to construct on already paved land.

From a lifecycle perspective, more than half of the carbon emissions from new buildings arise during material production and construction.¹⁾ Decisions in the early stages are therefore essential to reduce a building's climate impact. The choice of material for new builds is based partly on environmental

aspects using lifecycle analyses and partly on economic aspects, which creates advantages from a total cost and a sustainability perspective. We require environmental management systems when procuring suppliers and monitor them throughout the project.

During upgrades we take the reuse of materials and interior fittings into consideration. To a certain extent, tenants can affect the extent of renovations. Read more about our flexible model for upgrades on page 13.

Environmental certification of properties

The ambition for all of the new residential properties that John Mattson develops from


the start is for them to be certified according to Svanen, the official environmental certification of the Nordic region. In the autumn, the Trappsteget 2 project in Högdalen was completed. The buildings in question carry the Svanen environmental certification. Read more on page 16.

The aim is also for existing residential properties to be environmentally certified according to Miljöbyggnad iDrift.

Responsible waste management

Spillage and waste from the construction and property sector is significant. During renovation, we strive to retain as much as possible and we set requirements for our suppliers to recycle construction waste in the right way.

We also make it easy for our tenants to sort their waste correctly with clear fraction signs and other communication. During the year, we ran a successful waste management campaign in Rotebro and Rotsunda, judging by the amount of residual waste and the results of tenant surveys.

In 2021, the amount of residual waste per apartment decreased 15% in our properties in Rotebro and Rotsunda. In Lidingö, where we have worked with waste management for a longer time, the amount of residual waste per apartment increased in 2021, though it was still lower than in Rotsunda or Rotebro. 



Focus moving forward

- Environmental requirements for material, transportation and waste management in every project
- Environmental certification of new builds according to Svanen and existing properties according to Miljöbyggnad iDrift.
- Partnerships with tenants and suppliers
- Good waste sorting facilities for tenants

15%

reduction in residual waste in kg/per apartment in Rotsunda and Rotebro

101.6 tonnes

of recycled food waste converted to biogas

¹⁾ Report from Sweden's construction industries: Minskad klimatpåverkan från nybyggda flerbostadshus. (Eng: Reduced climate impact from new apartment buildings)

3. Energy efficient and fossil-free solutions

John Mattson's properties are to be managed with as little impact on the environment and climate as possible. We also make it easy for our tenants and employees to live in a climate-smart manner and we want to inspire a greater number of sustainable choices.

Efficient management reduces environmental and climate impact

We are working continually to optimise operations to reduce the strain on the environment as well as operating expenses. The goal is also for our system to last a long time. Heating is controlled automatically at the properties, adapting to the weather conditions, and only ecolabelled electricity is used for property operations.

In 2021, the total amount of district heating used decreased around 2% to 94 (95) kWh per square metre. Electricity consumption decreased around 4% to 24 (25) kWh per square metre.

In properties that John Mattson has owned for a longer time, we have worked with energy efficiency for several years. In new acquisitions, where a large portion of the properties were taken possession of in 2021, work has started and energy consumption is currently being mapped. In 2022, we carried out targeted initiatives to reduce energy consumption in our newly acquired portfolio.

Inspire tenants to make sustainable choices

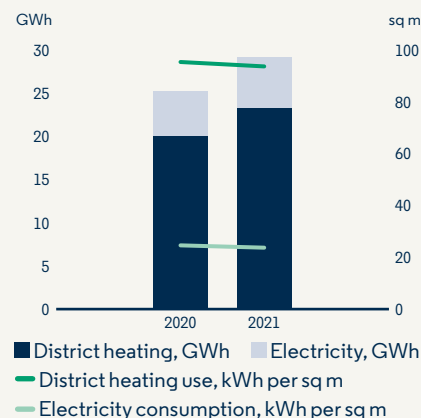
John Mattson wants to inspire our tenants to live a climate-smart lifestyle and make it easy for them to do so. One example is how we meet tenants' demand for sustainable solutions by regularly installing more charging stations for electric vehicles. We also participated in the launch of Lidingö's first carpool with electric cars in early 2021.

In Vilunda in Upplands Väsby, John Mattson will soon offer a unique housing opportunity for sustainability-conscious tenants. The building is entirely without private parking spaces and is based on a sharing economy and climate-smart mobility solutions. Read more on page 18.

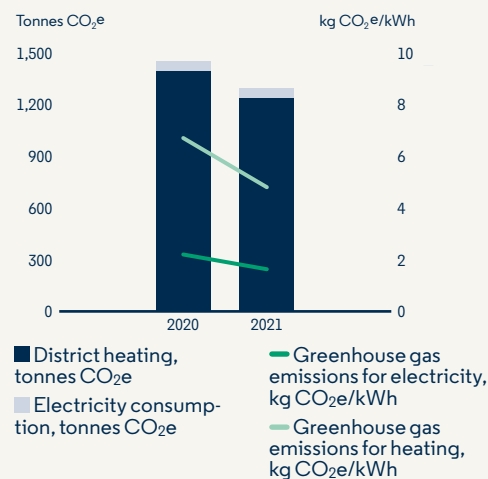
Fossil-free vehicle fleet

To reduce our climate impact, we are gradually phasing out fossil-driven company cars in favour of fossil-free alternatives. In the last few years, we have regularly replaced petrol-fuelled vehicles with ones that use electricity or biogas. At the end of the year, fossil-free vehicles comprised 79% of our fleet.

ENERGY CONSUMPTION ¹⁾



GREENHOUSE GAS EMISSIONS, PURCHASED ENERGY ¹⁾



¹⁾ Figures for 2020 include Larsberg, Käppala, Rotebro and Rotsunda, while 2021 also includes Häggvik and Tureberg.



Focus moving forward

- Climate targets in accordance with the Science Based Targets initiative
- Alternate energy sources and the completion of measures to increase energy efficiency
- Environmental certification of new 2030 residential builds according to Svanen and existing housing according to Miljöbyggnad iDrift.

4. Healthy and inspiring workplaces

The focus in autumn 2021 was to create a solid foundation for integrating the acquired company Hefab. With a growing organisation and several new employees, it was essential for the company's success that John Mattson provide the right preconditions for development, commitment, motivation and participation in the continuing shared journey.

During the year, John Mattson established itself in another three municipalities in the Stockholm region and at the end of the year the company had close to 60% more apartments than one year ago. The number of employees increased by some ten people as a result of the acquisition of Hefab Fastighets AB. The focus going forward is to establish efficient partnership forms to best put the collective expertise of our employees into practice. We strive to offer a workplace that is characterised by a healthy approach to work, where staff enjoy working and are highly committed, and where each employee has an ability to influence.

Compass for action

John Mattson's values – a long-term perspective, professionalism and commitment – form the basis of our actions. Keeping these basic values in mind is essential, not least because the company has growth as a strategy. During the year, all employees participated in an initiative where we discussed and clarified the kind of behaviour that support John Mattson's continued journey of growth and change.

Participation increases commitment and creates business value

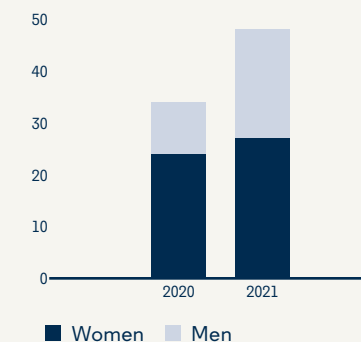
Employees are included in the company's development work in various ways, which

allows the organisation to collect important perspectives. In addition to work with our basic values, "safety from a property owner's perspective" was an important theme that was discussed in several forums during the year and many suggestions for tangible activities were incorporated into the action plan that is now being carried out. John Mattson also regularly involves employees when discussing and analysing tenant surveys in order to develop proposals for relevant measures. To steer the company toward its goals and strengthen the feeling of participation, John Mattson also offers a bonus programme for all employees.

Tools for attentive and supportive leadership

The process for performance appraisals was developed during the year to more clearly guide both individual and company work towards our goals. Goals set during performance appraisals are monitored regularly throughout the year. Employee survey methods were also evaluated during the year and in 2022 a new tool will be implemented

TOTAL NUMBER OF EMPLOYEES
(ON 31 DECEMBER 2021)



95%

attendance
for all employees

4/2

woman/men
in company management

that will enable continuous measuring and a more proactive approach.

Diversity and equal treatment

John Mattson continues to drive equality and equal treatment efforts in a goal-oriented manner to develop as a company. We strive for an even gender balance in all personnel groups and require our recruitment processes to support a broad range of skills. John Mattson moved down in the rankings from 2020 in the Allbright Foundation's 2021 equality report. This is because the majority of the company's management group (67%) consisted of women during the measuring period.

As John Mattson expands to more areas in the Stockholm region, language expertise and experience from different ethnic and cultural backgrounds will become even more important for the best possible interactions with tenants.

Preventative health and wellness work

We work systematically with physical and psychosocial work environment issues with the goal of preventing accidents and work-related illness. All of John Mattson's employees are covered by collective bargaining agreements and are offered healthcare

insurance. Health and well-being strengthen employee commitment. To strengthen both of these, all employees are offered a benefits package that includes a preventative healthcare hour, training compensation, message and health check-ups. In the latest health and lifestyle survey which included responses from two thirds of employees, results indicated that employees rated their health above the national average. However, stress remains a risk factor that needs to be counteracted.

Proactive steps to reduce the spread of infectious diseases continued in 2021, in order to safeguard employees, tenants and partners.

Safe and secure construction sites

The construction industry sees a lot of accidents. Our goal is for no one to be injured on our construction sites and to help us reach that goal we have been a member of the industry initiative Håll Nollan since 2021. For the procurement of contracts, we liaise with our partners and address how John Mattson expects that safety should be taken into consideration before a contract is signed. □




Focus moving forward

- Integration and implementation of a new scalable organisation
- Regular commitment surveys for employees
- Strengthened internal communication suited for a company with a greater geographical spread
- An increasingly digitalised working method
- Good work environment and zero accidents in our projects

Climate mapping providing support

A climate mapping of John Mattson's entire value chain already commenced at the end of 2020, where the company's own direct carbon emissions (Scope 1) and purchased energy (Scope 2) are calculated in accordance with the GHG protocol; the most established standard for calculating reported GHG emissions. In spring 2021, calculations were completed for other emissions in the value chain (Scope 3) in order to set relevant climate targets in accordance with the Science Based Targets initiative (SBTi), an initiative aimed at supporting companies in setting science-based climate targets in line with the Paris Agreement.

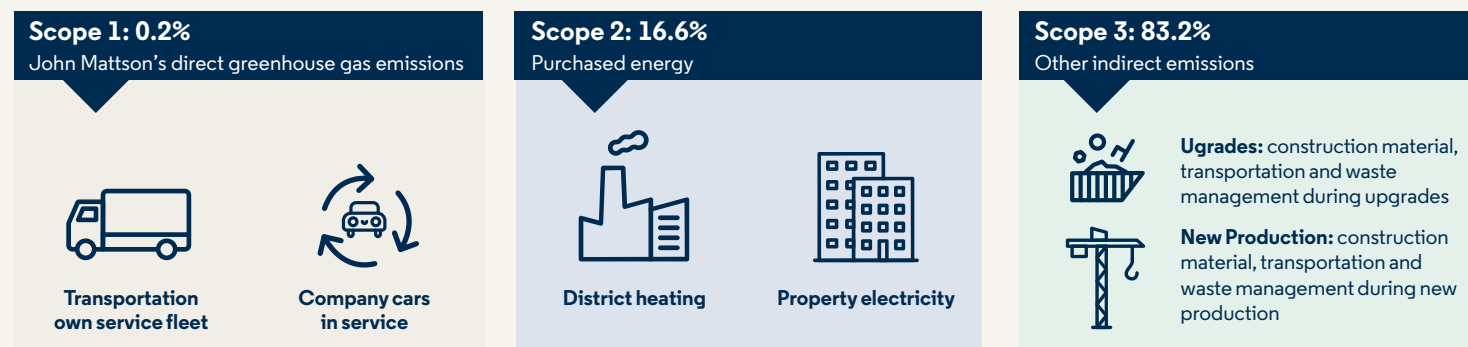
Since John Mattson's operations expanded significantly during the year, a decision was made to postpone setting climate targets according to SBTi in order to use 2021 as a base year.

The climate mapping already carried out allows us to more efficiently assess and manage climate-related opportunities and risks and has already provided excellent guidance about where to focus so we can reduce the company's direct and indirect impact throughout the value chain. The focus is primarily on our prioritised sustainability areas "Energy efficient and fossil-free solutions" and "Responsible material and waste management." Read more on pages 33–34. 

Identified carbon footprint

John Mattson's carbon footprint in 2021 totalled 7,823 tonnes CO₂e. The largest impact was within scope 3, where materials, transportation and waste management from upgrades and new production were the largest categories.

The increase in emissions is due primarily to new production projects in the portfolio acquired from Hefab that were completed in 2021. A portion of the increase is also due to growth in the property portfolio, after possession was taken of the newly acquired apartments and commercial premises in Häggvik and Tureberg in October.



Total GHG emissions		Emissions CO ₂ e (tonnes)	
		2021	2020
Own direct emissions (Scope 1)	Transportation ¹⁾	18	5
	Company cars in service	0.1	0.1
Purchased energy (Scope 2)	Heating ²⁾	1,235	1,393
	Electricity consumption ³⁾	62	54
Own indirect emissions (Scope 3)	Construction material, transportation and waste management during upgrades	975	925
	Construction material, transportation and waste management during new production	5,491	0
	Purchases of goods and services	25	21
	Waste management, offices and property management	5	5
	Employee commutes	12	12
	Transportation, consumable goods	0.3	0.3
Total		7,823	2,415


¹⁾ John Mattson's own service vehicles, primarily in conjunction with property maintenance.

²⁾ Heating for the entire property, incl. apartments. Figures for 2020 include Larsberg, Käppala, Rotebro and Rotsunda, while 2021 also includes Häggvik and Tureberg.

³⁾ Electricity consumption for John Mattson's offices, commercial spaces and shared spaces (not apartments). Figures for 2020 include Larsberg, Käppala, Rotebro and Rotsunda, while 2021 also includes Häggvik and Tureberg.

Opportunities and risks

John Mattson's concentration of residential property in attractive municipalities in the Stockholm region entails a clear reduction of business risk and stable cash flows.


 f John Mattson's rental value, 75% is attributable to residential properties in the Stockholm region, which generate stable cash flow with low vacancies. The Board has overriding responsibility for risk management, while operating activities are delegated to the CEO. The management's work with risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects. Risks are classified as strategic, operational and financial risks as well as risks linked to regulatory compliance.

The primary tools for managing risk are the strategies that the company follows, which are made tangible in processes integrated in daily operations. The work with values and on ensuring a high level of competence within the organisation are also key components in managing risks in daily operations.

The prioritised areas for risk management based on John Mattson's operations are detailed below. More information regarding the financial risks is set out in the Administration report on page 46.

Sensitivity analysis

John Mattson's earnings are impacted by a number of factors. The table on the right presents a theoretical effect on income from property management with John Mattson's current earning capacity (current earning capacity should not be seen as a forecast) as per 31 December 2021 as the starting point, given a change occurring on the basis of four parameters. Actual earnings capacity can be found in John Mattson's year-end report for 2021.

Each variable in the table has been treated separately and assumes that other variables remain unchanged. The sensitivity analysis should be read together with the information on current earnings capacity published in the company's interim reports. 

Full-year effect, next 12 months, SEK m	Change +/-	Impact on income from property management
Rent level	SEK 100 per sq m	+/-35.6
Economic occupancy rate	1 percentage point	+/-6.1
Property expenses	5%	+/-11.3
Underlying market interest rate	1%	-49.3/+14.1

The impact of a percentage change in property value on the LTV ratio is illustrated below.

Change in property value	-20%	-10%	0%	10%	20%
Change in value, SEK m	-3,179	-1,589	0	1,589	3,179
Loan-to-value (LTV) ratio, %	72.5	64.4	58.0	52.7	48.3

Risk description

Acquisition risk

Competition to acquire properties in attractive locations is intense. The largest strategic risk for John Mattson is the lack of objects at relevant prices, which could pose a hindrance to the desired growth rate.

Planning risk

There is a risk that John Mattson is not granted the permits or does not receive the required decisions from municipalities or authorities that allow managing and developing properties in the desired manner. For example, if the decisions received do not encompass the volume of housing units and/or premises that John Mattson had expected. Moreover, there is a risk that decisions are appealed and there are significant delays to planned projects as a consequence. A further risk entails that decision-making practices or the political will or municipality's focus may change in a direction that is less favourable for John Mattson.

Limited development right portfolio

A limited development right portfolio could comprise a risk since it could slow John Mattson's future growth.

Sustainability risks

A neglected and unclear sustainability agenda can have a negative impact on stakeholders' opinions of John Mattson and thereby affect the company's ability to meet the goals set.

Sustainability-related risks that are deemed the most material for the company's development are:

Negative environmental impact: In new builds, extensions and redevelopments there is a risk of damaging the environment, surroundings or people as a result of inappropriate handling or use of hazardous materials.

Insufficient compliance with environmental legislation and regulations can result in corrective measures, fees or fines and, in some cases, restrictions on the Group's operations.

Climate change: Rising sea levels, extreme weather with increased incidences of downpours, droughts and water shortages are some of the possible consequences of climate change. For property companies, climate change entails a risk of damage to properties and their surrounding environment.

Social conditions: Unsafe, marginalised residential areas reduce well-being for our tenants as well as others in the area. A related risk is improper rental conditions, which can cause disruptions in the area and have a negative impact on safety.

Employees: An employer's brand is essential for retaining and recruiting talented employees. The company risks losing access to expertise if it is not perceived as attractive. A work environment that does not promote physical as well as psychosocial well-being is at risk of workplace accidents and illnesses.

Code of conduct violations: If employees, consultants or partners violate human rights, are involved in corruption or do not otherwise act ethically and respectfully, then that constitutes a violation of the Code of conduct and risks significant damage to John Mattson's business and brand.

Management/possibility

→ John Mattson has clear strategies for acquisitions. All acquisitions are approached using a long-term ownership and management perspective. Long-term partnerships and strategic procurements are prioritised, as is being present and actively working in the markets where the company has its properties and in municipalities with clear growth plans.

→ John Mattson maintains an ongoing dialogue with authorities and municipalities to be able to manage risks, such as planning risks, at an early stage. The primary tools for managing risk are the strategies that we follow and which are made tangible in processes.

→ A strategic and transparent approach to sustainability issues based on opportunities and challenges strengthens our long-term competitiveness and provides guidance on future investments and initiatives.

Negative environmental impact and climate change:

- Responsible material choices, reusing materials and interior fittings as well as efficient waste management
- The goal is to environmentally certify residential properties, either according to Svanen for buildings that company has owned since construction began or according to Miljöbyggnad iDrift for existing properties

- Collaboration with suppliers and tenants to have an effect across the entire value chain
 - Efficient management that reduces energy consumption and impact on the environment
 - 100% environmentally certified electricity in property operations
 - Phasing out service vehicles that use fossil fuels and installation of charging stations for tenants
 - Mapping climate-related emissions in the value chain Science-based climate targets to be set in 2022, with 2021 as a base year.
- We are following research and development and climate risk assessments and reports

Societal conditions:

- Continuous communication with tenants and regular tenant surveys
- Premises management with close tenant contact
- Rental apartments in different price classes and various sizes and locations
- Systematic work to prevent improper rental conditions
- Working together with municipalities, the police, other property owners and organisations increases safety and well-being.
- Safety measures and activities to promote well-being

Employees:

- Performance appraisals and employee surveys
- Goal-oriented equality and equal treatment efforts
- Preventative health and wellness work
- Proactive work for safe and secure construction sites
- Continuous reinforcement of the company's core values in areas that involve all employees

Code of conduct violations:

- Annual review of the code of conduct is for everyone. The purchaser is responsible for making sure external partners are up-to-date
- Specific policies to supplement the Code
- Continuous reinforcement of the company's core values in areas that involve all employees

Risk description

Project development

The risks linked to John Mattson's project developments, such as apartment upgrades, extensions and conversions of unutilised spaces in residential properties, and new build projects pertain to developments in the rental market. Residential rents are set according to the utility value system, which means that rents do not necessarily correspond to what the market rent for the same apartment would have been. The norm for new housing production is to negotiate presumption rents with the Hyresgästföreningen (Swedish Union of Tenants). Where no agreement can be reached on presumption rents, John Mattson can set the rent level itself. Tenants can apply to the Regional Rent Tribunal to challenge the rent level. The risk is that set rent levels must be lowered, which could impact earnings.

Other project development risks encompass the product design and implementation, which can affect the project in terms of time and cost. A prerequisite for completion of the project is access to resources in the form of contractors, consultants and own personnel.

Changes in value

John Mattson initially recognises its properties at fair value with changes in value recognised in profit or loss.

This can entail volatility in earnings. The market value of properties is determined by market supply and demand, and is also based on the property's assessed net operating income.

Interest, refinancing and liquidity risks

Risk is posed by the impact of changes in the level of interest rates and/or margin adjustments to the company's cost of financing. There is also a risk that it is not possible to refinance existing borrowings on reasonable terms. Moreover, liquidity risk could entail the company experiencing difficulty in discharging its undertakings pursuant to financial liabilities.

Management/possibility

→ John Mattson's property portfolio is situated in attractive locations in the Stockholm region. The risk of residential rent losses is assessed as very low over the next few years. Housing policy has high prominence in political debate and the rent setting system is one of the issues that is discussed intensely. One objective is that the rent level should reflect tenant demand in terms of service, standard and location to a much greater extent than today. A potential change in the utility value system is a possibility for John Mattson to eventually increase revenue and improve earnings with an unchanged low risk of losing rental revenue. John Mattson has set the rents for around 8% of its apartments.

John Mattson's business partners are carefully selected and we work in close dialogue with internal and external parties. Well-functioning internal processes, including work environment and safety as well as a highly competent project organisation ensure efficient project implementation and that the end product maintains a high quality and is suitable for long-term property management. The handover from the project development organisation to John Mattson's property management organisation is conducted in an efficient manner.

To attract and retain our employees, we strive to offer a workplace with a healthy approach to work, where staff enjoy working and are highly committed, and where each employee has a key role and the ability to influence. The most recent employee survey showed very strong values for commitment and employee satisfaction, where 90% of the employees agreed that work was highly motivating.

→ Of John Mattson's rental value, 75% is attributable to residential properties in the Stockholm region, which generate stable cash flows with low vacancies. Investment properties, which comprise 98% of the total property value, are subject to external valuation each quarter by Cushman & Wakefield. Development rights are valued internally on a quarterly basis.

John Mattson's financial policy sets out how financial operations should be conducted, how the associated risks should be limited and defines the risks that the company is permitted to take. The financial policy is followed up continuously by management, the Audit and Finance Committee and the Board. The company's overall financial risk limitation is that the loan-to-value ratio should not persistently exceed 50%. The company believes that having a positive cash flow in the business is important for achieving the company's long-term objectives.

