



The totally upgraded show apartment in John Mattson's portfolio in Käppala in Lidingö.

Interim report Q3 2020

January–September 2020

- > Rental revenues totalled SEK 215.9 million (188.2), up 15%.
- > Income from property management was SEK 75.0 million (45.2), corresponding to SEK 2.23 per share (1.34).
- > Cash flow from operating activities before changes in working capital amounted to SEK 76.2 million (46.0), which was on a par with income from property management.
- > Changes in property values amounted to SEK 62.1 million (59.5) and changes in the value of interest-rate derivatives to negative SEK 12.7 million (negative: 31.7).
- > Earnings after tax for the period totalled SEK 92.1 million (52.5), corresponding to