Accordingly, the company has set a target that the interest coverage ratio should not persistently be below 1.5.

In order to limit the interest-rate risk, derivative agreements are entered into in the form of interest-rate swaps. In order to limit refinancing risk, John Mattson endeavours to have an average remaining maturity for its interest-bearing liabilities in excess of two years as well as having several lenders.

Liquidity risk is managed through overdraft facilities totalling SEK 160.0 million, of which SEK 124.9 million had been utilised at the end of 2021.

Operational risks

Financial risk

The John Mattson share

John Mattson's share is listed on Nasdaq Stockholm, Mid Cap and is traded under the symbol (ticker) "JOMA." John Mattson had a market capitalisation of SEK 7.3 billion at the end of the year.

Class of shares

John Mattson has one class of shares, common shares, and each share entitles the holder to one vote. The share capital amounted to SEK 12,121,609 and the number of shares totalled 36,364,827.

Share price performance

On 5 June 2019, the share was listed on Nasdaq Stockholm, Mid Cap. The issue price for the listing of John Mattson was SEK 90 per share. On 31 December 2021, the price stood at SEK 199.40. The year's highest price for the John Mattson share was SEK 206.0 on 1 December and the year's lowest price was SEK 166.60 on 11 October.

Trading and turnover

In 2021, stock turnover amounted to 12.0 million shares with a total value of SEK 1.9 billion. Of these, 93.1% were traded on Nasdaq Stockholm and the rest on other marketplaces.

Shareholder structure

At the end of the year, there were 2,649 known shareholders of John Mattson. The three largest shareholders are AB Borudan Ett, Tagehus Holding AB and Fidelity Investments (FMR), who collectively own 56.39% of the John Mattson shares. Foreign ownership of John Mattson shares amounted to 12.81% at the end of the year.

Net asset value


By the end of the year, NAV amounted to SEK 175.90 per share (129.25). NAV increased 36.1% compared with 31 December 2020. NNNV amounted to SEK 5,765.1 million

(4,007.2) or SEK 158.54 per share (119.01) at the end of the year, 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. John Mattson will prioritise value-creating investments over the forthcoming years, which means that dividends may drop below 50% or may not even transpire.

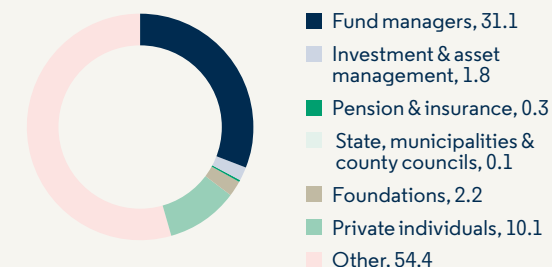
Information for the stock market

John Mattson's primary information channel is the company's website, corporate.johnmattson.se/en/. All press releases and financial reports are published here. Meetings are regularly arranged for analysts, shareholders, potential investors and financiers. 

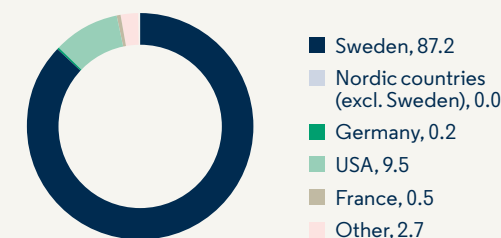
Shareholders 31 Dec 2021

	No. of shares	Percentage
AB Borudan Ett	12,777,055	35.1%
Tagehus Holding AB	4,336,698	11.9%
Fidelity Investments (FMR)	3,391,106	9.3%
Länsförsäkringar Fonder	2,841,055	7.8%
Carnegie Fonder	2,696,609	7.4%
Prior & Nilsson Fonder	1,182,268	3.3%
Other shareholders	9,140,036	25.1%
Total	36,364,827	100.0%
Of which, foreign shareholders	4,659,950	12.8%
Total	33,670,032	100.0%
Of which, foreign shareholders	2,732,639	8.1%

SHAREHOLDER CATEGORIES, 31 DEC 2021, %



SHAREHOLDING PER REGION, 31 DEC 2021, %



Source: Monitor of Modular Finance AB. Consolidated and compiled data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority, Nasdaq and Millstream.

Shareholder structure 31 Dec 2021

Size class	No. of shares	Capital/ votes	No. of known shareholders	Share of known shareholders
1–1,000	341,159	0.9%	2,386	90.1%
1,001–10,000	568,096	1.6%	161	6.1%
10,001–100,000	2,662,997	7.3%	79	3.0%
100,001–2,000,000	5,958,693	16.3%	18	0.7%
2,000,001–4,000,000	8,928,770	24.4%	3	0.1%
4,000,001–	17,113,753	47.1%	2	0.1%
Anonymous share- holding	791,359	2.4%	0	0
Total	36,364,827	100.0%	2,649	100.0%

Share-related key metrics

	2021	2020
Income from property management, SEK/share	2.98	2.81
Growth in income from property management, SEK/share, %	6.0	45.8
Profit after tax attributable to Parent Company shareholders, SEK/share	38.21	14.22
NAV, SEK/share	175.90	129.25
Growth in NAV, SEK/share, %	36.1	16.4
NNNAV, SEK/share	158.54	119.01
Equity attributable to Parent Company shareholders, SEK/share	141.45	101.39
Market capitalisation at the end of the period, SEK/share	199.40	135.80
Market capitalisation (SEK/share)/NAV, SEK/share at the end of the period	1.13	1.05
Average No. of shares during the period	34,600,537	33,670,032
No. of shares outstanding at the end of period	36,364,827	33,670,032

Analysts that monitor John Mattson

Analysts	
Carnegie Investment Bank	Erik Granström and Fredric Cyon
Handelsbanken	Johan Edberg and Oscar Lindqvist

Development of share capital

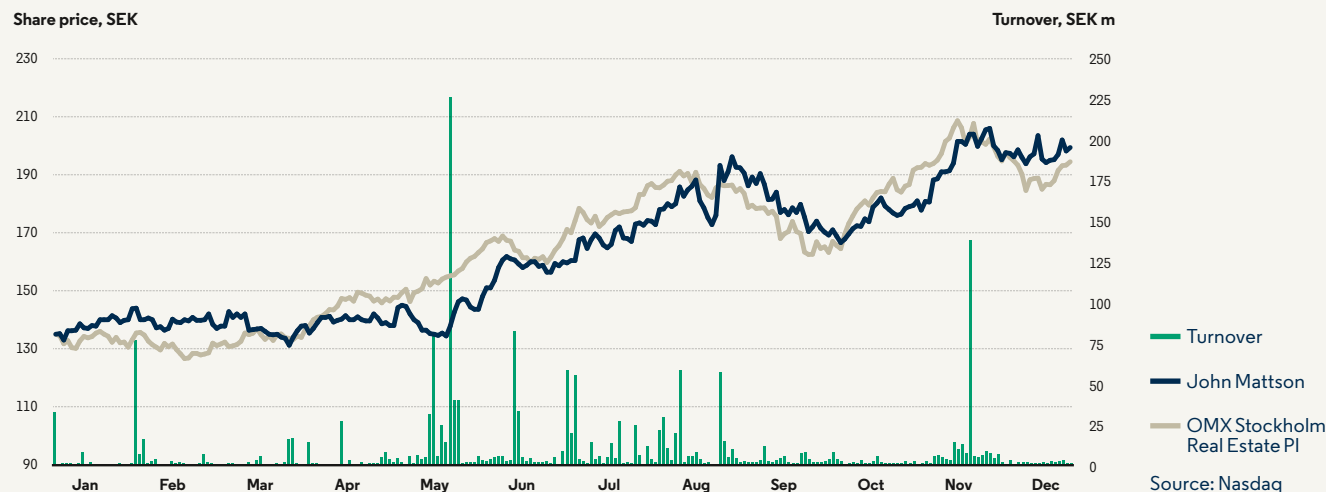
Year	Event	Change in No. of shares	Total No. of shares	Change in share capital (SEK)	Change in share capital (SEK)	Quotient value (SEK)
2010	Founded	1,000	1,000	100,000	100,000	100
2011	Bonus issue	–	1,000	9,900,000	10,000,000	10,000
2018	Share split 10,000:1	9,999,000	10,000,000	–	10,000,000	1
2018	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
2021	Non-cash issue	2,694,795	36,364,827	898,265	12,121,609	0.33

Net asset value


	31 Dec 2021		31 Dec 2020	
	SEK m	SEK/share ¹⁾	SEK m	SEK/share ¹⁾
Equity according to balance sheet	5,143.9	141.45	3,413.7	101.39
Add back:				
Derivatives according to balance sheet	25.2	0.69	73.2	2.17
Deferred tax liability in balance sheet	1,227.5	33.76	865.1	25.69
NAV	6,396.6	175.90	4,352.0	129.25
Less:				
Derivatives according to balance sheet	-25.2	-0.69	-73.2	-2.17
Estimated actual deferred tax liability	-606.3	-16.67	-271.6	-8.07
NNNAV	5,765.1	158.54	4,007.2	119.01

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.

SHARE PRICE PERFORMANCE 2 JANUARY–30 DECEMBER 2021



Source: Nasdaq



Public art installations are part of John Mattson's property projects. Here is artist Roger Metto's work *Passage*, which is located in one of the entrances of Dalénium in Lidingö.

Financial information

Growth focus and change of CEO

2021 can be summed up as a year with strong growth. John Mattson laid a solid foundation for continued value creation, and a change in company management meant that Per Nilsson took over the role of CEO and the work with growth that Siv Malmgren started.

From Lidingö to the entire Stockholm region

In John Mattson's 2019 IPO, one of the financial growth targets was that the Group's property value would amount to at least SEK 10 billion by the end of 2023. Through several strategic acquisitions over the past year, the property value doubled in 2021 and the target had already been exceeded at the end of the year. In a short time, John Mattson has transformed from a Lidingö-based residential property company to now having operations in five municipalities in the Stockholm region.

Acquisitions have been in focus for the Board over the past year. However, there is more to this than just acquisitions. John Mattson will grow organically and through acquisitions in its carefully selected submarkets. The acquisitions of Hefab and Efib increased properties under management by some 50%, and this was achieved in geographic locations that most consider highly attractive. Our ambition is to continue making creative acquisitions that fit well with John Mattson's relatively defined, but profitable, geographic boundaries.

John Mattson's project portfolio also expanded with interesting future project opportunities due to the acquisitions in 2021. Going forward, project development will be an important complement to management and acquisitions to ensure continued strong growth and value creation.

Change of CEO and Board changes

In the beginning of 2022, Siv Malmgren stepped down as CEO to enter retirement. Under Siv's leadership, John Mattson has expanded, the residential portfolio has been developed and value added to the properties. Siv successfully took John Mattson to

the stock exchange and created a forward-looking platform while concurrently acknowledging our master builder tradition. "I would like to express my heartfelt gratitude to Siv for all of her work across 26 years of service, 16 of which as CEO, to the company.

I am also delighted that Per Nilsson has taken up the baton as the company's new CEO and bid him a warm welcome to John Mattson. Given his breadth of experience from the property industry and his excellent leadership skills, Per is the right person to continue to drive growth forward.

The Board has also undergone change during the year. After Anna Sander stepped down from the Board, Ingela Lindh was elected as a new member of the Board at the 2021 Annual General Meeting. Ingela's extensive experience of the property sector and urban development is a great asset in the Board's work with growth and development.

Operating environment

To date, the property industry has been impacted to varying degrees by the COVID-19 pandemic. Residential properties have been impacted to a lesser degree than commercial properties with demand for residential in attractive locations remaining high. At the same time, inflation has risen to its highest level for many years. The price increases affect the property sector when prices increase for energy and raw materials, for example. The ongoing war in Ukraine is impacting on the entire world economy, but its effects for John Mattson are not possible to predict at the time of writing. Many of these external factors lead me to believe that uncertainty and volatility will increase going forward. The long-term and cautious nature of our strategy will be of great help in facing these challenges.

John Mattson is growing and developing, but the company's core vision – to create great neighbourhoods across generations – remains firm. The development of vibrant, safe and attractive neighbourhoods and local communities continues, to create value for the company as well as for the residents and for society at large.

Finally, I wish to thank all the staff at John Mattson for their hard work and great commitment. 2021 was a fantastic year for John Mattson.

Johan Ljungberg, Chairman of the Board



Administration Report

The Board of Directors of John Mattson Fastighetsföretagen AB (publ) (556802-2858) hereby presents the Annual Report for the Group and Parent Company for the 1 Jan 2021–31 Dec 2021 financial year. The registered office of the company is in the municipality of Lidingö Stad, Stockholm, Sweden. The Annual Report is presented in Swedish krona (SEK). The comparative year is 2020.

Information about the operations

John Mattson has been active in property management and property development for more than 50 years. The Group's mission is to own, manage and develop residential and commercial properties. The commercial premises should complement the residential portfolio and provide services to the residential tenants.

Property portfolio

John Mattson is a property owner with rental apartments in Lidingö, North Stockholm, City/Bromma and South Stockholm/Nacka as well as a number of development projects in the Stockholm area. The property portfolio mainly comprises residential properties. At the end of the financial year, the portfolio comprised 4,414 rental apartments with a lettable area of 355,600 sq m (215,900), broken down as 82% residential and 18% commercial premises.

During the year, the shares were acquired of Hefab Fastighets AB and Efib Aktiebolag resulting in a change in the geographic distribution of the property portfolio from its previous concentration to Lidingö. As of 31 December 2021, 50% of the lettable area pertained to Lidingö, compared with some 80% in the preceding year. Moreover, the acquisitions have entailed a 78% increase in the total lettable area. In addition to the acquisitions of Hefab and Efib during the year, a large portfolio was also acquired in Hägervik and Tureberg, Sollentuna. Moreover, acquisitions were also completed in the year of an office property in Finnbo, Nacka, and a residential project in Vilunda, Upplands Väsby. In the third quarter, three properties were acquired by Gullmarsplan with possession scheduled for February 2022. Demand for John Mattson's apartments remains high.

Financial targets

The Board of Directors of John Mattson has decided on the following financial targets:

- An average annual growth in 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.
- To attain a property value corresponding to at least SEK 10 billion by 2023. As of 31 December 2021, the property value was SEK 15.9 billion (8.0).

Strategy

John Mattson's strategy for achieving these financial targets is based on the following four cornerstones:

- An overall and personal approach to property management.
- Adding value to properties through upgrades and conversions.
- Infill development on our own land and adjacent to our existing buildings.
- Acquiring properties with development potential in terms of, for example, new development rights or other potential to add value in attractive market locations in the Stockholm region.

Investments

The main investments during the year comprised the acquisitions of Hefab and Efib. Moreover, major investments were made in the new build project in Upplands Väsby. Over the year, 339 apartments have undergone extensive upgrades to ensure their technical viability and to generate a higher net operating income primarily through higher rent levels. Upgrades are implemented in two steps using the Larsberg model: base upgrades and total upgrades.

Base upgrades that secure the building's technical status through the replacement of electrical and plumbing systems as well as bathrooms are mainly carried out with the existing tenants in place. The following step, total upgrades, 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 tenants have vacated or requested it.

In conjunction with the upgrades, where possible, unused spaces are converted to housing or to commercial operations where possible. A total of 179 base upgrades and 160 total upgrades were carried out in 2021.

Planning is ongoing to be able to commence upgrades in Rotebro in 2022, and thereafter, Rotsunda.

John Mattson works actively to identify undeveloped land where infill development is possible and appropriate for the existing built-up area. Infill development 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. Property development is conducted in close collaboration with the municipality and local stakeholders.

During the year, total investments amounted to SEK 6,398.4 million (1,075.0), of which SEK 6,143.8 million (857.7) pertained to acquisitions. Investments in new builds amounted to SEK 95.9 million (33.4) and pertained primarily to the new build project in Upplands Väsby. Investments in upgrades amounted to SEK 116.3 million (127.1) and encompassed upgrades to 339 apartments (368). At the end of the year, upgrades were being made to 43 apartments (27).

Organisation

John Mattson's organisation consists of 45 (30) employees, of whom 27 (21) are women. As of 31 December 2021, the company's management group consisted of the Chief Executive Officer, Chief Financial Officer, Head of Business Development, Head of Project Development, Head of Property Management and Head of Communications. The organisation's primary area of operations is property management and project development, with accounting and communication as central support functions. Property managers, property technicians and customer service agents work within the property management department. Property management is essentially conducted by John Mattson's own personnel. Further information on employees, salaries and benefits is provided in Note 7 to the consolidated financial statements.

Property valuation

Quarterly external valuations of all of the Group's properties are conducted by Cushman & Wakefield. More information about John Mattson's investment properties can be found in Note 13.

Significant events during the year

- Acquisition and transfer of properties valued at SEK 5,270 million through the acquisition of the shares in Hefab Fastighets AB (HEFAB) and in Efib Aktiebolag (EFIB).
- John Mattson took possession of properties with a property value of SEK 902 million in Häggvik and Tureberg in the municipality of Sollentuna.
- In autumn 2021, the company entered an agreement to acquire three properties at Gullmarsplan with a property value of SEK 670 million.

Financial strategy and risk management

John Mattson's reputation, earnings and cash flow are affected by changes in the external world and by the company's own actions. Risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects. The primary tools for managing risk are the strategies that the company follows, which are made tangible in processes integrated in daily operations. Values are also an important part of managing risks in daily operations and in ensuring a high level of competence in the organisation. John Mattson's risk sections can be found on pages 38–40 and include financial risks. A more detailed description of financial risks and John Mattson's financing strategy follows below.

Financing strategy

Trends in financial markets are of considerable significance to John Mattson's business operations and earnings. For this reason, it is important to define financial risks, put them in relation to other business risks, assess the risks and secure appropriate management that supports the overall business objectives. John Mattson takes a long-term approach to its ownership of properties, which requires access to capital to be able to develop the property portfolio. The financial operations should be conducted in such a way that the need for long-term and current financing is secured at as low a cost as possible given the risk mandate, and so that they safeguard the company's interest payment capacity over time.

Financing risk

The company's financial policy specifies guidelines and regulations for how John Mattson's finance operations should be conducted.

The financial policy is adopted annually by the Board of Directors and states how the various risks associated with finance operations should be limited and defines the risks that the company is permitted to take. The Board of Directors has also appointed a separate Audit and Finance Committee which, together with executive management, focuses on, among other things, preparing financing matters before they are addressed by the Board of Directors.

The company's overall financial risk limitation is that the loan-to-value ratio should not persistently exceed 50% and the interest coverage ratio should not persistently be below 1.5. At the end of 2021, the loan-to-value ratio was 58.0% (44.7) and the interest coverage ratio was 2.2 (2.6).

Interest-rate risk is defined as the risk that changes in the level of interest rates will impact the company's cost of financing. Interest rate risk is attributable to the way current market interest rates develop. In order to limit the interest-rate risk, derivative agreements are entered into in the form of interest-rate swaps. To limit fluctuations in net interest expense, the company should have a mix of fixed-interest tenors for its loans and derivatives, while ensuring that the average fixed-interest tenor is in the range of one to five years and that a maximum of 50% is in the range of zero to one year. The volume-weighted average fixed-interest tenor was 2.0 years (2.2) at the end of 2021.

The company's financing primarily consists of equity and interest-bearing liabilities. In order to limit refinancing risk, defined as the risk that refinancing of existing liabilities will not be possible on reasonable terms, John Mattson endeavours to have a long average remaining maturity for its interest-bearing liabilities as well as several lenders. To ensure the necessary loan-to-maturity for the maturity structure, the company also strives to have an even loan maturity structure and that total borrowings should have an average loan-to-maturity (volume-weighted average remaining maturity) that exceeds two years. The volume-weighted average loan-to-maturity was 2.1 years (2.3) at the end of 2021.

John Mattson has a positive cash flow from operating activities in line with income from property management. Liquidity risk is the risk that the Group will encounter difficulty in fulfilling its obligations associated with financial liabilities. This risk is managed through overdraft facilities totalling SEK 160 million (160), of which SEK 124.9 million (56.1) had been utilised at the end of 2021. Moreover, a credit facility for SEK 100 million is in place for future financing needs.

Dividend policy

Over the long term, dividends are to amount to 50% of income from property management. Because John Mattson will prioritise value-

creating investments in the property portfolio over the years ahead, future dividends may in the short term drop below the long-term target or may not even transpire.

Sustainability

John Mattson has high ambitions and actively works with its long-term sustainability agenda in all areas of operation. Refer to pages 29–37 for more information about the company's sustainability agenda.

Guidelines for remuneration of senior executives

The Board of Directors is responsible for the company having a formal and transparent process in place for establishing principles, remuneration and other terms of employment for the company management.

John Mattson's Remuneration Committee prepares proposals for guidelines for remuneration and other terms of employment for the CEO and other senior executives as well as evaluates the application of the guidelines as resolved by the AGM. The members of the Remuneration Committee comprise three Board Members appointed by the Board of Directors.

The Board prepares proposed guidelines for resolution by the AGM, at least every fourth year. Remuneration of senior executives is market-based and competitive as well as proportionate to responsibilities and authorities. Remuneration comprises fixed salaries, any variable remuneration, pension benefits and other benefits. Salaries, benefits and pension premiums for 2021 are disclosed in Note 7. Variable cash remuneration for the CEO may not exceed six months' salary (calculated on the fixed monthly salary).

Variable remuneration for the other senior executives may not exceed four months' salary (calculated on the fixed monthly salary) and is based on the outcomes relative to pre-set targets. Pension benefits to senior executives are either defined-contribution or defined-benefit unless the individual in question is encompassed by a defined-benefit pension in accordance with the provisions of a collective bargaining agreement. Variable remuneration is only pensionable to the extent it is required pursuant to the applicable provisions of collective bargaining agreements. For each senior executive, pension premiums may not exceed 50% of the fixed base salary unless a higher provision is applicable according to the relevant collectively agreed pension plan. Premiums and other benefits, such as health insurance and company car, may not total more than 5% of the total fixed annual salary of the respective senior executive. In accordance with Chapter 8 Section 53 of the Swedish Companies Act, the Board of Directors has the right to depart

from these guidelines in an individual case if there are particular reasons to do so.

For the complete proposal regarding the proposed guidelines for senior executives, refer to John Mattson's website corporate.johnmattson.se/en/. Refer to the Corporate Governance Report on pages 50–53 for more information on the guidelines for remuneration of senior executives.

FINANCIAL OUTCOME

Income statement

Revenue

The Group's revenue for the year amounted to SEK 407.9 million (294.0), corresponding to SEK 1,658 per sq m (1,440). The total revenue increase of SEK 113.8 million was mainly attributable to acquired properties, which increased revenue by SEK 94.1 million for the year. The increase in revenue was also due to completed upgrades and infill development, which increased revenue by about SEK 13 million.

Rental revenues for residential properties totalled SEK 329.0 million (251.3), corresponding to SEK 1,537 per sq m (1,381). The general annual housing rent negotiations for 2021 resulted in increases of 1.1–1.6% from 1 April.

Property expenses

Property expenses totalled SEK 158.0 million (98.0), corresponding to SEK 637 per sq m (495), which is a cost increase of SEK 94 per sq m or 29%.

Operating expenses amounted to SEK 97.7 million (63.7), SEK 26.5 million of which pertained to properties acquired during the year. The increased operating expenses are also due to increased media costs as a result of a colder year.

Maintenance expenses amounted to SEK 25.3 million (12.3), approximately SEK 11 million of which pertained to properties acquired during the year. Moreover, the increased year-on-year costs were also due to reverting to previous levels of maintenance from lower levels as a result COVID-19.

Property administration expenses amounted to SEK 27.7 million (17.1), of which SEK 3.0 million was attributable to costs for four months in the acquired companies, Hefab and Efib. Part of the year-on-year cost increase was attributable to increased resource consumption in the management organisation due to acquisitions. Additionally, more system upgrades were carried out than in the previous year.

Central administration costs

Central administration costs comprise costs for company management, business development and central support functions. During

the year, central administration costs amounted to SEK 56.8 million (41.7). The year-on-year cost increase was primarily due to an expensed non-recurring provision for the previous CEO's future pension and a non-recurring provision pertaining to the acquisition of shares in Hefab and Efib. During the year, non-recurring costs amounted to SEK 8.1 million. The year included central expenses attributable to the acquired shares in Hefab and Efib of SEK 6.6 million, including non-recurring costs.

Changes in value

Properties

Changes in property values amounted to SEK 1,539.0 million (517.7), of which SEK 0.9 million (0.0) pertained to realised changes in value. Unrealised changes in the value of the properties amounted to SEK 1,538.2 million (517.7), of which SEK 986.0 million pertained to changed yield requirements.

During the year, transactions in the Stockholm region were completed with continued low yield requirements. The average valuation yield for the Group was 2.7% (2.9). The value changes were also attributable to an improved net operating income, linked to measures to raise rents in the form of upgrades.

Derivatives

Altogether, John Mattson has concluded interest-rate swaps to a nominal value of SEK 2,343 million (1,539.0). The interest-rate swaps expire between 2022 and 2031. The market value of interest-rate derivatives at the end of the period was a negative SEK 25.2 million (negative: 73.2). Unrealised changes in derivative values resulted in a change in value of SEK 48.0 million (negative: 4.3), primarily as a result of changed long-term market interest rates, which led to an increase in the interest-rate derivatives' value during the year.

Net financial items

Net financial items amounted to an expense of SEK 89.9 million (expense: 59.6). Increased net financial items were attributable to financing the year's acquisitions. Ground rent is included in net financial items and amounted to SEK 4.4 million (0.9). Capitalised financial expenses for ongoing projects amounted to SEK 2.6 million (4.1). The average interest rate, including the effects of interest-rate derivatives, was 1.35% (1.47). The interest coverage ratio was a multiple of 2.2 (2.6) at the end of the year.

Tax for the year

Current tax for the period was an expense of SEK 3.0 million (expense: 1.8). Deferred tax amounted to an expense of SEK 356.9 million (expense: 127.5) and was impacted by unrealised value changes on

properties and derivatives in a net negative amount of SEK 326.9 million (negative: 105.8) and positive changes in capitalised loss carryforwards of SEK 65.4 million (negative: 2.8).

Balance sheet

Investment properties

During the period, total investments amounted to SEK 6,398.4 million (1,075.0), of which SEK 6,143.8 million (857.7) pertained to acquisitions. Investments in new builds amounted to SEK 95.9 million (33.4), and mainly pertained to the new build project in Upplands Väsby. Investments in implemented base and total upgrades amounted to SEK 116.3 million (127.1) and encompassed 339 apartments (368). Other investments pertained primarily to heating and ventilation systems.

Parent Company

The operations of the Parent Company, John Mattson Fastighetsföretagen AB (publ), primarily encompass shared Group services pertaining to strategy, communication, business development and accounting/finance. Parent Company revenue amounted to SEK 20.2 million (13.5). Central administration and marketing costs amounted to SEK 36.5 million (39.0). The loss before appropriations and tax amounted SEK 35.7 million (loss: 31.5).

Outlook for 2022

- Continued focus on property management, acquisitions and infill development
- Increased focus on project development and continued ongoing evaluation of acquisitions of investment properties
- Continued base and total upgrades of the existing portfolio.

Events after the balance-sheet date

John Mattson is carefully monitoring developments with the war in Ukraine, which is impacting the entire world economy. At present, the short- and long-term effects on John Mattson are not possible to ascertain, and accordingly, it is crucial to continuously assess the current status and implement any necessary measures.

Multi-year review

Group, SEK million	2021	2020	2019	2018	2017
Property-related key metrics					
Surplus ratio, %	61.3	66.7	60.4	47.3	44.2
Rental value at the end of the period, SEK m	609.7	336.5	275.1	257.4	193.7
Rental value, apartments, at the end of the period, SEK/sq m	1,557	1,485	1,485	1,411	1,346
Economic occupancy rate at the end of the period, %	95.6	94.5	94.9	96.5	97.4
Lettable area at the end of the period, thousand sq m	355.5	215.9	171.5	169.1	134.1
Investments in new builds, extensions and redevelopments, SEK m	254.6	217.4	160.1	287.5	319.2
Property value, at the end of the period, SEK/sq m	44,710	36,861	37,124	35,339	33,902
Total number of apartments	4,414	2,829	2,251	2,177	1,602
No. of upgraded apartments during the period	339	368	65	375	469
Key financial metrics					
Rental revenues, SEK m	407.9	294.0	253.0	218.3	187.6
Net operating income, SEK m	249.8	196.0	152.8	103.2	83.0
Income from property management, SEK m	103.1	94.7	64.9	23.7	28.3
EBT, SEK m	1,692.3	608.1	235.2	233.4	299.0
Profit for the year, SEK m	1,332.5	478.8	178.8	222.3	233.9
Cash flow from operating activities, SEK m	121.1	115.9	46.2	21.9	37.6
Equity, SEK m	5,250.2	3,413.7	2,934.8	2,756.0	2,169.7
No. of employees	45	30	25	24	25
LTV ratio at the end of the period, %	58.0	44.7	40.7	41.0	37.5
Average interest rate at the end of the period, %	1.4	1.5	1.9	1.9	2.4
Interest coverage ratio during the period, multiple	2.2	2.6	2.3	1.6	1.7
Fixed-interest tenor, at the end of the period, years	2.0	2.2	3.2	3.5	4.5
Loan-to-maturity at the end of the period, years	2.1	2.3	2.4	3.3	0.6
NAV, SEK m	6,396.6	4,352.0	3,739.6	3,509.3	2,912.7
NNNAV, SEK m	5,765.1	4,007.2	3,480.2	3,267.4	2,705.2
Share-related key metrics (in SEK)¹⁾					
Average number of shares	34,600,537	33,670,032	33,670,032	31,860,153	30,000,000
No. of shares outstanding at the end of period	36,364,827	33,670,032	33,670,032	33,670,032	30,000,000
Income from property management, SEK/share	2.98	2.81	1.93	0.74	0.94
Growth in income from property management, SEK/share, %	6.0	45.8	159.0	-21.0	-36.9

Group, SEK million	2021	2020	2019	2018	2017
Adjusted income from property management, SEK/share, growth, % ²⁾	13.9	26.5	63.6	44.1	-36.9
Profit for the year, SEK/share	38.21	14.22	5.31	6.98	7.80
NAV, SEK/share	175.90	129.25	111.07	104.23	97.09
Growth in NAV, SEK/share, %	36.1	16.4	6.6	7.3	10.7
NNNAV, SEK/share	158.54	119.01	103.36	97.04	90.17
Equity, SEK/share	141.45	101.39	87.16	81.85	72.32
Parent Company					
Net sales, SEK m	20.2	13.5	8.4	64.3	5.8
Equity, SEK m	1,637.5	1,231.7	1,245.3	1,254.3	901.3
Total assets, SEK m	5,725.5	1,993.5	1,807.2	1,768.3	1,384.9
Equity/assets ratio, %	28.6	61.8	68.9	70.9	65.1
Number of employees	6	6	5	0	0

¹⁾ In conjunction with the acquisitions of Hefab and Efib, two share issues of 2,694,790 shares totalling SEK 408 million were carried out, which were registered on 16 July and 16 October, respectively. The issues were completed with the support of the authorisation from the Annual General Meeting on 22 April 2021. The number of shares on 31 December 2021 was 36,364,827.

²⁾ Adjusted income from property management for 2019 pertains to income from property management adjusted for non-recurring costs linked to the stock exchange listing.

Proposed appropriation of profits

The following profit is at the disposal of the Annual General Meeting (SEK):

Share premium reserve	770,068,063
Retained earnings	857,681,996
Profit/loss for the year	-2,359,194
	1,625,390,865
To be appropriated as follows:	
To be carried forward	1,625,390,865
	1,625,390,865

Corporate Governance Report 2021

Introduction

The corporate governance of John Mattson refers to ensuring that rights and responsibilities are distributed between the company's governance bodies in accordance with applicable laws, rules and processes. Efficient and transparent corporate governance provides the owners with the ability to uphold their interests concerning company management while clarifying the division of responsibility between management and the Board of Directors, but also throughout the company. This also leads to efficient decision making which makes it possible for John Mattson to act quickly when new business opportunities arise. John Mattson is a Swedish public limited liability company that was listed on Nasdaq Stockholm, Mid Cap as of 5 June 2019. The company's corporate governance is based on Swedish law, in particular the Swedish Companies Act (2005:551), the Swedish Corporate Governance Code (the "Code"), the company's Articles of Association, internal regulations (instructions and policies) as well as Nasdaq Stockholm's Rule Book for Issuers. Additional information about John Mattson's corporate governance is available on the company website.

The Code applies to all Swedish companies whose shares are listed in a regulated market in Sweden. Companies are not required to comply with all of the regulations in the Code, companies can instead choose alternative solutions that they believe to be more appropriate for the company's specific circumstances under the condition that the company reports the deviation/s, describes the alternative solution and explains the reasons behind the deviation/s in the corporate governance report (the so-called "comply or explain approach"). John Mattson applied the Code with no deviations in 2021.

Shareholders

For information about the ownership structure, see pages 41–42 of this Annual Report.

Voting rights

There is only one class of share and all shares carry the same number of votes: one vote per share.

General meeting

In accordance with the Swedish Companies Act, the general meeting is the company's highest decision-making body, and shareholders exercise their voting rights in key issues, for example the adoption of the income statement and balance sheet, appropriation of the company's profits, discharging the Board of Directors and the CEO from liability, election of members of the Board and auditors as well as their remuneration.

The Annual General Meeting (AGM) must be held within six months of the end of the financial year. In addition to the AGM, official notice can be issued for extraordinary general meetings. According to the Articles of Association, notice for general meetings is to be issued in the form of an advertisement in Post- och Inrikes Tidningar and by making the notice available on the company's website. An advertisement that notification of the meeting has been issued is to simultaneously be made in Svenska Dagbladet. The Company's financial year runs from 1 January to 31 December.

Right to participate

To be able to participate in decisions, it is necessary for the shareholder to be present at the meeting, either in person or through a proxy. Further, it is necessary for the shareholder to be entered in the share register by a certain date before the meeting and that the application for participation is made to the company in a certain manner.

Shareholder initiatives

Shareholders who wish to have a particular matter addressed at the AGM are typically able to request this in good time before the meeting to John Mattson's Board of Directors at a separate address that is published on the company website.

2021 Annual General Meeting

At John Mattson's 2021 AGM, a resolution was passed authorising the Board to decide on the new issue of shares. Ingela Lindh was elected as a member of the Board, and EY were elected as the new auditors with Katrine Söderberg as auditor-in-charge. The other Board members were re-elected, including Johan Ljungberg as

Chairman of the Board. A decision was also made to not distribute any dividend for the 2020 financial year. The minutes from the AGM are available on John Mattson's website.

2022 Annual General Meeting

John Mattson's AGM on 21 April 2022 will be held at 2:00 p.m. at Carl Malmstens skolan's premises, Larsbergsvägen 8, Lidingö. Shareholders will also be able to vote via postal ballot. The application to attend the AGM and instructions for postal voting will be available on the company's website.

Nomination Committee

The Nomination Committee is appointed ahead of the AGM and comprises representatives for the three largest shareholders in terms of voting rights in the company as per August each year, and the Chairman of the Board, who is also to convene the Nomination Committee to its first meeting. The Nomination Committee must perform its assignment in accordance with the instructions decided on at the AGM, the Code and other applicable rules. The assignment includes submitting proposals for the Chairman of the meeting, the number of Board members, the election of the Chairman and other elected members of the Board, fees and other remuneration of each of the AGM-elected Board members and members of the Board's committees, election of auditors and auditors' fees. In as far as it is considered necessary, the Nomination Committee is to submit proposals for changes to the applicable rules for the Nomination Committee. The Nomination Committee must pay particular attention to the requirements of the Code regarding diversity and breadth on the Board of Directors and to strive for equal gender distribution. No fees are to be paid to the members of the Nomination Committee. However, the company will defray reasonable costs associated with the work of the Nomination Committee.

The Nomination Committee ahead of the 2022 AGM

The Nomination Committee held three minuted meetings in 2021 and 2022. John Mattson's Nomination Committee meets the requirements for independence in relation to the company. The Board members on the Nomination Committee and which

owners appointed them is displayed in the table below. John Mattson's Nomination Committee can be contacted by email at valberedningen@johnmattson.se.

The Nomination Committee ahead of the 2022 AGM

- Jan-Erik Lindstedt, appointed by AB Borudan Ett (Chairman of the Nomination Committee)
- Johan Ljungberg, appointed by Tagehus Holding AB
- Magnus Strömer, appointed by Länsförsäkringar Fondförvaltning AB (publ)

Board of Directors

The Board of Directors is the company's next highest decision-making body after the general meeting. John Mattson's Board of Directors is to, in accordance with the Articles of Association, consist of no less than three and no more than seven members, with no deputy members. At the AGM on 21 April 2021, it was decided to re-elect Johan Ljungberg, Ulrika Danielsson, Håkan Blixt and Christer Olofsson as Board members. Johan Ljungberg was re-elected as Chairman of the Board. Ingela Lindh was elected as a new member of the Board of Directors. For more information on the Board members and their assignments outside the Group as well as their shareholding in John Mattson, see the section "The Board of Directors" on page 54.

Responsibility and work

The Board of Directors' tasks are regulated by the Swedish Companies Act, John Mattson's Articles of Association and the Code. The Board of Directors' work is also regulated by the rules of procedure that are adopted annually by the Board. The rules of procedure regulate the work distribution between the Board of Directors, the Chairman of the Board and the CEO. The Board of Directors also adopts instructions for the Board's committees and instructions for the CEO (including the instruction concerning the CEO's financial reporting).

The Board of Directors is responsible for John Mattson's organisation and the administration of the company's affairs. This entails, inter alia, preparing overarching and long-term strategies, goals, budgets and business plans as well as establishing guidelines to ensure the John Mattson's operations will create long-term value. The Board's responsibilities also encompass examination and adoption of the accounts as well as deciding on issues related to investments, sales, capital structure, dividend policy and development. The Board also adopts the company's material policies and ensures that control systems are in place to ensure compliance therewith and, in addition, ensures that systems are in place for the control and

follow up of the company's operations, risks and material changes in the company's organisation and operations. The Board appoints the company's CEO and establish salaries and other remuneration for the CEO and other senior executives in accordance with the guidelines for remuneration of senior executives adopted by the general meeting. The Board of Directors has overriding responsibility for ensuring sustainability is a central and integrated element of John Mattson's governance. The sustainability perspective is integrated in John Mattson's established strategy and the business plan for 2022 includes a number of strategic sustainability goals. The Global Compact's ten principles for corporate sustainability comprise the foundation for taking responsibility, and the company's core values and code of conduct guide the company's Board, management, employees and business partners in daily operations. The code of conduct is supplemented by specific policies in various areas, for example diversity, equality and work environment. John Mattson's strategic sustainability initiatives are conducted in four focus areas that contribute to the company's value creation, both financially and strategically. The Chairman of the Board is responsible for, inter alia, ensuring that Board members receive all the necessary documents and the information that they require to monitor John Mattson's position, performance, liquidity, financial planning and other development. It is the duty of the Chairman to complete assignments given by the AGM concerning the establishment of the Nomination Committee and to participate in these efforts. The Chairman of the Board must, in close collaboration with the CEO, monitor the company's financial performance and prepare Board meetings and act as Chairman at said meetings. The Chairman of the Board is also responsible for making sure that the Board evaluates its work and the work of the CEO on a yearly basis. The Board of Directors meets in accordance with an annually prepared timetable. Besides from these meetings, Board members can be called to extraordinary Board meetings to manage issues that cannot be postponed until the next scheduled Board meeting.

Work of the Board in 2021

In 2021, John Mattson's Board of Directors held 18 meetings, of which one was statutory.

Evaluation of the work of the Board

The Chairman of the Board initiates an evaluation of the work of the Board once per year in accordance with the Board's rules of procedure. The 2021 evaluation has been carried out with each Board member giving responses to a questionnaire. In addition, the Chairman of the Board has had some individual contact with particular Board members. The purpose of the evaluation is to gain an insight into the opinions of the Board members concerning how the work of the Board is run and which measures that can be implemented to make the work of the Board more efficient. The aim is also to gain an insight into what type of issues that the Board believe should be given more attention, and in which areas there may be a requirement for additional experience and competence on the Board. The results of the evaluation have been reported within the Board and have been submitted to the Nomination Committee by the Board of Directors.

Remuneration Committee

In accordance with the Code, the Chairman of the Board can also act as the Chairman of the Committee. Other members elected at the general meeting should be independent in relation to the company and company management. The Board's Remuneration Committee continually evaluates the remuneration conditions of leading executives against the background of applicable market conditions. The Committee prepares items within these areas to be decided on by the Board. The Remuneration Committee currently consists of three Board members: Johan Ljungberg (Chairman), Ulrika Danielsson and Håkan Blixt, who are all considered independent in relation to the company and its senior executives. The Committee's members

Board Member	Fee (SEK thousand)	Meeting participation			
		Board	Audit and Finance Committee	Remuneration Committee	Independent
Johan Ljungberg	415	18/18	7/7	4/4	No ¹⁾
Håkan Blixt	215	18/18	7/7	4/4	Yes
Ulrika Danielsson	240	18/18	7/7	4/4	No ¹⁾
Ingela Lindh	175	18/18	–	–	Yes
Christer Olofsson	175	18/18	–	–	Yes

¹⁾ Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.

are appointed by the Board once per year. The Remuneration Committee's primary tasks are to, inter alia, prepare the Board's decisions on matters pertaining to remuneration principles, remuneration and other terms of employment for the company management. Additionally, the Committee is tasked with monitoring and evaluating ongoing and concluded variable remuneration programmes for the company's management and following and evaluating the application of the guidelines for remuneration of senior executives that the AGM is legally obliged to resolve on, as well as the current remuneration structures and levels in the company. The Remuneration Committee is to meet at least twice a year. In 2021, the Remuneration Committee held three meetings. The members of the Committee were present at all of the meetings. Issues addressed at the meetings included the company's guidelines for remuneration of senior executives and remuneration levels to the CEO and other senior executives as well as the company's incentive programmes for all employees.

Audit and Finance Committee

In accordance with the Swedish Companies Act, the Board will have an Audit Committee that consists of at least two members. The Committee's members may not be employed by John Mattson, and at least one of the members must possess accounting or auditing competence. The Audit and Finance Committee currently consists of three Board members: Ulrika Danielsson (Chairman), who is considered to meet the requirement for accounting or auditing competence, Johan Ljungberg and Håkan Blixt. The Committee's members and their Chairman are appointed by the Board once per year. The Audit and Finance Committee is tasked with, inter alia, supervising John Mattson's financial reporting and submitting recommendations and proposals to ensure the reliability of the reporting. The Committee monitors compliance with John Mattson's financial policy and ensures access to capital. The Audit and Finance Committee also monitor the effectiveness of the company's internal controls and risk management. The Committee is also tasked with keeping informed regarding the audit of the annual report and the consolidated financial statements as well as the conclusions of the Swedish Inspectorate of Auditors' quality control. The results of the audit, and how the audit contributed to the reliability of the financial reporting as well as the function that the Committee has had, reviewing and monitoring the statutory auditor's impartiality and autonomy, particularly if the statutory auditor provides other services for the company than auditing is also included in the Committee's tasks. Moreover, the Committee is also tasked assisting the Nomination Committee with the preparation of proposals for resolution by the general meeting regarding

the choice of auditors. The Audit and Finance Committee meets at least four times a year. In 2021, the Audit and Finance Committee held seven meetings. The members of the Committee were present at all of the meetings. Issues addressed at the meetings included compliance with the financial policy, the company's interim reports, the focus of the external audit and the company's internal controls concerning financial reporting.

Remuneration of Board members and the Board's committees

On 22 April 2021, the AGM set Board fees at SEK 375,000 for the Chairman of the Board and SEK 175,000 to each of the other members for the period up to the close of the 2022 AGM, allocated according to the table on the previous page. At the same AGM, it was resolved to set fees at SEK 50,000 to the Chairman and SEK 25,000 to other members of the Board's Audit and Finance Committee. Fees to members of the Board's Remuneration Committee were set at SEK 15,000 per member.

The CEO and other senior executives

The CEO is subordinate to the Board of Directors and responsible for John Mattson's ongoing administration and the daily operations of the company. The distribution of work between the Board of Directors and the CEO can be seen in the rules of procedure for the Board of Directors and the instruction for the CEO.

The CEO is responsible for leading operations in accordance with the Board of Directors' guidelines and instructions and ensuring that the Board of Directors is supplied with the necessary information and decision-data. The CEO leads the work in Group management and makes decisions based on consultation with its members. Additionally, the CEO presents items at the Board's meetings, and ensures that Board members are continually provided with the necessary information in order to monitor the financial position, performance, liquidity and development of the company and the Group. The CEO and other senior executives are more closely presented on page 55.

Guidelines for remuneration of the CEO and other senior executives

The AGM on 22 April 2021 resolved to apply the following guidelines for remuneration of senior executives in the company for the period until the 2022 AGM.

The company offers remuneration and other terms of employment that enable John Mattson to recruit, motivate and retain senior executives with the skills John Mattson needs to implement its strategy and achieve the goals of its operations. Conformity to market conditions and competitiveness are general principles for

remuneration of senior executives of the company. Remuneration paid to senior executives can comprise a fixed base salary, variable cash remuneration, long-term share-based incentive programmes (which in some cases can contain certain salary compensation, pension and other customary remuneration and benefits). Senior executives means the CEO and executives who report direct to the CEO and who are part of the Group management. At present, the company's senior executives are the CEO, the CFO, the Head of Property Management, the Head of Business Development, the Head of Project Development and the Head of Communications.

Principles for fixed remuneration

Fixed salaries are based on the competence, responsibilities and performance of the senior executive, and must be market-based and competitive. Fixed salaries are evaluated on an annual basis by the Remuneration Committee.

Principles for variable remuneration

Variable remuneration is based on pre-determined individual and Group-wide objectives and can, for example, be a combination of revenue, cash-flow and activity goals. The goals are established on a yearly basis by the Remuneration Committee, with the intent that they will align with John Mattson's business strategy and financial targets. Variable cash remuneration for the CEO may not exceed six months' salary (calculated on the fixed monthly salary). Variable remuneration for the other senior executives may not exceed four months' salary (calculated on the fixed monthly salary). The general meeting of shareholders resolves on whether variable remuneration will be payable in the form of a long-term share-based incentive programme.

Incentive programmes of this type must be designed for the purpose of promoting long-term value creation and of achieving an expanded community of interest between the interests of the participating senior executives and the interests of the shareholders. The vesting period under this type of incentive programme, or the period from the time the agreement is signed until the shares can be acquired, may not be less than three years. Incentive programmes that entail acquisition of shares must also be designed to promote own shareholdings in the company. Each year, the Board of Directors evaluates whether or not a long-term share-based incentive programme should be proposed to the general meeting of shareholders. During the 2021 financial year, remuneration for the CEO and other senior executives has been distributed in accordance with the table in Note 7.

Pension

The senior executives are offered pension conditions and pension levels in line with market rates.

Other benefits

Other customary benefits, for example a company car and healthcare insurance, must be in line with market conditions.

Notice period and severance pay

Between the company and the CEO, a notice period of 18 months will apply to termination by the company and six months upon resignation by the CEO. The CEO is entitled to a severance package equivalent to twelve months' fixed salary with deductions. For the other senior executives, a notice period of six months will apply.

Departures from the guidelines

The Board of Directors has the right to depart from these guidelines in an individual case, if there are particular reasons to do so. Should such a departure be made, information about and the reason for the departure will be reported at the next AGM.

Incentive programme and bonus programme

All of John Mattson's permanent employees (including senior executives) participate in a bonus programme within which they have the opportunity to receive an annual performance-based bonus no higher than one month's fixed salary. The outcome of the bonus depends on a defined increase in income from property management per share, a threshold for sustainability waste measured by cost and weight, and a service index measured from the perspective of customer satisfaction. Comparisons are made partly with previous years and partly in relation to industry averages. Senior executives have the opportunity to receive an additional bonus of two months' fixed salary per year, where one month's salary is paid conditional on individual change and improvement targets being met, and one month's salary is paid conditional on a certain increase of net asset value and income from property management per share. Senior executives can therefore each be granted a maximum bonus of three months' fixed salary.

Audit

The auditor will examine the company's annual report and reporting as well as the administration of the Board and the CEO. Auditing of the company's financial reports and accounts as well as the administration of the Board and the CEO is carried out in accordance with Swedish accepted auditing standards. According to John Mattson's Articles of Association, the company is to appoint one or two auditors with or without deputies or one or two registered auditing companies. At

the AGM on 21 April 2021, Ernst & Young were elected as auditors with Authorised Public Accountant Katrine Söderberg as auditor-in-charge for the period until the 2022 AGM. After every financial year, the auditor is to submit an auditor's report on the accounts and the consolidated financial statements to the AGM. During one of the meetings of the Board and the auditor, no members of executive management should be present. The Audit and Finance Committee review and supervise the auditor's impartiality and autonomy. The auditors receive remuneration for their work in accordance with the resolution of the AGM. For the 2021 financial year, total remuneration to the company's auditor amounted to SEK 1.8 million.

Internal control over financial reporting and risk management

John Mattson's internal control regarding the financial reporting is designed to manage risks and ensure a high level of reliability in the processes around the preparation of the financial reports and to ensure compliance with the applicable reporting requirements and other requirements for John Mattson as a listed company. The Board of Directors is, in accordance with the Swedish Companies Act and the Code, responsible for the internal control of the company regarding financial reporting. John Mattson follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for evaluating a company's internal control over financial reporting, "Internal Control – Integrated Framework", that consists of monitoring five components: control environment, risk assessment, control activities, information and communication, as well as monitoring. John Mattson runs an operative, decentralised and transparent organisation in which the financial department is centralised as a support function. This means that the company has resources in place, in the form of employees and systems, to establish standardised and efficient administrative procedures and processes. Processes are continuously evaluated in line with compliance.

Follow-ups of earnings and balances are made monthly. Clear documentation via policies and instructions together with recurrent follow-ups and regular discussions with the auditors ensure continuous efforts to improve these processes. Management and reporting are examined by the company's auditors twice per year and reported to both the Audit and Finance Committee and the Board of Directors. Based on the above, no requirements for internal auditing are deemed necessary.

Control environment

The internal control is based on divisions of responsibility and work through the Board's rules of procedure, instructions for the committees, the CEO and the financial reporting and policies. Compliance with these is followed up on and evaluated continuously by the

individual responsible. The overall control environment also means that a Group-wide risk assessment is carried out where risks are identified and examined. The management team is responsible for managing risks in a satisfactory manner.

Risk management

Identifying, assessing and managing risks connected to accounting and financial reporting must be built-in to John Mattson's essential processes. Using process mapping, processes including identified risks and controls are documented.

Control activities

For every identified risk, controls are implemented until the risk is deemed to be eliminated or reduced to an acceptable level. Control activities must be documented so that the methods taken are traceable.

Information and communication

Relevant information is to be communicated in the right manner, to the right individuals and at the right time. Communicating relevant information, both upwards and downwards in the hierarchy of an organisation as well as to external parties is an important part of maintaining healthy internal control. Meetings of the management team should be used as a forum for communication and the spread of information. Process managers must have sufficient knowledge of the significant risks and related control activities in the specific process.

Follow-up

The system of internal control and risk management is to be continuously followed up for the purpose of ensuring that the system is enforced, that changes are made when necessary and to examine changes in the working methods. The management team evaluate the Group-wide risk assessment and its management as well as whether or not the specific control activities that are carried out in respective essential processes remain relevant for managing the material risks that John Mattson faces.

Deviations in relation to the Code

John Mattson applies the Swedish Corporate Governance Code (the "Code"). The Code is based on the "comply or explain" approach. This means that a company that applies the Code can deviate from specific regulations, but only if an explanation is given reporting the reasons for this deviation.

John Mattson applied the Code with no deviations in the 2021 financial year.

Board



JOHAN LJUNGBERG

Member of the Board since 2018, Chairman of the Board since 2020. Member of the Audit and Finance Committee and Chairman of the Remuneration Committee.
Born: 1972.

Training and education: Civil Engineering, KTH Royal Technical Institute and Tufts University.

Other current assignments: Chief Executive Officer and Chairman of Tagehus Holding AB, Chairman and Board member of companies in the Tagehus group, Chairman of Atrium Ljungberg AB and Board member of K2A Knaust & Andersson Fastigheter AB.

Shareholding in the Company

(including any shareholding of related parties): 4,336,698 shares through majority shareholding in Tagehus Holding AB.

Independence status: Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.



HÅKAN BLIXT

Member of the Board since 2012. Member of the Audit and Finance Committee and of the Remuneration Committee.

Born: 1957.

Training and education: Master of Science in Geodesy and Geoinformatics, KTH Royal Institute of Technology

Other current assignments: Board member of SveaReal Holding AB (and its subsidiaries). Board member of Håkan Blixt Ensemble AB.

Shareholding in the Company

(including any shareholding of related parties): –

Independence status: Independent in relation to the company, its senior executives and major shareholders.



ULRIKA DANIELSSON

Member of the Board since 2018. Chairman of the Audit and Finance Committee and Board member of the Remuneration Committee.

Born: 1972.

Training and education: Master of Science in Business Administration from the Gothenburg School of Business, Economics and Law.

Other current assignments: CFO of Atrium Ljungberg AB.

Shareholding in the Company

(including any shareholding of related parties): –

Independence status: Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.



CHRISTER OLOFSSON

Member of the Board since 2015.

Born: 1951.

Training and education: Master of Science in Civil Engineering, KTH Royal Institute of Technology.

Other current assignments: Board member of Olofsson & Partners AB and Olofs Holding AB.

Shareholding in the Company

(including any shareholding of related parties): –

Independence status: Independent in relation to the company, its senior executives and major shareholders.



INGELA LINDH

Member of the Board since 2021.

Born: 1959.

Training and education: M.Sc. Architecture, KTH Royal Institute of Technology.

Other current assignments: Chairman of Fastighetsägarna Sverige. Chairman of Svensk Byggtjänst. Board member of Anders Bodin AB.

Shareholding in the Company

(including any shareholding of related parties): –

Independence status: Independent in relation to the company, its senior executives and major shareholders.

Management


PER NILSSON, CEO

Chief Executive Officer.

Employed since 2022, CEO since 2022.

Born: 1978.

Training and education: M.Sc. in Industrial Economics from KTH Royal Institute of Technology in Stockholm.

Other current assignments: –

Shareholding in the Company: –


MARI EDBERG

Head of Communications.

Senior executive since 2020.

Born: 1964.

Training and education: Bachelor of Science Business Administration, Uppsala University.

Other current assignments: –

Shareholding in the Company: –


DANIEL FORNBRANDT

Head of Business Development.

Senior executive since 2020.

Born: 1979.

Training and education: Master of Science in Business Administration and Economics, Uppsala University.

Other current assignments: –

Shareholding in the Company: 8,125 shares.


CHRISTINA HANSSON

Head of Property Management.

Senior executive since 2019.

Born: 1972.

Training and education: Master of Science in Civil Engineering, Lund University.

Other current assignments: –

Shareholding in the Company: 330 shares.


MARTIN LANDERBY

Head of Project Development.

Senior executive since 2020.

Born: 1977.

Training and education: Master of Science in Civil Engineering, KTH Royal Institute of Technology.

Other current assignments: –

Shareholding in the Company: 5,250 shares.

In 2021, John Mattson's Group management included Siv Malmgren, CEO and Maria Sidén, CFO. Siv Malmgren stepped down as CEO in January 2022. Maria Sidén stepped down as CFO at the end of February 2022. Mattias Lundström was appointed new CFO and will assume the role in August 2022. Until that time, Lars Ingman is acting CFO.

Financial statements and notes

Consolidated financial statements

Consolidated income statement	57
Consolidated statement of comprehensive income	57
Consolidated balance sheet	58
Consolidated statement of changes in equity	59
Consolidated cash-flow statement	60

Notes to the consolidated financial statements

Note 1. Significant accounting policies	61
Note 2. Disclosures on forthcoming standards	64
Note 3. Significant estimates and assessments	64
Note 4. Rental revenues	64
Note 5. Expenses by type of cost	65
Note 6. Auditors' fees	65
Note 7. Employees and personnel costs	66
Note 8. Right-of-use assets and lease liabilities	67
Note 9. Financial expenses	67
Note 10. Participation in profits of associates	67
Note 11. Tax	67
Note 12. Property, plant and equipment	69
Note 13. Investment properties	69
Note 14. Financial instruments	70
Note 15. Cash and cash equivalents	70
Note 16. Group companies	71
Note 17. Earnings per share	72
Note 18. Equity	72

Note 19. Borrowings	72
Note 20. Financial risk	72
Note 21. Other liabilities	75
Note 22. Accrued expenses and deferred income	75
Note 23. Cash-flow statement	75
Note 24. Pledged assets and contingent liabilities	75
Note 25. Transactions with related parties	75
Note 26. Events after the balance-sheet date	75

Parent Company financial statements

Parent Company income statement	76
Parent Company statement of comprehensive income	76
Parent Company balance sheet	77
Parent Company statement of changes in equity	77
Parent Company cash-flow statement	78

Parent Company notes

Note 1. Significant accounting policies	79
Note 2. Significant estimates and assessments	79
Note 3. Property, plant and equipment	79
Note 4. Participations in Group companies	79
Note 5. Deferred tax assets and tax liabilities	80
Note 6. Receivables from Group companies	80
Note 7. Cash and cash equivalents	80
Note 8. Financial instruments	80
Note 9. Employees and personnel costs	80

Note 10. Interest income and similar profit/loss items	81
Note 11. Interest expense and similar profit/loss items	81
Note 12. Appropriations	81
Note 13. Tax	81
Note 14. Equity	81
Note 15. Borrowings	
Note 16. Transactions with related parties	81
Note 17. Auditors' fees	81
Note 18. Events after the balance-sheet date	81
Note 19. Proposed appropriation of profits	81

Assurance of the Board 82

Auditor's report 83

Property list 86

Reconciliation tables 89

Definitions 91

Consolidated income statement

Amounts in SEK m	Note	2021	2020
Rental revenues	4	407.9	294.0
Operating expenses	5	-97.7	-63.7
Maintenance	5	-25.3	-12.3
Property tax		-7.3	-4.9
Property administration	5, 22	-27.7	-17.1
Net operating income		249.8	196.0
Central administration costs	5, 6, 7, 24	-56.8	-41.7
Ground rent	8	-4.4	-0.9
Interest income	9	0.1	-
Interest expense	9	-85.6	-58.7
Income from property management		103.1	94.7
Participation in profits of associates	10	2.2	-
Change in value of investment properties	13	1,539.0	517.7
Change in the value of interest-rate derivatives	14	48.0	-4.3
EBT		1,692.3	608.1
Current tax	11	-3.0	-1.8
Deferred tax	11	-356.9	-127.5
Profit for the year		1,332.5	478.8

Consolidated statement of comprehensive income

Amounts in SEK m	Note	2021	2020
Profit for the year		1,332.5	478.8
Other comprehensive income		-	-
Comprehensive income for the year		1,332.5	478.8
Comprehensive income for the year attributable to:			
Parent Company shareholders		1,322.0	478.8
Non-controlling interests		10.5	-
Average No. of shares, thousand		34,601	33,670
Earnings per share (SEK) ¹⁾	17	38.21	14.22

¹⁾ In conjunction with the acquisitions of the shares in Hefab and Efib, two shares issues were completed in John Mattson of a total of 2,694,790 shares, which were registered on 16 July and 16 October, respectively. The number of shares on 31 December was 36,364,827.

Consolidated balance sheet

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Investment properties	13	15,894.5	7,957.9
Right-of-use assets, leaseholds	8	332.8	46.6
Plant and equipment	12	9.4	6.2
<i>Financial assets</i>			
Other non-current receivables	14	2.4	5.1
Other non-current securities holdings	14	0.1	0.1
Total non-current assets		16,239.2	8,015.8
Current assets			
Rent receivables and accounts receivable	20	2.7	1.6
Other receivables		54.1	25.1
Prepaid expenses and accrued income		22.2	10.7
Cash and cash equivalents	15	227.5	6.0
Total current assets		306.6	43.4
TOTAL ASSETS		16,545.7	8,059.2

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	18	12.1	11.2
Other contributed capital		770.1	362.8
Retained earnings, including net profit for the year		4,361.8	3,039.7
Total equity attributable to Parent Company shareholders		5,143.9	3,413.7
Non-controlling interests		106.2	–
Total equity		5,250.2	3,413.7
Non-current liabilities			
Interest-bearing liabilities	19, 20	6,224.6	2,896.1
Provisions for pensions	7	1.8	0.5
Lease liability	8	332.8	46.6
Other non-current liabilities		10.1	–
Deferred tax liability	11	1,227.5	865.1
Derivatives	20	25.2	73.2
Total non-current liabilities		7,821.9	3,881.5
Current liabilities			
Interest-bearing liabilities	19, 20	3,221.9	664.7
Accounts payable	14, 20	81.5	29.0
Other current liabilities	21	53.9	12.1
Accrued expenses and deferred income	22	116.4	58.3
Total current liabilities		3,473.7	764.1
TOTAL EQUITY AND LIABILITIES		16,545.7	8,059.2

Consolidated statement of changes in equity

Amounts in SEK m	Share capital ¹⁾	Other contributed capital	Retained earnings incl. net profit for the year	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening equity, 1 Jan 2020	11.2	362.8	2,560.8	2,934.8	-	2,934.8
Profit for the year	-	-	478.8	478.8	-	478.8
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	-	-	478.8	478.8	-	478.8
Closing equity, 31 Dec 2020	11.2	362.8	3,039.7	3,413.7	-	3,413.7
Opening equity, 1 Jan 2021	11.2	362.8	3,039.7	3,413.7	-	3,413.7
Profit for the year	-	-	1,322.0	1,322.0	10.5	1,332.5
Other comprehensive income for the year	-	-	-	-	-	-
Comprehensive income for the year	-	-	1,322.0	1,322.0	10.5	1,332.5
Non-cash issue	0.9	407.3	-	408.2	-	408.2
Acquired non-controlling interest	-	-	-	-	95.8	95.8
Transactions with non-controlling interests	-	-	0.1	0.1	-0.1	-
Dividend	-	-	-	-	-	-
Closing equity, 31 Dec 2021	12.1	770.1	4,361.8	5,143.9	106.2	5,250.2

¹⁾ In conjunction with the acquisitions of the shares in Hefab and Efib, two shares issues were completed in John Mattson of a total of 2,694,790 shares, which were registered on 16 July and 16 October, respectively. The number of shares on 31 December 2021 was 36,364,827.

²⁾ As of 31 December 2021, the quotient value of the shares was SEK 0.33 per share (0.33).

Consolidated cash-flow statement

Amounts in SEK m	Note	2021	2020
Operating activities			
EBT		1,692.3	608.1
Adjustment for non-cash items	23		
Change in value of investment properties		-1,538.2	-517.7
Changes in derivative values		-48.0	4.3
Depreciation and disposals		3.0	1.7
Other non-cash items, etc.		-1.8	-
Taxes paid	11	-5.6	-2.3
Cash flow from operating activities before changes in working capital		101.7	94.1
Cash flow from changes in working capital			
Change in operating receivables		12.3	-2.9
Change in operating liabilities		7.1	24.7
Cash flow from operating activities		121.1	115.9
Investing activities			
Acquisition of investment properties, asset acquisitions ¹⁾		-3,994.2	-855.4
Investments in equipment		-4.4	-6.0
Investments in investment properties, etc.		-254.6	-217.4
Divestment of investment properties.		1.0	-
Cash flow from investing activities		-4,252.1	-1,078.8

¹⁾ Specification of acquisitions of investment properties, asset acquisitions	2021	2020
Investment properties	6,143.8	857.7
Operating receivables	39.0	17.2
Cash and cash equivalents	294.7	5.2
Deferred tax in accrual reserves	-6.8	-1.8
Liabilities assumed	-142.5	-17.6
Assumed interest-bearing liabilities	-1,533.1	-
Less: Previously recognised participation in profits of associates	-2.2	-
Net assets acquired	4,792.9	860.7
New share issue	-408.2	-
Acquired non-controlling interest	-95.8	-
Purchase price paid	4,288.9	860.7
Less: Cash and cash equivalents in acquired operations	-294.7	-5.2
Net impact on cash and cash equivalents (positive = decrease)	3,994.2	855.4

Amounts in SEK m	Note	2021	2020
Financing activities			
Borrowings		4,363.7	968.8
Repayments of borrowings		-11.2	-9.7
Cash flow from financing activities		4,352.5	959.2
Cash flow for the year		221.5	-3.7
Opening balance, cash and cash equivalents		6.0	9.8
Closing balance, cash and cash equivalents	15	227.5	6.0
Additional cash-flow statement disclosures			
Interest received		0.1	-
Interest paid		-85.6	-58.1

Notes to the consolidated financial statements

Unless otherwise stated, amounts are in SEK million (SEK m)

Note 1. Significant accounting policies

This annual report and these consolidated financial statements encompass the Swedish Parent Company, John Mattson Fastighets-företagen AB (publ), corporate identification number 556802-2858, and its Group companies.

The Group's main activity is to own, manage and develop residential and commercial properties in the Stockholm region. The Parent Company is a limited liability company that is registered and has its headquarters in Lidingö Municipality, Sweden. The address to the Head Office is Larsbergsvägen 10, SE-181 10 Lidingö, Sweden.

The Board of Directors approved this annual report and these consolidated financial statements on 22 March 2022 and they will be presented for adoption by the Annual General Meeting on 21 April 2022.

Applied rules and regulations

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) as well as those adopted by the European Union (EU). The Group also applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups.

Unless otherwise indicated, the following accounting policies have been applied consistently in all periods that are presented in the consolidated financial statements.

Currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Parent Company and the Group. All amounts are stated in SEK million (SEK m) unless otherwise stated.

Classification

Essentially all significant non-current assets and non-current liabilities consist of amounts expected to be recovered or paid more than

12 months after the balance-sheet date. Essentially all significant current assets and current liabilities in the Parent Company and Group consist of amounts expected to be recovered or paid within 12 months of the balance-sheet date.

Some amounts have been rounded off, which means that tables and calculations do not always tally.

Consolidation

Subsidiaries are companies over which John Mattson has a controlling influence. A "controlling influence" entails that John Mattson is exposed to variable returns from the subsidiary, and can also affect the returns by means of its influence. Initial recognition of subsidiaries in the consolidated financial statements complies with the acquisition method. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group, and they are deconsolidated from the date that control ceases. Intra-Group receivables and liabilities, revenue or expenses, and unrealised gains or losses arising from intra-Group transactions are eliminated in the preparation of the consolidated financial statements.

Acquisitions

In connection with acquisitions, an assessment is made of whether the acquisition is a business combination or an asset acquisition. A transaction qualifies as an asset acquisition if it pertains to properties, but excludes an organisation and the administrative processes required for property management. Other acquisitions are business combinations.

All of John Mattson's acquisitions of subsidiaries have been classified as asset acquisitions since the acquisition pertains to investment properties. For asset acquisitions, the purchase consideration, including acquisition costs for the individually acquired assets and liabilities, is based on the fair value at the acquisition date. Deferred tax is not recognised on initial temporary differences. Full deferred tax is recognised based on temporary differences arising after the acquisition. Acquired investment properties are recognised at the following balance-sheet date at fair value, which can deviate from cost.

Segment reporting

Operating segments are recognised in a manner that complies with the internal reporting submitted to the chief operating decision maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the Chief Executive Officer. An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur costs and for which separate financial information is available. John Mattson monitors the business as a single unit whose earnings in their entirety are reported to and evaluated by the CODM. Accordingly, the Group only reports one segment.

Revenue

Rental revenues

Rental contracts are classified in their entirety as operating leases. Rental revenues including surcharges are invoiced in advance and the rents are allocated straight line so that only the portion of the rents that fall due during the period is recognised as revenue. Where appropriate, recognised rental revenues have been reduced by the value of rent discounts granted. Should rental contracts grant a reduced rent over a specified period, this is allocated straight line over the particular contractual period. Surrender premia paid by tenants in conjunction with vacating leases prior to lease expiry are recognised as revenue when the agreement with the tenant expires and no commitments remain, which generally arises when the premises are vacated.

Rental revenues comprise invoiced rent including indexation, supplementary billing for investments and property tax and supplementary billing in the form of extra services such as heating, electricity, water, waste disposal, snow clearance, etc. John Mattson has analysed this to determine whether the company acts as principal or agent for these services and has concluded that the Group, in its role as landlord, acts primarily as the principal and that any service revenue included in invoicing is immaterial.

Leases

The Group is a lessor in respect of leases for premises and rental contracts for housing units as well as garage and parking spaces. Leases are recognised as operating leases, which entails that revenues are recognised on a current account basis. Properties leased out under operating leases are included in the item investment properties.

All leases, apart from a few exceptions, are recognised in the balance sheet as right-of-use assets. The recognised right-of-use asset is assigned the same value as the recognised lease liability. In its capacity as lessee, John Mattson has identified leasehold agreements as being the most material items. Under IFRS 16, leaseholds are treated as perpetual leases and recognised at fair value and are not written down. The value of the right-of-use asset remains intact until the next renegotiation of the respective ground rent. The Group is also a lessee in respect of a few leases concerning office equipment, where all of the underlying assets are classified as low value. Lease payments arising from these leases are recognised as a cost on a straight-line basis over the lease term. Expenses for ground rents are recognised as a whole as a financial expense.

Central administration costs

Costs at a Group-wide level that are not directly related to property management, such as costs for Group management, business development, property development and financing, are classified as central administration costs.

Remuneration of employees

Remuneration of employees comprises salaries, paid holiday, paid sick leave and other benefits as well as pensions.

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension obligations are secured through insurance with Alecta. For the 2021 financial year, the Group did not have access to information to enable it to recognise its proportional share of the plan. As a result, it was not possible to recognise it as a defined-benefit plan. Accordingly, the ITP 2 Pension Plan is recognised as a defined-contribution plan.

A defined-contribution plan is a pension plan under which the company pays fixed contributions into a separate legal entity, thereby discharging its obligation to the employee. Defined-contribution plans are recognised as costs in the period to which the premiums paid pertain.

Financial income and expenses

Calculations of interest income on receivables and interest expense on liabilities are based on the effective interest-rate method. The

effective interest rate is the rate that exactly discounts future cash payments or receipts throughout the fixed-interest tenor to the carrying amount of the financial asset or financial liability. Financial income and expenses are recognised in the period to which the amounts pertain.

Taxes

The year's tax expense comprises current and deferred tax. Tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case, the related tax is also correspondingly recognised in other comprehensive income or equity.

The current tax charge is calculated based on taxable profit for the period. Taxable income differs from recognised profit, in that it has been adjusted for non-taxable income and non-deductible items. Current tax is tax that is to be paid or received in the current year adjusted with current tax attributable to previous periods.

Deferred tax is recognised on the difference between carrying amounts and the tax values of assets and liabilities. Change in the recognised deferred tax assets or liabilities is recognised in profit or loss as a cost or revenue except when the tax pertains to items recognised in other comprehensive income or directly in equity.

Investment properties

Investment properties, which are properties held to generate rental revenues and capital appreciation, are initially recognised at cost, including directly attributable transaction costs. Following initial recognition, investment properties are recognised at fair value. Fair value is primarily based on yield-based valuations according to the cash-flow model, which entails that the future cash flows that the property is expected to generate are projected and discounted to present value.

For more information about the valuation of John Mattson's investment properties, see Note 13 Investment properties.

Unrealised changes in value are recognised in the Statement of comprehensive income on the row Change in value of investment properties. The unrealised change in value is calculated on the basis of the period-end valuation compared with the valuation conducted at the beginning of the period, or alternatively, if the property was acquired during the period, at cost, taking investments during the period into account.

Additional expenditure is capitalised when it is probable that the Group will receive future financial benefits associated with the expenditure, which means that it is value enhancing, and the expenditure can be reliably determined. Other maintenance expenses and repair costs are expensed when incurred. In the case of major

new builds, extensions or redevelopments, interest expense during the production period is capitalised.

The Group reclassifies a property from being an investment property only when its assigned use is changed. A change in assigned use occurs when the property fulfils or ceases to fulfil the definition of an investment property and there is evidence for the change in the assigned use.

Owner-occupied properties

Owner-occupied properties are properties held for production, storage or administrative purposes. For properties with a mixed use, when one part of the property is held to generate rental revenue or value appreciation and another is used in operations, John Mattson makes an assessment of whether the components can be sold separately. If this is the case, the property is divided into an investment property and an owner-occupied property. If it is concluded that the components cannot be sold separately, John Mattson classifies the property as an investment property if the part used in operations accounts for no more than 20% of the total property; otherwise, the entire property is classified as an owner-occupied property. John Mattson's property portfolio is classified in its entirety as investment properties.

Borrowing costs

In the consolidated financial statements, John Mattson capitalises borrowing costs connected to major conversions or extensions insofar as they have arisen during the construction period. In other cases, borrowing costs are expensed in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment are recognised in the consolidated financial statements at cost less accumulated depreciation and impairment. Cost includes the purchase price and costs directly attributable to transporting the asset to the correct site and preparing it for the manner intended by the acquisition.

The carrying amount of an asset is derecognised from the balance sheet on disposal through scrapping or divestment, or when no future financial benefits are expected from the use or scrapping/divestment of the asset. Gains or losses arising on the divestment or disposal of an asset comprise the difference between the sale price and the carrying amount of the asset, less direct selling expenses. Profit and loss are recognised as other operating income/expense.

Additional expenditure

Additional costs are added to cost only if it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be calculated reliably. All other additional costs are expensed in the period in which they arise. Repairs are expensed on a current account basis.

Depreciation policies

Depreciation is applied straight-line over the asset's estimated useful life. The estimated periods of use are:

Plant and equipment 3–5 years

The depreciation methods used, residual values and useful lives are re-tested at every year end.

Impairment of non-financial assets

An impairment loss is determined in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and its value in use. When determining impairment requirements, assets are grouped down to the lowest level where separate identifiable cash flows (cash-generating units/CGUs) exist. When an impairment requirement has been identified for a CGU (group of CGUs), the impairment amount is allocated. Proportional impairment losses on the other assets included in the unit are subsequently recognised (group of CGUs).

Previously recognised impairment losses are reversed if the recoverable amount is deemed to exceed the carrying amount. However, the reversal must never exceed what the carrying amount would have been had no impairment been recognised in previous periods.

Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in one company and a financial liability in another company. Recognition differs depending on how the financial instruments have been classified.

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party under the contractual terms and conditions for the instrument. Transactions involving financial assets are recognised on the trade date, which is the date on which the Group undertakes to acquire or divest the assets. Accounts receivable are recognised when invoices have been sent and the company has discharged its undertaking. Liabilities are recognised when the counterparty has executed its part of the agreement and there is a contractual

obligation to pay. A financial asset is derecognised from the balance sheet (fully or partly) when the rights in the agreement have been realised or expire or when the company no longer has control over it. A financial liability is derecognised from the balance sheet (fully or partly) when the obligation in the contract is met or extinguished in another manner. A financial asset and a financial liability are recognised net in the balance sheet when a legal right exists to offset the recognised amounts and the intention is either to settle the item in a net amount or simultaneously realise the asset and settle the liability. Gains and losses resulting from derecognition from the balance sheet, as well as modification, are recognised in profit or loss.

Classification and measurement**Financial assets**

Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the character of the asset's contractual cash flows. The Group's debt instruments are classified at amortised cost.

Financial assets classified at amortised cost are held according to the business model of collecting contractual cash flows that only comprise payments of principal and interest payments on the principal outstanding. The cash flows from the financial assets only comprise interest payments on the principal outstanding. Financial assets that are classified at amortised cost are initially measured at fair value plus any transaction costs. Following initial recognition, the assets are measured according to the effective interest-rate method. The assets are covered by a loss allowance for expected credit losses.

Financial liabilities

Financial liabilities, with the exception of derivatives, are classified at amortised cost. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. Following initial recognition, they are measured at amortised cost using the effective interest-rate method.

Derivatives

Derivatives are recognised at fair value and the change is recognised in profit or loss. No hedge accounting is applied.

Impairment of financial assets

Financial assets, apart from those classified at fair value through profit or loss, are subject to impairment for expected credit losses. The impairment also encompasses lease receivables and contract assets that are not measured at fair value through profit or loss.

Impairment of loan losses according to IFRS 9 is forward looking and a reserve for losses is posted when there is exposure to credit risk, normally on initial recognition of an asset or receivable. Expected credit losses reflect the present value of all deficits in cash flow attributable to default either for the forthcoming 12 months or for the expected remaining maturity of the financial instrument, depending on asset class and on credit deterioration since initial recognition. Expected credit losses reflect an objective, probability-weighted outcome taking several scenarios into account and based on reasonable and verifiable forecasts.

The modified retrospective approach is applied for receivables, contract assets and lease receivables. Using the modified retrospective approach, a loss allowance is recognised for the expected remaining maturity of the receivable or asset. A three-stage impairment model is applied for other items subject to expected credit losses. Initially, and at every balance-sheet date, a loss allowance is recognised for the forthcoming 12 months, alternatively for a shorter period depending on remaining maturity (stage 1). If there has been a material increase in credit risk since initial recognition, a loss allowance is recognised for the asset's remaining maturity (stage 2). For assets regarded as credit impaired, reserves continue to be posted for expected credit losses for the remaining maturity (stage 3). For credit-impaired assets and receivables, the calculation is based on interest income on the asset's carrying amount, net of loss allowances, in contrast to the gross amount used in the preceding stages.

The valuation of expected credit losses is based on different methods for different credit-risk exposures. The method for accounts receivable and contract assets is based on a historical loan loss percentage combined with forward looking factors. Other receivables and assets are impaired according to a rating-based method by means of an external credit rating. Expected credit losses are measured at the product of the probability of default, loss given default and exposure at default. Credit-impaired assets and receivables are assessed individually, whereby historical, current and forward-looking information is taken into account. The valuation of expected credit losses takes into account any collateral and other credit enhancement in the form of guarantees.

Financial assets are recognised at amortised cost in the balance sheet; i.e. net of gross value and loss allowances. Changes in the loss allowance are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances at banks and equivalent institutions, as well as short-term

liquid investments with a term of less than three months from the time of acquisition.

Provisions

A provision is recognised in the balance sheet when the company has an existing legal or informal obligation as a result of an event that has occurred, and it is probable that an outflow of financial resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the effect of when a payment is made is significant, provisions are calculated through the discounting of the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks related to the liability. Provisions are tested at each reporting date.

Deferred tax

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and the tax values used when calculating taxable profit. Deferred tax is recognised in accordance with the so-called balance sheet liability method. Deferred tax liabilities are recognised for taxable temporary differences and deferred tax assets are recognised for deductible temporary differences insofar as it is probable that the amounts can be utilised to offset future taxable surpluses. However, deferred tax is not recognised if the temporary difference arises from the initial recognition of assets or liabilities in an asset acquisition. Deferred income tax is calculated based on statutory tax rates at the balance-sheet date that have been enacted or are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Cash flow

The cash-flow statement was compiled in accordance with the indirect method. This means that profit is adjusted for non-cash transactions as well as any revenue or expenses associated with investing and/or financing activities.

Note 2. Disclosures on forthcoming standards

The new or amended standards that take effect on 1 January 2022 or later are assessed as having no impact on John Mattson's financial statements.

Note 3. Significant estimates and assessments

The preparation of financial statements requires that the management and the Board make judgements and assumptions that affect the amounts recognised for assets, liabilities, revenue and expenses, as well as other information disclosed. These judgements are based on experience and the various assumptions that are considered reasonable by the management and the Board in view of the prevailing circumstances. The actual results may subsequently deviate from these assessments and other conditions may arise. The following assessments are those deemed most significant in preparing the company's financial reports.

The financial statements are particularly sensitive to assessments that provide the basis for the valuation of the investment properties. Investment properties are recognised at fair value, which is determined by executive management based on the properties' market values. Significant estimates have thus be made concerning such items as the cost of capital and yield requirement that are based on the appraisers' experience-based assessments of market return requirements for comparable properties. Cash flow projections for operating, maintenance and administration costs are based on actual costs but also on experience from comparable properties. Future investments have been assessed based on actual requirements.

For more information about the input data and judgements made in the valuation of investment properties, see Note 13 Investment properties.

The Group measures expected credit losses for financial assets classified at amortised cost, including accounts receivable, lease receivables and contract assets. Expected credit losses comprise an assessment reflecting an objective, probability-weighted outcome based on reasonable and verifiable projections. During the year, the Group conducted an analysis of loss allowances for cash and cash equivalents. In view of the short maturity and the counterparties' high credit ratings, the loss allowance for cash and cash equivalents has been considered to represent an immaterial portion. The Group continuously monitors changed market conditions that would change the current assessment. More information is available in the section "Credit risk" in Note 20.

In connection with company acquisitions, an assessment is made of whether the acquisition should be classified as an asset acquisition or a business combination. A transaction qualifies as an asset acquisition if it pertains to properties, but excludes an organisation and the administrative processes required for property management. Other acquisitions are business combinations. When property trans-

actions are conducted, an assessment is made of when the transfer of risks and benefits will occur. This assessment is used as guidance when the transaction is to be recognised. For every single acquisition or sale, executive management makes an assessment of whether the transaction should be recognised as a business combination or an asset acquisition, and when it should be recognised.

Another matter of judgement in the financial statements pertains to the measurement of deferred tax. Taking into account the accounting regulations, deferred tax is recognised in nominal amounts without discounting. Current tax has been calculated based on a nominal tax rate of 20.6%. With respect to deferred tax, the full nominal tax rate of 20.6% is recognised, less deferred tax pertaining to asset acquisitions. When valuing loss carryforwards, an assessment is made of the likelihood that the deficit can be utilised to offset future profits.

Note 4. Rental revenues

All rental contracts are classified as operating leases.

Rental revenues	2021	2020
Housing	329.2	251.3
Premises, garages	75.4	41.1
Other revenue	3.3	1.6
Rental revenues as per income statement	407.9	294.0

The maturity structure of all leases pertaining to non-cancellable operating leases is presented in the table below.

Contractual future rental revenues from commercial premises	1 Jan 2021– 31 Dec 2021	1 Jan 2020– 31 Dec 2020
Contractual rental revenues within 1 year	48.4	33.4
Contractual rental revenues between 1 and 5 years	128.0	71.5
Contractual rental revenues later than 5 years	30.2	6.1
Total premises	206.6	111.0

Contractual future rental revenues from housing and parking ¹⁾	2021	2020
Housing	88.0	68.7
Parking	21.0	2.5
Total housing and parking	109.0	71.2

¹⁾ The amounts in the above table pertain to three months contracted rent, since housing and parking are normally subject to a notice period of three months.

Rental revenues, SEK m	2021	2020
Lidingö	284.7	264.9
North Stockholm	52.0	26.7
City/Bromma	33.6	2.4
South Stockholm/Nacka	37.7	–
Total rental revenues	407.9	294.0

SEK/sq m ¹⁾	2021	2020
Lidingö	1,651	1,662
North Stockholm	1,277	966
City/Bromma	1,953	1,111
South Stockholm/Nacka	1,921	735
Total	1,658	1,440

¹⁾ The stated SEK/sq m figures pertain to the properties owned by John Mattson at the close of the period, whereby acquired properties and completed projects have been restated at the full-year rate.

Note 5. Expenses by type of cost

Operating expenses	2021	2020
Tariff-based operating expenses	40.8	22.4
Property upkeep	13.3	11.4
Other	43.7	29.9
Total	97.7	63.7

Property administration		
Personnel costs	14.5	7.3
Office-related expenses	5.2	4.1
Other	7.9	5.7
Total	27.7	17.1

Central administration costs		
Personnel costs	31.0	19.8
Advisory services	4.4	2.2
Audit costs	1.7	1.3
Other expenses	19.7	18.4
Total	56.8	41.7

Property expenses, SEK m	2021	2020
Lidingö	96.9	67.2
North Stockholm	35.6	18.4
City/Bromma	11.3	12.3
South Stockholm/Nacka	14.2	0.1
Total property expenses	158.0	98.0

	Lidingö		North Stockholm		City/Bromma		South Stockholm/Nacka		Total	
SEK/sq m ¹⁾	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating expenses	361	317	512	442	325	15	367	–	389	330
Maintenance	79	68	177	33	156	23	133	–	120	61
Property tax	26	25	34	24	43	26	48	–	33	25
Property administration	97	78	97	95	90	12	91	–	95	79
Total	562	488	820	594	614	75	639	–	637	495

¹⁾ The stated SEK/sq m figures pertain to the properties owned by John Mattson at the close of the period, whereby acquired properties and completed projects have been restated at the full-year rate.

Note 6. Auditors' fees

Ernst & Young AB	2021	2020
Auditing assignment	1.7	1.3
Other auditing activities	–	–
Tax advice	–	–
Other services	0.1	0.5
Total	1.9	1.8

Note 7. Employees and personnel costs

	2021		2020	
	Avg. No. of employees	Of whom men, %	Avg. No. of employees	Of whom men, %
Parent Company	6	33	6	31
Subsidiaries	39	40	24	31
Total in Group	45	39	30	31

Gender distribution, Board of Directors and senior executives	2021		2020	
	No. on the balance-sheet date	Of whom men, %	No. on the balance-sheet date	Of whom men, %
Board Members	5	60	4	75
Chief Executive Officer ¹⁾	1	–	1	–
Other senior executives	5	33	5	33
Total in Group	11	45	10	49

¹⁾ Siv Malmgren remained as CEO until 9 January 2022. Per Nilsson assumed his role as CEO on 10 January 2022.

	2021	2020
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	–11.2	–10.7
Social security contributions	–7.7	–7.3
(of which, pension costs)	–8.0	–3.3
Total	–18.9	–18.0
Other employees		
Salaries and other remuneration	–18.9	–11.5
Social security contributions	–13.9	–4.4
(of which, pension costs)	–1.4	–0.9
Total	–32.8	–15.9
Total in Group	–51.7	–33.9

Salaried employees are secured through the ITP1 plan's defined-contribution plan. A number of salaried employees are secured through the ITP2 plan's defined-benefit pension plan. According to a statement from the Swedish Financial reporting Board, UFR10 Recognition of ITP2 Pension Plan financed through insurance in Alecta, this constitutes a multi-employer defined-benefit plan. For the 2021 financial year, the company did not have access to information to enable it to recognise its proportional share of the plan's commitments, plan assets and costs. As a result, the company was unable to recognise it as a defined-benefit plan. At the end of 2021, Alecta's surpluses measured in the form of the collective consolida-

tion level for defined-benefit plans was set at 172% (148). The ITP2 Pension Plan secured via insurance with Alecta is recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously vested pension entitlement and

estimated remaining period of employment. During 2021, the cost of defined-contribution pensions amounted to SEK 9.4 million (4.2), of which SEK 4.8 million pertained to an expensed pension obligation to the CEO linked to a direct pension agreement for which the terms and conditions were met in 2021.

2021	Base salary, Director fees	Variable remuneration	Pension costs	Other remuneration	Total
Chairman of the Board					
Johan Ljungberg	0.4	–	–	–	0.4
Board Member					
Ingela Lindh	0.1	–	–	–	0.1
Håkan Blixt	0.2	–	–	–	0.2
Christer Olofsson	0.2	–	–	–	0.2
Ulrika Danielsson	0.2	–	–	–	0.2
Chief Executive Officer					
Siv Malmgren	2.4	0.4	5.8	–	8.7
Other senior executives (4)	6.1	1.1	2.2	–	9.4
Total	9.7	1.5	8.0	–	19.2

2020	Base salary, Director fees	Variable remuneration	Pension costs	Other remuneration	Total
Chairman of the Board					
Johan Ljungberg	0.3	–	–	–	0.3
Board Member					
Anna Sander	0.2	–	–	–	0.2
Håkan Blixt	0.2	–	–	–	0.2
Christer Olofsson	0.2	–	–	–	0.2
Ulrika Danielsson	0.2	–	–	–	0.2
Anders Nylander	0.1	–	–	–	0.1
Chief Executive Officer					
Siv Malmgren	2.2	0.4	1.0	–	3.6
Other senior executives (4)	6.3	0.7	2.3	–	9.3
Total	9.6	1.1	3.3	–	14.0

Remuneration and terms and conditions for senior executives

Remuneration and benefits to Group management are prepared by the Remuneration Committee and decided by the Board. Remuneration comprises a base salary and variable remuneration under an incentive programme.

Remuneration of the Chief Executive Officer and other senior executives consists of base salary, variable remuneration, pension benefits and other benefits such as a company car. The term "other senior executives" refers to the individuals who, in addition to the CEO, constitute Group management. Remuneration and terms and conditions for senior executives are detailed in the remuneration report published on the company's website, www.johnmattson.se.

Note 8. Right-of-use assets and lease liabilities

The Group's leaseholds comprise the most material leases where John Mattson is lessee. The Group is also a lessee in respect of a few leases concerning office equipment, where all of the underlying assets are classified as low value. The year's lease payments for these amounted to SEK 2.4 million (1.7). The leasehold agreements are recognised at the present value of future ground rents. An average discount rate of 3.00–3.25% is used to calculate present value. As of 31 December, the total estimated value of the right-of-use assets and liabilities was SEK 332.8 million (46.6). The estimated value of the right-of-use assets and the liability for the properties acquired in Hefab and Efib as well as in Häggvik and Tureberg during the year was SEK 286.2 million.

Ground rent for the year	2021	2020
Due in 1 year	0.6	–
Due in 2–5 years	3.5	0.6
Due after 5 years	4.1	0.3
Total	8.2	0.9

Note 9. Financial expenses

	2021	2020
Ground rent	–4.4	–0.9
Interest expense, external creditors	–83.6	–58.1
Other financial expenses	–2.1	–0.7
Total	–90.0	–59.6

The interest rate used for the borrowing costs that are to be capitalised is the weighted average interest rate that applies to the company's general borrowing during the financial year: 1.35% (1.47).

Note 10. Participation in profits of associates

In conjunction with the acquisition of Hefab and Efib, John Mattson's ownership reached levels that entailed the holdings being recognised under "Participations in associates" in the period from 6 July 2021 to 31 August 2021. The participations that accrued to ownership during this period amounted SEK 2.2 million, which was recognised in profit or loss under "Participation in profits of associates."

Note 11. Tax

Tax recognised in profit or loss

Current tax	2021	2020
Current tax on profit for the year	–3.0	–1.8
Adjustments regarding prior years	–	–
	–3.0	–1.8
Deferred tax		
Deferred tax relating to temporary differences, at applicable tax rate	–370.3	–135.3
Deferred tax on loss carryforwards, at applicable tax rate	13.5	2.9
Revaluation, tax rate	0.0	5.0
	–357.0	–127.5
Tax recognised in profit or loss	–359.9	–129.2

No tax has been recognised directly against equity and the Group has no tax items that are recognised in other comprehensive income.

Effective tax	2021	2020
Reconciliation of effective tax rate		
EBT	1,692.3	608.1
Tax according to the Parent Company's current tax rate 20.6%	–348.6	–130.1
Tax effect of:		
Non-taxable revenue	0.2	0.2
Non-deductible interest expenses	–10.5	–9.7
Non-deductible costs	–0.7	–0.2
Revaluation of tax rate to 20.6%	–	5.0
Tax attributable to preceding periods	–	–
Other	–0.2	5.7
Recognised tax	–359.9	–129.2
Effective tax rate, %	21.3%	21.2%

Disclosures about deferred tax assets and liabilities

The tax effects of temporary differences are specified in the tables below:

	31 Dec 2021	31 Dec 2020
Deferred tax assets/Deferred tax liabilities		
Loss carryforwards	109.9	96.4
Derivatives	5.2	15.1
Investment properties	–1,335.7	–975.1
Untaxed reserves	–6.8	–1.5
Carrying amount	–1,227.5	–865.1

Gross changes	Investment properties	Untaxed reserves	Loss carry-forwards	Derivatives	Total
Opening carrying amount, 1 Jan 2021	-975.1	-1.5	96.4	15.1	-865.1
Recognised:					
The year's change in profit or loss according to applicable tax rates	-322.3	-0.1	13.5	-9.9	-318.9
Assumed in conjunction with acquisitions	-38.3	-5.2	-	-	-43.5
Revaluation of tax rate	-	-	-	-	-
Closing carrying amount, 31 Dec 2021	-1,335.7	-6.8	109.9	5.2	-1,227.5
Opening carrying amount, 1 Jan 2020	-843.6	-0.1	93.6	14.2	-735.9
Recognised:					
The year's change in profit or loss according to applicable tax rates	-136.6	0.4	2.9	0.9	-132.4
Assumed in conjunction with acquisitions	-	-1.8	-	-	-1.8
Revaluation of tax rate	5.1	-	-0.1	0.0	5.0
Closing carrying amount, 31 Dec 2020	-975.1	-1.5	96.4	15.1	-865.1

All fiscal loss carryforwards have been recognised in the balance sheet as deferred tax assets. Total loss carryforwards amounted to SEK 533.4 million (468.0).

Tax calculation for the Group	2021		2020	
	Tax base, current tax	Tax base, deferred tax	Tax base, current tax	Tax base, deferred tax
Income from property management	103.1		94.7	
Tax deductible				
depreciation	-59.7	59.7	-41.0	41.0
new builds and redevelopments	-151.2	151.2	-79.0	79.0
Other fiscal adjustments	55.9	1.0	20.0	-1.2
Taxable income from property management	-51.8	211.8	-5.3	118.7
Changes in property values	0.9	1,538.2	-	517.7
Changes in derivative values	-	48.0	-	-4.3
Taxable earnings before loss carryforwards	-50.9	1,798.0	-5.3	632.1
Loss carryforwards, opening balance	-468.0	468.0	-454.4	454.4
Loss carryforwards, closing balance	533.4	-533.4	468.0	-468.0
Taxable profit	14.5	1,732.6	8.2	618.5
Tax on profit for the year	-3.0	-356.9	-1.8	-127.5
Tax recognised in profit or loss	-3.0	-356.9	-1.8	-127.5

Current tax for the period was an expense of SEK 3.0 million (expense: 1.8). Deferred tax amounted to an expense of SEK 356.9 million (expense: 127.5) and was primarily impacted by unrealised value changes on properties and derivatives in a net negative amount of SEK 326.9 million (negative: 105.8).

The tax rules entail certain limits in terms of the tax deductibility of interest expenses. Other fiscal adjustments are not included

in non-deductible interest expenses of SEK 51.0 million (45.4), for which the tax value has not been capitalised. The Group's accumulated loss carryforwards are estimated at SEK 533.4 million (468.0), 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 11,658.0 million (6,076.6). The full nominal tax rate of 20.6% (20.6) is recognised as deferred tax liabilities, less deferred tax pertaining to asset acquisitions.

Nominal and estimated deferred tax liabilities

31 Dec 2021	Tax base	Nominal tax liability	Actual tax liability/asset
Properties	-11,658.0	-2,401.5	-699.5
Derivatives	25.2	5.2	4.8
Loss carryforwards	533.4	109.9	90.7
Untaxed reserves	-38.2	-7.9	-2.3
Total	-11,137.7	-2,294.4	-606.3
Property, asset acquisitions ¹⁾	5,179.1	1,066.9	-
Total	-5,958.6	-1,227.5	-606.3
According to balance sheet		-1,227.5	

31 Dec 2020	Tax base	Nominal tax liability	Actual tax liability/asset
Properties	-6,076.6	-1,251.8	-364.6
Derivatives	73.2	15.1	13.9
Loss carryforwards	468.0	96.4	79.6
Untaxed reserves	-7.2	-1.5	-0.4
Total	-5,542.6	-1,141.8	-271.6
Property, asset acquisitions ¹⁾	1,343.3	276.7	
Total	-4,199.3	-865.1	-271.6
According to balance sheet		-865.1	

¹⁾ Amounts in the table above in respect of Property, asset acquisitions refer to the temporary difference that prevailed at the acquisition date and is thus not recognised as deferred tax.

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 an eight-year period. This means that the estimated actual tax is 17% for loss carryforwards and 19% for derivatives.

Note 12. Property, plant and equipment

Plant and equipment	31 Dec 2021	31 Dec 2020
Opening balance, cost	15.7	12.1
Plant and equipment assumed via acquisitions	1.9	–
Purchases during the year	7.1	6.4
Sales and disposals	-0.8	-2.8
Closing balance, cost	24.0	15.7
Opening balance, accumulated depreciation	-9.5	-10.1
Depreciation assumed via acquisitions	-1.9	–
Depreciation for the year	-3.6	-1.7
Sales and disposals	0.5	2.4
Closing balance, accumulated depreciation	-14.6	-9.5
Closing carrying amount	9.4	6.2

Note 13. Investment properties

All of the Group's properties are held to generate rental revenues and capital appreciation, and are therefore classified as investment properties. Investment properties are recognised at fair value; i.e. estimated market value on the balance-sheet date. Fair values are established by assessing the market value of each individual object. The valuations have been performed by external appraisers for the majority of properties, which correspond to 97% of the total property value. Cushman & Wakefield were engaged as external appraisers for the two years reported. The property portfolio is valued according to valuation hierarchy 3, which means that the input data used in the valuations is not observable.

Values are yield-based according to the cash-flow model, which is based on estimates of a property's yield capacity. This method entails an analysis of expected future payment streams that management of the property is assumed to generate. As part of the cash flow calculation, a present value calculation is performed of payment streams that the property holdings are expected to generate. Every assumption about a property is assessed individually on the basis of the knowledge that is available concerning the property and the external appraisers' market information and experience-based assessments.

The calculations are normally prepared using a calculation period of ten years. For an assessment of residual value at the end of the calculation horizon, net operating income for 2032 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.

Change in property value	31 Dec 2021	31 Dec 2020
Property value at the beginning of the period	7,957.9	6,365.2
+ Acquisitions	6,143.8	857.7
+ Investments in new builds	95.9	33.4
+ Investments in base upgrades	116.3	127.1
+ Other investments in existing property	42.4	56.9
+/- Unrealised changes in value	1,538.2	517.7
Closing balance, property value	15,894.5	7,957.9

Specification of unrealised changes in value	31 Dec 2021	31 Dec 2020
Change in net operating income	125.5	19.9
Ongoing projects/development rights	152.4	79.4
Yield requirement	986.0	385.7
Acquired properties	274.2	32.6
Total	1,538.2	517.7

The unrealised change in the value of investment properties held on the balance-sheet date of 31 December 2021 was SEK 1,539.0 million (517.7). The year's changes in this respect are recognised in profit or loss on the row "Change in value of investment properties."

	31 Dec 2021	31 Dec 2020
Tax assessment value, investment properties	6,833.3	4,042.1
Fiscal residual value	4,236.5	1,881.3

Valuation model

- + Rent payments
- Operating and maintenance payments
- = Net operating income
- Deductions for investments
- = The property's cash flow

Rent payments

Rental inflows have been calculated based on existing rental contracts until the end of the contract. After this date, an assessment has been made of market terms and conditions concerning rent level and index clauses. The property leases that are assessed as being on market terms have been used as the basis for the value assessment throughout the calculation horizon; i.e. they have been assumed to be extended on unchanged terms and conditions after expiration of the current lease term. For other contracts, rent has been adjusted to the currently estimated future market rent level.

Operating and maintenance payments

The assessment of disbursements for operation, administration and maintenance has been made with historical outcomes as the starting point. The external assessment is also based on statistics, in addition to experience of comparable objects. The assessment has taken into account the properties' usage, age and maintenance status. It is estimated that disbursements for operation, administration and maintenance will increase in line with assumed inflation.

Investment requirements

John Mattson informs the external appraiser about ongoing and planned investments.

Valuation assumptions	31 Dec 2021	31 Dec 2020
Calculation period, number of years	10–15	10–15
Annual inflation, %	2.0	2.0
Cost of capital, %	3.7–7.5	4.2–8.2
Required yield, residual value, %		
Housing, %	1.7–3.8	2.3–4.0
Commercial, %	2.7–5.5	5.4–6.3
Long-term vacancy rate, %		
Housing, %	0.0–4.8	0.0–3.4
Commercial, %	0.5–5.7	1.9–4.0

Cost of capital

The cost of capital comprises a nominal interest requirement based on total capital before tax. The interest requirement is based on experience-based assessments of market return requirements for similar properties. The cost of capital is used to discount the properties' residual value to present value.

Residual value

Residual value is the property's market value at the end of the calculation period less any remaining capital liability. The market

value is essentially based on the property's yield capacity and value performance after the calculation period has ended and has been assessed on the basis of forecast net operating income for the first year after the calculation period has ended.

Sensitivity analysis, fair value SEK m		31 Dec 2021	31 Dec 2020
Market rent	+/-1%	214.4	110.8
Property expenses	+/- SEK 50 sq m	693.2	377.8
Long-term vacancy rate	+/-2%	428.7	221.6
Yield requirement, exit	-0.1%	647.3	287.8
Yield requirement, exit	+0.1%	-596.7	-267.3

There is no limitation on the right to sell any investment property or to dispose of rental revenues and the consideration received on divestment.

Remaining contracted investment obligations

Project	Contracted amount	Outcome until 31 Dec 2021	Remaining from 1 Jan 2022	Comments:
10500 Vilunda	135,000	83,842	51,158	
10100 Kåppala total upgrades			4,210	Ordered upgrades
10025 Larsberg total upgrades			3,231	Ordered upgrades
Gengasen	239,700	11,022	228,678	
Total			287,277	

All amounts in thousand Swedish krona excluding VAT.

For information regarding non-current assets pledged as collateral, see Note 25.

Note 14. Financial instruments

Measurement of financial assets and liabilities as per 31 Dec 2021

Rent receivables, accounts payable and similar balance sheet items have a maximum maturity of six months. These items are therefore recognised at amortised cost less any impairment; as a result, the fair value is considered to match the carrying amount.

Non-current interest-bearing liabilities are mainly subject to a short fixed-interest tenor, meaning that fair value does not materially deviate from nominal amounts.

This means that recognised amortised cost favourably matches fair value.

Fair value measurement

The financial instruments that are measured at fair value pertain to derivatives, and the fair value of financial assets in the form of endowment policies. These fair value measurements are performed on the basis of level 2 under IFRS 13.

Note 15. Cash and cash equivalents

	31 Dec 2021	31 Dec 2020
Cash at bank and in hand	227.5	6.0
Carrying amount	227.5	6.0

Note 16. Group companies

The Parent Company's, John Mattson Fastighetsföretagen AB (publ), holdings in direct and indirect subsidiaries that are included in the consolidated financial statements are shown in the table below: The company's share was listed on Nasdaq, Mid Cap as of 5 June 2019.

Company	Principal activity	31 Dec 2021	31 Dec 2020
John Mattson Fastighetsföretagen AB (publ.)	Parent Company of the Group	Parent Company	Parent Company
John Mattson Fastighets AB	Letting and management	100%	100%
John Mattson Tomt AB	Dormant company	Indirectly wholly owned	Indirectly wholly owned
John Mattson Projekt AB	Dormant company	Indirectly wholly owned	Indirectly wholly owned
John Mattson Skolfastigheter AB	Letting of commercial premises	100%	100%
John Mattson Butiksfastigheter AB	Letting of commercial premises	100%	100%
John Mattson Parkering AB	Letting, parking spaces	100%	100%
John Mattson Dalén AB	Letting of residential and commercial premises	100%	100%
John Mattson Käppala AB	Main partner in limited partnerships	100%	100%
John Mattson Juno Herkules KB	Letting of residential and commercial premises	0.1% ¹⁾	0.1% ¹⁾
John Mattson Sollentuna Holding AB	Holding company	–	100%
John Mattson Rotebro and Rotsunda AB	Letting of residential and commercial premises	100%	–
John Mattson Stockholm Holding AB	Holding company	100%	–
Hjälpslaktaren 1 Fastighets AB	Letting of commercial premises	Indirectly wholly owned	–
Hjälpslaktaren 2 Fastighets AB	Letting of commercial premises	Indirectly wholly owned	–
Hjälpslaktaren 8 Fastighets AB	Letting of commercial premises	Indirectly wholly owned	–
John Mattson Sicklaön AB	Main partner in limited partnerships	100%	–
John Mattson Sicklaön KB	Letting of commercial premises	100%	–
John Mattson Väsby Holding	Holding company	100%	–
John Mattson Vilunda AB	Letting of residential and commercial premises	100%	–
John Mattson Häggvik Tureberg	Letting of residential and commercial premises	100%	–
Hefab AB	Letting of residential and property management	97%	–
Efib AB	Letting of residential and commercial premises	100%	–
Hägerstens Enskilda Fastighetsäg. Förv. 1 AB	Letting of residential and commercial premises	100%	–
Hefab Likriktaren 3 AB	Holding company	100%	–
Hefab Likriktaren 4 AB	Letting of commercial premises	100%	–
Hägerstens Enskilda Fastighetsäg. Förv. 2 AB	Letting of commercial premises	100%	–
Hefab Kv Älgen 24 KB	Holding company	100%	–
Örby Centrum Fastighets AB	Letting of residential and commercial premises	100%	–
Hefab Johannesshov AB	Project development	100%	–
Hefab Skattsedeln AB	Letting of residential properties	100%	–
Hefab Högdalen AB	Letting of residential and commercial premises	100%	–
Hefab Örnberg AB	Letting of residential properties	100%	–
Hägerstens Enskilda Fastighetsäg. Förv. 3 AB	Project development	100%	–
Hefab Lilla Bantorget AB	Holding company	100%	–
Hefab Lilla Katrineberg 4 AB	Letting of residential and commercial premises	100%	–
Hägerstens Enskilda Fastighetsäg. Parkering AB	Letting of commercial premises	100%	–
Hefab Traneberg Fastighets AB	Letting of garages	100%	–
Hefab Tollare AB	Letting of residential properties	100%	–
Hägerungen Fastighets AB	Letting of residential and commercial premises	100%	–
Hägerungen Lilla Katrineberg 4 AB	Dormant company	100%	–
Efib Ulvsunda AB	Letting of residential and commercial premises	100%	–
Efib Geografiboken AB	Project company	100%	–

¹⁾ John Mattson Fastighetsföretagen AB is a limited partner in John Mattson Juno Herkules KB and Sicklaön KB with a share of 0.1%. The wholly owned subsidiaries John Mattson Käppala AB and John Mattson Sicklaön AB are main partners with a share of 99.9%.

Note 17. Earnings per share

In conjunction with the acquisitions of Hefab and Efib, two shares issues of 2,694,795 shares totalling SEK 408 million were carried out, which were registered on 16 July and 16 October, respectively. The issues were completed with the support of the authorisation from the Annual General Meeting on 22 April 2021. As per 31 December 2021, the company's registered share capital encompassed 36,364,827 shares (33,670,032) with a quotient value of SEK 0.33 (0.33). The calculation of earnings per share has been based on net profit for the year attributable to the Parent Company's shareholders, totalling SEK 1,322.0 million (478.8). This is divided by the weighted average number of shares at the time, namely 34,600,537 shares (33,670,032). No dilution occurs when calculating earnings per share; nor are there any non-controlling interests in the Group.

	31 Dec 2021	31 Dec 2020
Earnings per share before and after dilution		
Profit for the year/Comprehensive income for the year	1,322.0	478.8
Average number of shares outstanding before dilution effects	34,600,537	33,670,032
Earnings per share before and after dilution (SEK)	38.21	14.22

Note 18. Equity

Share capital

As per 31 December 2021, the registered share capital amounted to 36,364,827 common shares (33,670,032). Holders of common shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to John Mattson's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries. The quotient value of the shares is SEK 0.33 per share (0.33).

	31 Dec 2021	31 Dec 2020
No. of shares outstanding at the beginning of the year	33,670,032	33,670,032
Issues	2,694,795	-
No. of shares outstanding at year end	36,364,827	33,670,032

Note 19. Borrowings

	31 Dec 2021	31 Dec 2020
Non-current		
Liabilities to credit institutions	6,224.6	2,896.1
Carrying amount	6,224.6	2,896.1
Current		
Liabilities to credit institutions	3,221.9	664.7
Carrying amount	3,221.9	664.7
Total borrowings	9,446.5	3,560.8

Total borrowings includes liabilities to credit institutions and other borrowing against collateral of SEK 6,423.1 million (3,560.8). Collateral for bank loans consisted of property deeds on the Group's investment properties.

Note 20. Financial risk

John Mattson aims for a low financial risk in its business. However, the company's earnings and cash flow are affected by changes in the external world as well as the company's own actions. Risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects.

Through its own operations, the Group is exposed to various types of financial risks; credit risk, market risk (interest-rate risk and other price risk) as well as liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and endeavours to minimise potential unfavourable effects on the Group's financial results.

The Group's financial transactions and risks are managed in accordance with the financial policy adopted by the Board of Directors. The Group's overall objective for financial risks is to manage them within the framework of low risk, cost-effective borrowing and by securing the company's interest payment capacity over time.

Credit risk

Credit risk is the risk that the Group's counterparty is unable to meet its obligations and thus results in a financial loss for the Group. The Group's rent receivables and accounts receivable all pertain to properties in the Stockholm area. The Group's cash and cash equivalents are deposited with Swedish banks with a high credit rating.

Reserve for expected credit losses

The Group uses various methods for expected credit losses depending on the financial instrument. The Group defines default as when it is highly probable that the debtor will be unable to pay amounts owed. The Group writes off receivables when it is no longer adjudged possible that any funds will be obtained from debt-collection attempts.

The financial assets reserved by the Group for expected credit losses are shown below. In addition to the assets below, the Group also monitors provision requirements for other financial instruments, such as cash and cash equivalents. Should amounts not be regarded as immaterial, a reserve is also posted for expected credit losses for these financial instruments.

Rent receivables and accounts receivable

Expected credit losses for rent receivables and accounts receivable are calculated in accordance with the simplified approach. The Group uses due dates to assess whether the credit risk associated with rent receivables and accounts receivable has increased significantly since initial recognition. Receivables that are more than 90 days past due are regarded as credit impaired, and reserves for expected credit losses are posted following individual assessment. For other receivables, expected credit losses are based on the historical rate of loan losses combined with forward-looking factors.

Expected credit losses for rent receivables and accounts receivable are calculated in accordance with the simplified approach, and using a loss percentage model. Input data used is financial data for John Mattson for the preceding year. The forward-looking perspective also takes into account information regarding macroeconomic development. Finally, an individual assessment is made of whether receivables are considered to be credit impaired.

Maturity structure of rent receivables and accounts receivable (gross amounts before impairment for expected credit losses)

	31 Dec 2021	31 Dec 2020
Not past-due accounts receivable	0.8	0.1
Past-due accounts receivable 1–30 days	0.5	0.1
Past-due accounts receivable 31–90 days	1.0	0.3
Past-due accounts receivable 90 days	0.4	1.1
Carrying amount	2.7	1.6

Reserve for expected credit losses

	31 Dec 2021	31 Dec 2020
Opening carrying amount	1.1	0.8
Write-offs for the year	0.4	0.4
Year's other changes	-0.4	-0.1
Closing carrying amount	1.2	1.1

The year's confirmed credit losses amounted to SEK 0.1 million (0.2).

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types: currency risk, interest-rate risk and other price risks. The market risks affecting the Group primarily consist of interest-rate risks. The Group has no items in foreign currency.

Interest-rate risk

Interest-rate risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market interest rates. A significant factor affecting the interest-rate risk is the fixed-interest tenor. The Group is primarily exposed to interest-rate risk in respect of the Group's loans to credit institutions.

The interest-rate maturity structure is allocated over time to ensure the stability of net financial items. Interest-rate derivatives in the form of interest-rate swaps are used to attain the desired interest-maturity structure.

The Group uses interest-rate derivatives in the form of swaps to be able to manage interest-rate risk and convert floating interest rates to fixed rates. The contractual cash flows arise at intervals of between three and six months to match interest expenses. See maturity tables below for an analysis of interest rate movements. Since interest-rate derivatives have been agreed with institutions that have good creditworthiness, credit exposure towards institutions is regarded as limited.

Altogether, John Mattson has concluded interest-rate swaps to a nominal value of SEK 2,343 million (1,593).

Fixed-interest and loan-to-maturity, 31 December 2021

Maturity	Fixed-interest period		Credit maturity			Derivatives		
	Volume (SEK m)	Average interest rate (%) ¹⁾	Share (%)	Credit agreements volume (SEK m)	Utilised, SEK m	Share (%)	Volume (SEK m)	Average interest rate (%) ²⁾
0–1 year	5,747	1.36%	61%	3,232	3,222	34%	154	–
1–2 years	632	0.99%	7%	3,261	3,136	33%	471	–
2–3 years	393	1.57%	4%	922	922	10%	0	–
3–4 years	823	1.58%	9%	630	630	7%	668	–
4–5 years	170	0.52%	2%	555	555	6%	350	–
>5 years	1,681	1.37%	18%	981	981	10%	700	–
Total	9,446	1.35%	100%	9,582	9,446	100%	2,343	0.89%

Fixed-interest and loan-to-maturity, 31 December 2020

Maturity	Fixed-interest period		Credit maturity			Derivatives		
	Volume (SEK m)	Average interest rate (%) ¹⁾	Share (%)	Credit agreements volume (SEK m)	Utilised, SEK m	Share (%)	Volume (SEK m)	Average interest rate (%) ²⁾
0–1 year	1,561	1.74	44	675	665	19	0	–
1–2 years	561	1.54	16	1,765	1,171	33	154	–
2–3 years	471	0.51	13	775	775	22	471	–
3–4 years	0	0.00	0	475	475	13	0	–
4–5 years	468	1.86	13	475	475	13	468	–
>5 years	500	1.13	14	0	0	0	500	–
Total	3,561	1.47	100	4,165	3,561	100	1,593	1.23

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

²⁾ Volume-weighted average interest rate for derivatives.

Based on the interest-bearing assets and liabilities that existed on the balance-sheet date, the table below shows the impact of an increase/decline in interest rates on earnings before tax.

	31 Dec 2021	31 Dec 2020
Market interest rate +1%, SEK m	49.3	15.4
Market interest rate -1%, SEK m	-14.1	-13.9

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling its obligations associated with financial liabilities. This risk is managed through overdraft facilities totalling SEK 160 million (160), of which SEK 124.9 million (56.1) had been utilised at the end of 2021.

The impact on profit of a change in the value of interest-rate derivatives following an increase/decline in interest rates is shown in the table below.

	31 Dec 2021	31 Dec 2020
Market interest rate +1%, SEK m	79.2	66.0
Market interest rate -1%, SEK m	-85.5	-70.3

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table below. For financial instruments carrying variable interest rates, the interest rate on the balance-sheet date has been used. Liabilities have been included in the earliest period when repayment can be demanded.

31 Dec 2021

Analysis of tenors	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Accounts payable	81.5	–	–	–	–	81.5
Interest-bearing liabilities	1,674.7	1,674.7	4,313.0	2,421.7	–	10,084.1
Other current liabilities	3.4	8.7	–	–	–	12.1
Accrued costs	116.4	–	–	–	–	116.4
Derivatives	0.5	–	2.3	18.0	6.6	27.4
Total	1,876.5	1,683.4	4,315.3	2,439.7	6.6	10,321.5

31 Dec 2020

Analysis of tenors	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Accounts payable	29.0	–	–	–	–	29.0
Interest-bearing liabilities	358.7	358.7	2,050.7	1,054.7	0.0	3,822.7
Other current liabilities	3.4	8.7	–	–	–	12.1
Accrued costs	58.3	–	–	–	–	58.3
Derivatives	–	–	8.9	36.0	30.3	75.1
Total	449.4	367.4	2,059.5	1,090.7	30.3	3,997.3

Since future interest payments are included in the tables of maturities, total amounts according to these tables exceed the balance sheet amount.

Financing risk

Financing risk entails difficulties in securing financing, or that financing is only available at highly unfavourable terms at a given point in time. To ensure requirements of financing and liquidity, John Mattson endeavours to continuously renegotiate credits and, where required, add new credits. As collateral for borrowings, John Mattson provides property deeds. Risk is also managed by having a reasonable loan-to-value ratio, which amounted to 58.0% at year end (44.7). The company's stable cash flow contributes to a secure interest coverage level.

Credit agreements/frameworks that John Mattson has entered into are shown below.

	Amount, 31 Dec 2021	Utilised, 31 Dec 2021	Amount, 31 Dec 2020	Utilised, 31 Dec 2020
Binding loan agreements with banks	8,921.6	8,921.6	3,505.0	3,504.9
Credit commitments and overdraft facilities	660.0	524.9	660.0	56.1
Total	9,581.6	9,446.5	4,165.0	3,561.0

Capital management

The aim of the Group's strategy is to generate a healthy return to the shareholders under financial stability. The strategy is reflected in the financial targets, which were as follows in 2021:

- An average annual growth in EPRA NAV per share of not less than 10%, including value changes, 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.

Note 21. Other liabilities

	31 Dec 2021	31 Dec 2020
Employee withholding taxes and social security expenses	4.0	3.0
VAT	1.7	1.8
Tax liability	15.4	7.1
Other items	32.8	0.2
Carrying amount	53.9	12.1

Note 22. Accrued expenses and deferred income

	31 Dec 2021	31 Dec 2020
Prepaid rental revenues	56.4	27.2
Accrued interest expense	8.8	4.3
Accrued salaries, holiday pay and social security expenses	7.0	4.1
Accrued project expenses	16.6	18.6
Other accrued expenses and deferred income	27.5	4.1
Carrying amount	116.4	58.3

Note 23. Cash-flow statement

Adjustment for non-cash items	2021	2020
Depreciation	3.0	1.7
Unrealised change in value of investment properties	-1,538.2	-517.7
Unrealised changes in derivative values	-48.0	4.3
Provisions for pensions	-2.0	-
Carrying amount	-1,585.1	-511.7

	Changes in items impacting cash flow		Changes in non-cash items	
	31 Dec 2020	Cash flow for the period	Acquisi- tions	31 Dec 2021
Change in liabilities attribut- able to financing activities				
Current interest-bearing liabilities	664.7	2,557.2	-	3,221.9
Non-current interest-bearing liabilities	2,896.2	1,795.3	1,533.1	6,224.6
	3,560.9	4,352.5	1,533.1	9,446.5

	31 Dec 2019	Cash flow for the period	Acquisi- tions	31 Dec 2020
Change in liabilities attribut- able to financing activities				
Current interest-bearing liabilities	555.4	109.3	-	664.7
Non-current interest-bearing liabilities	2,046.2	442.8	407.2	2,896.2
	2,601.6	552.1	407.2	3,560.8

Note 24. Pledged assets and contingent liabilities

Pledged assets	31 Dec 2021	31 Dec 2020
Property deeds	6,423.13	3,660.0
Endowment policies to secure pensions	-	5.0
Total	6,455.3	3,665.0

Contingent liabilities	31 Dec 2021	31 Dec 2020
Contingent liabilities, pensions	-	4.8
Total	-	4.8

Note 25. Transactions with related parties

The Group's related parties include all Board Members and members of executive management as well as individuals and companies related to these parties.

All transactions with related parties are conducted on commercial terms.

Chairman of the Board Johan Ljungberg is a part-owner of John Mattson Fastighetsföretagen AB via Tagehus Holding AB. Tagehus Holding AB owns the construction consultancy Credentia AB, from which John Mattson purchased services during the period from 1 January to 31 December 2021 for SEK 0.0 million (0.0). All transactions were conducted on normal market terms.

For information on remuneration of senior executives, refer to Note 7 Employees and personnel costs.

Apart from the amounts shown in Note 7, there were no other transactions with related parties.

Note 26. Events after the balance-sheet date

- On 1 February 2022, possession was taken of three properties at Gullmarsplan in central Stockholm.
- Per Nilsson assumed his role as CEO on 10 January 2022.
- Mattias Lundström was appointed new CFO and will assume the role in August 2022.

Parent Company income statement

Amounts in SEK m	Note	2021	2020
Revenue		20.2	13.5
Central administration and marketing costs	9	-36.5	-39.0
EBIT		-16.3	-25.5
Interest income	10	1.7	1.2
Interest expense	11	-21.1	-7.2
Loss after financial items		-35.7	-31.5
Appropriations	12	36.2	12.1
EBT		0.5	-19.4
Deferred tax	13	-2.9	5.8
Profit for the year		-2.4	-13.6

Parent Company statement of comprehensive income

Amounts in SEK m	Note	2021	2020
Profit/loss for the year		-2.4	-13.6
Other comprehensive income		-	-
Comprehensive income for the year		-2.4	-13.6

Parent Company balance sheet

Amounts in SEK m	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Property, plant and equipment			
Plant and equipment	3	1.5	1.4
Financial assets			
Participations in Group companies	4	5,317.5	1,804.2
Other non-current receivables	8	–	0.8
Deferred tax assets	5	3.0	5.9
Total non-current assets		5,322.0	1,812.3
Current assets			
Receivables from Group companies	6	387.4	174.0
Other receivables	8	1.0	0.0
Prepaid expenses and accrued income	8	5.2	1.3
Cash and cash equivalents	7	9.9	5.9
Total current assets		403.5	181.2
TOTAL ASSETS		5,725.5	1,993.5
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		12.1	11.2
<i>Non-restricted equity</i>			
Retained earnings		857.7	362.8
Share premium reserve		770.1	871.3
Profit/loss for the year		–2.4	–13.6
Total equity		1,637.5	1,231.7
Non-current liabilities			
Non-current interest-bearing liabilities	15	1,800.0	–
Total non-current liabilities		1,800.0	–
Current liabilities			
Accounts payable	8	2.6	1.4
Liabilities to Group companies	8	977.7	754.9
Current interest-bearing liabilities	15	1,300.0	–
Other current liabilities	8	2.7	2.9
Accrued expenses and deferred income	8	5.0	2.6
Total current liabilities		2,288.0	761.8
TOTAL EQUITY AND LIABILITIES		5,725.5	1,993.5

Parent Company statement of changes in equity

Amounts in SEK m	Restricted equity	Non-restricted equity			Total equity
		Share capital	Share premium reserve	Retained earnings	
Opening equity, 1 Jan 2020	11.2	362.8	880.3	–9.0	1,245.3
Transfer, preceding year's earnings	–	–	–9.0	9.0	–
Profit/loss for the year	–	–	–	–13.6	–13.6
Other comprehensive income for the year	–	–	–	–	–
Comprehensive income for the year	–	–	–	–13.6	–13.6
Transactions with owners	–	–	–	–	–
Total	–	–	–	–	–
Closing equity, 31 Dec 2020	11.2	362.8	871.3	–13.6	1,231.7
Opening equity, 1 Jan 2021	11.2	362.8	871.3	–13.6	1,231.7
Transfer, preceding year's earnings	–	–	–13.6	13.6	–
New share issue	0.9	407.3	–	–	408.2
Profit/loss for the year	–	–	–	–2.4	–2.4
Other comprehensive income for the year	–	–	–	–	–
Comprehensive income for the year	–	–	–	–2.4	–2.4
Transactions with owners	–	–	–	–	–
Total	–	–	–	–	–
Closing equity, 31 Dec 2021	12.1	770.1	857.7	–2.4	1,637.5

Parent Company

cash-flow statement

Amounts in SEK m	Note	2021	2020
Operating activities			
EBT		0.5	-19.4
<i>Adjustment for non-cash items</i>			
Depreciation and disposals		0.8	0.4
Taxes paid		-	-
Cash flow from operating activities before changes in working capital		1.3	-19.0
Cash flow from changes in working capital			
Change in operating receivables		-253.7	-59.4
Change in operating liabilities		227.4	199.8
Cash flow from operating activities		-25.1	121.4
Investing activities			
Acquisition of subsidiaries		-3,508.2	0.0
Investments in equipment		-0.9	-1.4
Disposal of equipment		-	-0.1
Cash flow from investing activities		-3,509.0	-1.5
Financing activities			
Borrowings		3,100.0	-
New share issue		407.3	-
Shareholder contributions paid		-5.3	-135.5
Group contributions received/paid		36.2	12.1
Cash flow from financing activities		3,538.2	-123.4
Cash flow for the year		4.1	-3.5
Opening balance, cash and cash equivalents		5.9	9.5
Closing balance, cash and cash equivalents	7	9.9	5.9
Additional cash-flow statement disclosures			
Interest received		1.7	1.2
Interest paid		21.1	7.2

Parent Company notes

Note 1. Significant accounting policies

The Parent Company prepares its annual financial statements in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation 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. This means that the IFRS are applied together with the deviations presented below.

Participations in subsidiaries

Shares in subsidiaries are recognised in the Parent Company in accordance with the cost method. This means that transaction charges are included in the carrying amount of the holding. Carrying amounts are tested each quarter against the companies' equity. Where the carrying amount is less than the companies' consolidated fair value, an impairment loss is charged to profit or loss. Where an earlier impairment is no longer justified, it is reversed.

For calculating future cash flows, assumptions are made about future conditions that determine the recoverable amount. The recoverable amount is compared with the carrying amount of these assets and forms the foundation for any impairment losses or reversals. The assumptions that impact the recoverable amount the most are future earnings performance, discount interest rate and period of use. If changes occur in the future operating environment or in other conditions, assumptions may be impacted so that carrying amounts for the Parent Company's assets have to be amended.

Group and shareholder contributions

The Parent Company recognises Group contributions received and granted as appropriations. Shareholder contributions granted by the Parent Company are entered directly in the recipient's shareholders' equity and are recognised in shares and participations in the Parent Company. Shareholder contributions received are recognised as an increase in non-restricted equity.

Revenue

The company's revenue refers primarily to service income for invoicing of intra-Group services to subsidiaries. Revenue from this is recognised as the services are performed.

Dividends are recognised when the entitlement to receive payment is considered certain. Revenue from the sale of subsidiaries is recognised when control of the subsidiary has transferred to the buyer.

Leases

The Parent Company has chosen to use the relief rules permitted in RFR 2 for the recognition of leases in legal entities and thereby recognises all leases as operating leases.

Financial instruments

Due to the correlation between recognition and taxation, the rules concerning financial instruments according to IFRS 9 are not applied in the Parent Company as a legal entity; instead the Parent Company applies the rules in accordance with the Annual Accounts Act's cost method. The Parent Company measures financial assets at cost and financial current assets according to the lowest value principle reduced by impairment for expected credit losses.

Impairment of financial assets

Financial assets, including intra-Group receivables, are impaired to account for expected credit losses. For the method used in respect of impairment of expected credit losses, see Note 1 to the consolidated financial statements. Expected credit losses on intra-Group receivables are estimated by assessing the counterparty's creditworthiness.

Taxes

In the Parent Company, deferred tax liabilities attributable to untaxed reserves are recognised in gross amounts in the balance sheet. Appropriations are recognised in gross amounts in profit or loss.

Note 2. Significant estimates and assessments

The Parent Company's principal asset item is the value of shares in Group companies. The subsidiaries representing major values include properties with a material surplus value. No impairment requirement has been identified.

Note 3. Property, plant and equipment

Plant and equipment	31 Dec 2021	31 Dec 2020
Opening balance, cost	1.8	0.4
Purchases during the year	0.9	1.8
Sales and disposals	-0.1	-0.4
Closing balance, cost	2.6	1.8
Opening balance, accumulated depreciation	-0.3	0.0
Depreciation for the year	-0.8	-0.4
Sales and disposals	0.0	0.2
Closing balance, accumulated depreciation	-1.1	-0.3
Closing balance, planned residual value	1.5	1.4

Note 4. Participations in Group companies

	31 Dec 2021	31 Dec 2020
Opening balance, cost	1,804.2	1,668.7
Shareholders' contributions	5.3	135.5
Acquisitions	3,508.2	0.0
Closing balance, cost	5,317.5	1,804.2

No impairment was carried out for Participations in Group companies.

cont. Note 4

Company	Corp. Reg. No.	Registered office	Principal activity	Owned percentage	31 Dec 2021	31 Dec 2020
John Mattson Fastighets AB	556056-6977	Lidingö	Letting and management	100%	1,262.0	1,262.0
John Mattson Skolfastigheter AB	556703-0357	Lidingö	Letting of commercial premises	100%	1.6	1.6
John Mattson Butiksfastigheter AB	556792-8568	Lidingö	Letting of commercial premises	100%	9.7	9.7
John Mattson Parkering AB	556902-1206	Lidingö	Letting, parking spaces	100%	0.1	0.1
John Mattson Dalenum AB	556909-1472	Lidingö	Letting and management	100%	28.4	28.5
John Mattson Käppala AB	559161-7500	Lidingö	Main partner in limited partnerships	100%	371.3	371.3
John Mattson Juno Herkules KB	969646-6946	Lidingö	Letting and management	0%	0.5	0.5
John Mattson Sollentuna Holding AB	559229-6619	Lidingö	Holding company	100%	4.0	0.0
John Mattson Rotebro and Rotsunda AB	559087-2478	Lidingö	Letting and management	100%	130.1	130.1
John Mattson Stockholm Holding AB	559251-3286	Lidingö	Holding company	100%	1.3	0.5
John Mattson Sicklaön AB	559305-4926	Lidingö	Main partner in limited partnerships	100%	0.5	0.0
John Mattson Väsby Holding	559314-1376	Lidingö	Holding company	100%	0.2	0.0
Hefab AB	556304-8510	Stockholm	Letting and management	97.15%	2,079.3	–
Efib AB	556262-1853	Bromma	Letting and management	99.95%	1,425.5	–
John Mattson Häggvik Tureberg	559087-2494	Lidingö	Letting and management	100%	3.0	0.0
					5,317.5	1,804.2

¹⁾ John Mattson Fastighetsföretagen AB is a limited partner in John Mattson Juno Herkules KB and John Mattson Sicklaön KB with a share of 0.1% each in the respective limited partnerships. The wholly owned subsidiaries John Mattson Käppala AB and John Mattson Sicklaön AB are main partners with a share of 99.9% in the respective companies.

Note 5. Deferred tax assets and tax liabilities

31 Dec 2021	Assets	Liabilities	Net
Loss carryforwards	3.0	–	3.0
Total	3.0	0.0	3.0

31 Dec 2020	Assets	Liabilities	Net
Loss carryforwards	5.9	–	5.9
Total	5.9	–	5.9

Reconciliation of net change in deferred tax	31 Dec 2021	31 Dec 2020
At start of year	–5.9	–0.1
Recognised in profit or loss	2.9	–5.8
Recognised in other comprehensive income	–	–
At year end	–3.0	–5.9

Note 6. Receivables from Group companies

	31 Dec 2021	31 Dec 2020
Opening balance, cost	174.0	123.2
Additional receivables	213.4	50.7
Closing balance, accumulated cost	387.4	174.0
Closing carrying amount	387.4	174.0

Note 7. Cash and cash equivalents

	31 Dec 2021	31 Dec 2020
Cash at bank and in hand	9.9	5.9
Carrying amount	9.9	5.9

Note 8. Financial instruments

Fair value estimation

Interest-bearing receivables and liabilities

For information purposes, fair value is calculated for interest-bearing receivables and liabilities by discounting principals from future cash flows and by discounting interest payments to the current market interest rate. Since these are mainly subject to a short fixed-interest tenor, the fair value does not materially deviate from nominal amounts.

Current receivables and liabilities

For current receivables and liabilities, such as cash and cash equivalents, accounts receivable and accounts payable, which are expected to be settled within 12 months, the carrying amount is considered to be an approximation of the fair value.

Fair value measurement

The Parent Company does not have any financial instruments that are measured at fair value.

Reserve for expected credit losses

The Parent Company uses various methods for expected credit losses depending on the financial instrument. The Group defines default as when it is highly probable that the debtor will be unable to pay amounts owed. Receivables predominantly comprise receivables from Group companies for which no expected credit losses have been identified. The company monitors any provision requirements for all financial instruments, such as cash and cash equivalents. Should amounts not be regarded as immaterial, a reserve is posted for expected credit losses for these financial instruments.

Note 9. Employees and personnel costs

	2021	2020
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	–12.8	–10.7
Social security contributions	–7.4	–7.3
(of which, pension costs)	–4.2	–3.3
Total	–20.2	–18.0

During the year, the average number of employees in the Parent Company amounted to six (six) of whom 33% (31) were men.

For salary and remuneration paid to employees and senior executives, as well as information on the number of employees, see Note 7 to the consolidated financial statements.

Note 10. Interest income and similar profit/loss items

	2021	2020
Interest income from subsidiaries	1.4	0.1
Interest income from Group companies	0.2	1.2
Other interest income	0.0	–
Total	1.7	1.2

Note 11. Interest expense and similar profit/loss items

	2021	2020
Interest expense to subsidiaries	–5.0	–4.4
Interest expense to Group companies	–0.7	–0.2
Other interest expenses	–13.4	–2.0
Other financial expenses	–2.0	–0.6
Total	–21.1	–7.2

Note 12. Appropriations

	2021	2020
Group contributions paid	–	–
Group contributions received	36.2	12.1
Total	36.2	12.1

Note 13. Tax

	2021	2020
Current tax	–	–
Change in deferred tax relating to temporary differences	2.9	5.8
Recognised tax	2.9	5.8

Reconciliation of effective tax rate	2021	2020
EBT	0.5	–19.4
Tax according to the Parent Company's current tax rate (20.6%)	–0.1	4.2
Tax effect of:		
Non-deductible costs	–2.8	–1.3
Other	–	3.0
Recognised tax	–2.9	5.8

Note 14. Equity

As per 31 December 2021, the registered share capital amounted to 36,364,827 common shares (33,670,032). Holders of common shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to John Mattson's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries. The quotient value of the shares is SEK 0.33 per share (0.33).

Note 15. Borrowings

	31 Dec 2021	31 Dec 2020
Non-current		
Liabilities to credit institutions	1,800.0	–
Carrying amount	1,800.0	–
Current		
Liabilities to credit institutions	1,300.0	–
Carrying amount	1,300.0	–
Total borrowings	3,100.0	–

Note 16. Transactions with related parties

A list of the Group's subsidiaries, which are also companies that are closely related to the Parent Company, is presented in Note 16 to the consolidated financial statements.

Transactions from the Parent Company to subsidiary Group companies consist solely of management fees, whereby Group-wide costs (rent, administration, etc.) are allocated from the Parent Company to the various subsidiaries. These are allocated on normal market terms. Related-party transactions other than management fees do not exist.

	Sales of goods/ services	Purchases of goods/ services	Interest	Receivables on the balance-sheet date	Liability on the balance-sheet date
Group companies					
2021	20.2	–4.3	–4.0	387.4	977.7
2020	13.5	–3.9	–3.4	174.0	754.9

Note 17. Auditors' fees

Ernst & Young AB	2021	2020
Auditing assignment	0.2	0.2
Other auditing activities	–	–
Tax advice	–	–
Other services	0.1	0.5
Total	0.3	0.7

Note 18. Events after the balance-sheet date

No significant events have taken place after the end of the financial year.

Note 19. Proposed appropriation of profits

The following profit is at the disposal of the Annual General Meeting (SEK):

Share premium reserve	770,068,063
Retained earnings	857,681,996
Profit/loss for the year	–2,359,194
	1,625,390,865

The Board proposes that the earnings be appropriated as follows:

To be carried forward	1,625,390,865
	1,625,390,865

Assurance of the Board

John Mattson Fastighetsföretagen AB (publ.)
556802-2858

To the best of the Board of Directors' knowledge, this annual report has been prepared in accordance with generally accepted accounting policies. The annual report provides a true and fair account of the Group's and Parent Company's financial position and the Administration Report provides a true and fair overall account of the development of the Group's business, financial position and

earnings and describes the significant risks and uncertainties facing the Group.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of

international accounting standards. The consolidated financial statements provide a true and fair account of the Group's financial position and the Administration Report for the Group provides a true and fair overall account of the development of the Group's business, financial position and earnings and describes significant risks and uncertainties facing the Group.

Lidingö municipality, 22 March 2022

Johan Ljungberg
Chairman of the Board

Per Nilsson
Chief Executive Officer

Ingela Lindh
Board Member

Håkan Blixt
Board Member

Christer Olofsson
Board Member

Ulrika Danielsson
Board Member

Our Auditor's Report was submitted on 22 March 2022
Ernst & Young AB

Katrine Söderberg
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of
John Mattson Fastighetsföretagen AB (publ),
corporate identity number 556802-2858

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of John Mattson Fastighetsföretagen AB (publ) except for the corporate governance statement on pages 50–53 for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 45–53 and 57–82 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 50–53. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have

been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

Description

The fair value of the Groups investment properties amounted to SEK 15 894,5 million on 31 December 2021. Unrealized change in investment properties during the year, recognized in the group's income statement is 1 538,2 million SEK.

As at 31 December 2021, all the properties in the portfolio have been valued by external valuation experts, except for building rights that are valued internally. All properties are valued quarterly, and each quarter the properties are valued by external valuation experts, except for building rights that are valued internally.

The valuations are prepared in accordance with the discounted cash flow model, whereby the future cash flows are forecasted. The required yields for the properties are assessed on each property's unique risk profile and observable transactions in the market for properties with a similar nature.

Valuation at fair value is by nature subject to subjective assessments where a seemingly minor change in the assumptions made that form the basis for the valuations can have a significant effect in reported values. Based on the high degree of assumptions and assessments which are made in connection with the property valuations, we assess this area to be a key audit matter in our audit.

A description of the valuation of the property portfolio is stated in note 13.

How our audit addressed this key audit matter

In our audit we have evaluated the company's process for property valuation.

We have evaluated the valuation methodology, and input data in the externally and internally prepared valuations. We have evaluated the skills and objectivity of the external experts.

We have with support from internal valuation specialist reviewed the valuation model used and reviewed the reasonability of the adopted assumptions such as yield requirements, vacancy rates, rental income and operating costs for a sample of properties and made comparisons to known market information.

The sample has been made based on risk criteria and size. We have discussed important assumptions and assessments with the entity's management.

For a sample of investment properties, we have tested input in the valuation model regarding rental income and operating costs and checked the calculations that are the basis for the valuation.

We have reviewed the disclosures provided in the annual accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–44, 54–56 and 86–93. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts

and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting

in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of John Mattson Fastighets-

företagen AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for John Mattson Fastighetsföretagen AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report (checksum: 6b8cd28d3ccd3faf7e7b0902774660bb5427e6efa3afe0079be6519263015923) has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the

Auditors' responsibility section. We are independent of John Mattson Fastighetsföretagen AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose

of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 50–53 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB was appointed auditor of John Mattson Fastighetsföretagen AB by the general meeting of the shareholders on the 28 April 2021 and has been the company's auditor since the 28 April 2021.

Stockholm 23 March 2022

Ernst & Young AB

Katrine Söderberg

Authorized Public Accountant

Property list

John Mattson Fastighetsföretagen AB (publ)
556802-2858

Property holdings 31 Dec 2021

Property designation	Street address	Site area sq m	Year built/ redeveloped	No. of Apts.	Lettable area (sq m)		Total area sq m
					Living area, sq m	Area of premises sq m	
Lidingö							
Bodals gård 1	Larsbergsvägen 8	8,292 m ²	1934/2009	–	–	2,886 m ²	2,886 m ²
Fyrskippet 1	Larsbergsvägen 9	3,009 m ²	1966/2018	62	4,570 m ²	–	4,570 m ²
Sjömärket 1	Larsbergsvägen 11–13	6,951 m ²	1966/2015	122	9,134 m ²	–	9,134 m ²
Sjömärket 2	Larsbergsvägen 15–17	5,011 m ²	1967/2015	124	9,132 m ²	–	9,132 m ²
Sjöjungfrun 2	Larsbergsvägen 10–30	17,131 m ²	1967/2015	150	14,276 m ²	1,545 m ²	15,821 m ²
Fyrbåken 1	Larsbergsvägen 19–21	6,915 m ²	1967/2018	124	9,231 m ²	244 m ²	9,475 m ²
Farleden 2	Larsbergsvägen 32–42	7,170 m ²	1967/2018	93	9,106 m ²	29 m ²	9,135 m ²
Fyrtornet 1	Larsbergsvägen 23	3,831 m ²	1968/2018	63	4,681 m ²	117 m ²	4,798 m ²
Fyrtornet 2	Larsbergsvägen 25	2,581 m ²	1968/2015	63	4,681 m ²	129 m ²	4,810 m ²
Fyrtornet 6	Larsbergsvägen 27	3,290 m ²	1968/2015	64	4,768 m ²	33 m ²	4,801 m ²
Fyren 1	Larsbergsvägen 44	2,872 m ²	1968/2018	59	4,418 m ²	165 m ²	4,583 m ²
Fyren 2	Larsbergsvägen 46	3,061 m ²	1968/2018	52	3,925 m ²	30 m ²	3,955 m ²
Fyren 3	Larsbergsvägen 48	3,754 m ²	1968/2018	52	3,925 m ²	86 m ²	4,011 m ²
Fyren 4	Larsbergsvägen 50	3,901 m ²	1969/2018	61	4,542 m ²	30 m ²	4,572 m ²
Fyrmästaren 1	Larsbergs parkväg 1–7	5,144 m ²	1967/2015	114	7,551 m ²	–	7,551 m ²
Fyrtornet 5	Larsbergsvägen 29	4,025 m ²	1968/2012	–	–	1,531 m ²	1,531 m ²
Fyrmästaren 2	Larsbergstorg 4–6	724 m ²	1968/2016	34	1,813 m ²	905 m ²	2,718 m ²
Radiofyren 1	Agavägen 1	14,387 m ²	2011/ 2015	–	–	3,698 m ²	3,698 m ²
Klockbojen 4	Larsbergstorg 7–9, Agavägen 14–34, Agavägen 40	11,558 m ²	1967 1969/2014 2019	224	12,623 m ²	1,778 m ²	14,401 m ²
Klockbojen 2	Agavägen 36–38	3,203 m ²	2018	80	4,898 m ²	–	4,898 m ²
Barkassen 1	Barkassvägen 5–15	3,334 m ²	1956/2018	56	3,448 m ²	132 m ²	3,580 m ²
Galeasen 2	Farkostvägen 6	2,574 m ²	1954/2013	27	2,107 m ²	14 m ²	2,121 m ²
Tryckregulatorn 1	Perioskopvägen 1–9, Ackumulatorv.12–14, Agavägen 60–64	5,200 m ²	2015	146	8,770 m ²	450 m ²	9,220 m ²
Herkules 1	Merkurivägen 1–31	14,138 m ²	1958/2018/2020	215	11,148 m ²	–	11,148 m ²
Juno 2 & 3	Jupitervägen 29–45, 30–70	31,158 m ²	1961	303	18,836 m ²	990 m ²	19,826 m ²
Total Lidingö		173,212 m ²		2,288	157,583 m ²	14,791 m ²	172,374 m ²

Property designation	Street address	Site area sq m	Year built/ redeveloped	No. of Apts.	Lettable area (sq m)		Total area sq m
					Living area, sq m	Area of premises sq m	
North Stockholm							
Ringaren 2	Ytterbyvägen 4B, 4C	1,949 m ²	1992	14	1,171 m ²	5 m ²	1,176 m ²
Ritbordet 3, 4, 9	Gillbostråket 45–61, 27–43, 7–23	1,980 m ²	1977	70	4,388 m ²	295 m ²	4,683 m ²
Ritbordet 5, 6, 7, 8	Gillbostråket 91–97, 83–89, 73–79, 65–71	10,718 m ²	1977	32	2,688 m ²	–	2,688 m ²
Ritaren 10, 11, 18	Kung Hans väg 85–97, 49–81, 9–45	2,698 m ²	1976	108	6,060 m ²	367 m ²	6,427 m ²
Ritaren 4, 5, 6, 7, 8, 9	Sturevägen 108A–120, 96–106, 84–94, Kung Hans väg 185–191, 171–183, 159–169	20,004 m ²	1976	72	5,448 m ²	–	5,448 m ²
Regeln 1, Riset 1, Runan 1	Drabantstigen 1–5, 2, 4, 7–11	3,879 m ²	1972/2013	84	4,552 m ²	183 m ²	4,735 m ²
Riset 3, Ryttaren 1, Röken 3	Skvadronsvägen 1, 3, Rotsunda torg 1–7, Staffans Väg 16, Rotsunda torg 2, 4	5,195 m ²	1972/2016	66	4,185 m ²	1,041 m ²	5,226 m ²
Rosten 1, Ränseln 1, Röken 1, Röken 2	Rusthållarevägen 18, 20, 13–17, 3–11, Skvadronsvägen 2–6	6,196 m ²	1972	93	5,593 m ²	1,090 m ²	6,683 m ²
Spettet 3	Häggviksvägen 12–16, Minervavägen 1	3,582 m ²	2002	84	5,615 m ²	–	5,615 m ²
Spettet 4	Häggviksvägen 18, Studievägen 2–16, Svartbäcksvägen 2	9,258 m ²	1958	59	3,460 m ²	1,957 m ²	5,417 m ²
Sångaren 7	Västervägen 25–31	5,167 m ²	1946	21	1,130 m ²	96 m ²	1,226 m ²
Skålen 2	Västervägen 1–23	10,575 m ²	1949	72	3,960 m ²	463 m ²	4,423 m ²
Skopan 1	Skälbyvägen 18A–B	1,693 m ²	1952	15	1,192 m ²	–	1,192 m ²
Skivan 1	Skälbyvägen 1–15	5,567 m ²	1974	54	3,231 m ²	721 m ²	3,952 m ²
Traktören 8	Malmvägen 12A–C	3,205 m ²	1971	75	5,260 m ²	2,541 m ²	7,801 m ²
Traktören 9	Malmvägen 10A–C	2,654 m ²	1971	76	5,259 m ²	3,328 m ²	8,587 m ²
Vilunda 18:1		1,951 m ²	–	–	–	–	–
Total North Stockholm		96,271 m ²		995	63,192 m ²	12,087 m ²	75,279 m ²
City/Bromma							
Hjälpslaktaren 1	Hallivägen 13	3,582 m ²	1960	–	–	1,901 m ²	1,901 m ²
Hjälpslaktaren 2	Hallivägen 11, Styckmästaregatan 2	9,258 m ²	1960	–	–	1,970 m ²	1,970 m ²
Hjälpslaktaren 8	Slakthusgatan 8	5,167 m ²	1935	–	–	2,620 m ²	2,620 m ²
Almanackan 4	Plåtslagarvägen 14–16	5,567 m ²	1974	12	654 m ²	40 m ²	694 m ²
Geografiboken 1	Abrahamsbergsvägen 87–91	3,205 m ²	1971	40	3,765 m ²	928 m ²	4,693 m ²
Historieboken 1	Grundlägggarvägen 24	2,654 m ²	1971	11	977 m ²	77 m ²	1,054 m ²
Naturläran 7	Arkitektsvägen 51	–	1960	11	977 m ²	64 m ²	1,041 m ²
Åmen 1	Stopvägen 78–82	840 m ²	1960	18	780 m ²	120 m ²	900 m ²
Årsboken 1	Arkitektsvägen 42–46	–	1935	18	1,026 m ²	125 m ²	1,151 m ²
Burspråket 5	Burspråkvägen 11	636 m ²	1939	19	594 m ²	79 m ²	673 m ²
Frisen 1	Skulptörvägen 24	1,125 m ²	1945	22	850 m ²	65 m ²	915 m ²
Portalen 10	Burspråkvägen 10–18	2,175 m ²	1942	56	2,623 m ²	130 m ²	2,753 m ²
Ankaret 24	Alströmergatan 33	938 m ²	1939	33	1,463 m ²	135 m ²	1,598 m ²
Odalbonden 5	Messeniusgatan 4	504 m ²	1936	34	1,295 m ²	87 m ²	1,382 m ²
Vävstolen 8	Spinnrocksvägen 2–8	1,367 m ²	1944	28	1,277 m ²	149 m ²	1,426 m ²
Mältpåten 1	Hammarby Allé 94–102	3,393 m ²	2005	105	6,999 m ²	844 m ²	7,843 m ²
Fulufjället 1	Sulitelmavägen 17–21	1,317 m ²	2017	27	1,623 m ²	–	1,623 m ²

Property designation	Street address	Site area sq m	Year built/ redeveloped	No. of Apts.	Lettable area (sq m)		Total area sq m
					Living area, sq m	Area of premises sq m	
Klassrummet 1	Lilla Bantorget 11	441 m ²	1873	–	–	1,131 m ²	1,131 m ²
Älgen 24	Brahegatan 45–49	3,471 m ²	1968	30	2,944 m ²	6,084 m ²	9,028 m ²
Lilla Katrineberg 4	Katrinebergsbacken 35	3,226 m ²	1993	–	–	2,308 m ²	2,308 m ²
Generatorn 16	Lintavägen 4	–	1958	–	–	2,060 m ²	2,060 m ²
Total City/Bromma		48,866 m²		464	27,847	20,917 m²	48,764 m²
South Stockholm/Nacka							
Nacka Sicklaön 37:46	Östra Finnbodavägen 29	10,575 m ²	1949	–	–	1,400 m ²	1,400 m ²
Faktorn 7	Bokbindarvägen 74	1,730 m ²	1945	24	1,367 m ²	38 m ²	1,405 m ²
Valutan 2	Sedelvägen 2	2,562 m ²	1997	30	2,456 m ²	682 m ²	3,138 m ²
Valutan 3	Sedelvägen 4–18	6,714 m ²	1996	97	7,130 m ²	252 m ²	7,382 m ²
Skattsedeln 10	Sedelvägen 20–34	6,089 m ²	1995	97	7,134 m ²	278 m ²	7,412 m ²
Skattsedeln 12	Sedelvägen 42–44	680 m ²	1995	20	1,343 m ²	90 m ²	1,433 m ²
Skattsedeln 14	Sedelvägen 46	2,624 m ²	2000	42	3,405 m ²	120 m ²	3,525 m ²
Gradhyveln 2	Bordsvägen 36–40	2,027 m ²	1948	25	1,413 m ²	18 m ²	1,431 m ²
Blåklockan 2	Midsommarvägen 11	886 m ²	1938	23	997 m ²	174 m ²	1,171 m ²
Tollare 1:430	Sockenvägen 40–42	5,251 m ²	2018	49	2,376 m ²	614 m ²	2,990 m ²
Gengasen 4	Stigtomtavägen 3–43	8,236 m ²	1968	68	5,070 m ²	10 m ²	5,080 m ²
Likriktaren 3	Mikrofonvägen 28	5,615 m ²	2003	–	–	5,298 m ²	5,298 m ²
Likriktaren 4	Mikrofonvägen 30	3,481 m ²	1999	–	–	2,150 m ²	2,150 m ²
Skattsedeln 9	Sparbanksvägen 30	1,198 m ²	1994	–	–	2,488 m ²	2,488 m ²
Skattsedeln 11	Sedelvägen 40	858 m ²	1995	–	–	1,980 m ²	1,980 m ²
Skattsedeln 15	Valutavägen 37	1,246 m ²	2021	32	1,752 m ²	956 m ²	2,708 m ²
Värnskatten 7	Valutavägen 88–92	3,585 m ²	2020	88	4,928 m ²	701 m ²	5,629 m ²
Trappsteget 2	Stenkvistavägen 17	1,107 m ²	2021	72	4,448 m ²	–	4,448 m ²
Skattsedeln 8	Sparbanksvägen 31	1,017 m ²	–	–	–	–	–
Total South Stockholm/Nacka		65,481 m²		667	43,819	15,269 m²	59,088 m²
Total		383,830 m²		4,414	292,441 m²	63,064 m²	355,505 m²

Reconciliation tables

Reconciliation tables		Jan-Dec 2021	Jan-Dec 2021
NNNAV, SEK/share			
A	NNNAV at the end of the period, SEK m	5,765.1	4,007.2
B	Number of shares outstanding at the end of the period, thousand	36,365	33,670
A/B	NNNAV, SEK/share	158.54	119.01
LTV ratio at the end of the period, %			
A	Interest-bearing debt at the end of the period according to balance sheet, SEK m	9,446.5	3,560.8
B	Cash and cash equivalents at the end of the period according to balance sheet, SEK m	227.5	6.0
C	Investment properties according to balance sheet at the end of the period, SEK m	15,894.5	7,957.9
(A-B)/C	LTV ratio at the end of the period, %	58.0	44.7
Equity, SEK/share			
A	Equity according to balance sheet at the end of the period, SEK m	5,143.9	3,413.7
B	Number of shares outstanding at the end of the period, thousand	36,365	33,670
A/B	Equity, SEK/share	141.45	101.39
Economic occupancy rate at the end of the period, %			
A	Annualised contract value at the end of the period, SEK m	582.9	318.1
B	Annualised vacancy value at the end of the period, SEK m	26.9	18.4
A/(A+B)	Economic occupancy rate during the period, %	95.6	94.5
Property value, at the end of the period, SEK/sq m			
A	Investment properties according to balance sheet at the end of the period, SEK m	15,894.5	7,957.9
B	Carrying amount of ongoing projects at the end of the period, SEK m	0.0	0.0
C	Lettable area at the end of the period, thousand sq m	355.5	215.9
(A-B)/C	Property value, at the end of the period, SEK/sq m	44,710	36,861
Income from property management, SEK/share			
A	Income from property management during the period, SEK m	103.1	94.7
B	Average number of shares outstanding during the period, thousand	34,601	33,670
A/B	Income from property management, SEK/share	2.98	2.81
Income from property management, SEK m			
A	Profit for the year	1,332.5	478.8
B	Current and deferred tax	359.9	129.2

Reconciliation tables		Jan-Dec 2021	Jan-Dec 2021
C	Change in value of investment properties and interest-rate derivatives	1,587.0	513.4
D	Participation in profits of associates	2.2	-
A+B-C-D	Income from property management, SEK m	103.1	94.7
Average interest rate at the end of the period, %			
A	Annualised interest expense, excluding interest under IFRS 16 Leases, at the end of the period, SEK m	127.2	52.5
B	Interest-bearing debt, excluding lease liabilities under IFRS 16 Leases, at the end of the period, SEK m	9,446.5	3,560.8
A/B	Average interest rate at the end of the period, %	1.3	1.5
Rental value at the end of the period, SEK m			
A	Annualised contract value at the end of the period, SEK m	582.9	318.1
B	Annualised vacancy value at the end of the period, SEK m	26.9	18.4
A+B	Rental value at the end of the period, SEK m	609.7	336.5
Rental value, apartments, at the end of the period, SEK/sq m			
A	Annualised contract value, apartments, at the end of the period, SEK m	444.5	274.7
B	Annualised vacancy value, apartments, at the end of the period, SEK m	10.9	10.2
C	Lettable area of apartments at the end of the period, thousand sq m	292.4	191.8
A/B	Average interest rate at the end of the period, %	1.6	1.5
NAV, SEK/share			
A	NAV at the end of the period, SEK m	6,396.6	4,352.0
B	Number of shares outstanding at the end of the period, thousand	36,365	33,670
A/B	NAV, SEK/share	175.90	129.25
NAV and NNNAV, SEK m			
A	Equity according to balance sheet at the end of the period, SEK m	5,143.9	3,413.7
B	Derivatives according to the balance sheet at the end of the period, SEK m	25.2	73.2
C	Deferred tax liabilities according to the balance sheet at the end of the period, SEK m	1,227.5	865.1
A+B+C=D	NAV, SEK m	6,396.6	4,352.0
B	Derivatives according to the balance sheet at the end of the period, SEK m	-25.2	-73.2
E	Estimated actual deferred tax liability at the end of the period, SEK m	-606.3	-271.6
D-B-E	NNNAV, SEK m	5,765.1	4,007.2
Net interest-bearing liabilities at the end of the period, SEK m			
A	Annualised interest-bearing liabilities, excluding lease liabilities for leasehold properties, at the end of the period, SEK m	9,446.5	3,560.8
B	Cash and cash equivalents at the end of the period, SEK m	227.5	6.0
A-B	Net interest-bearing liabilities at the end of the period, SEK m	9,219.0	3,554.8

Reconciliation tables		Jan-Dec 2021	Jan-Dec 2021
Interest coverage ratio during the period, multiple			
A	Income from property management during the period according to income statement, SEK m	103.1	94.7
B	Financial expenses during the period, excluding ground rents recognised as an interest expense under IFRS 16, SEK m	85.5	58.7
(A-B)/-B	Interest coverage ratio during the period, multiple	2.2	2.6
Growth in income from property management, SEK/share, %			
A	Income from property management, SEK/share during the period	2.98	2.81
B	Income from property management, SEK/share during the preceding period	2.81	1.93
A/B-1	Growth in income from property management, SEK/share, %	6.0	45.8
Growth in NAV, SEK/share, %			
A	NAV at the end of the period, SEK/share	175.90	129.25
B	NAV at the end of preceding 12-month period, SEK/share	129.25	111.07
A/B-1	Growth in NAV, SEK/share, %	36.1	16.4
Surplus ratio during the period, %			
A	Net operating income during the period according to income statement, SEK m	249.8	196.0
B	Rental revenues during the period according to income statement	407.9	294.0
A/B	Surplus ratio during the period, %	61.3	66.7

Definitions

John Mattson Fastighetsföretagen AB (publ) 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 Annual Accounts Act.

Key metrics	Definition	Objective
NNNAV, SEK/share	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.
NNNAV, SEK m	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, excluding lease liabilities for leasehold properties, 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	Profit excluding value changes and tax.	This metric facilitates increased understanding of the company'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 revenues 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.

Key metrics	Definition	Objective
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, excluding liabilities and interest rates pertaining to IFRS 16 Leases.	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.
NAV, SEK m	Recognised equity, adding back interest-rate derivatives and deferred tax.	An established metric for the Group's net asset value that facilitates analyses and comparison.
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, excluding lease liabilities for leasehold properties, 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, excluding ground rents recognised as an interest expense under IFRS 16.	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.



In August 2021, the outdoor cinema held in Larsberg in Lidingö attracted an audience of 2,800. The event is part of a longstanding partnership between the municipality of Lidingö Stad and John Mattson, and forms part of John Mattson's Outdoor Areas concept.

Financial calendar 2022

Annual General Meeting	21 April
Interim report January–March	5 May
Interim report April–June	18 August
Interim Report July–September	10 November



You can download and subscribe to press releases, interim reports and annual reports on John Mattson's website **corporate.johnmattson.se/en/**.

JohnMattson

John Mattson Fastighetsföretagen AB (publ)
Tel +46 (0)8–613 35 00 | e-mail info@johnmattson.se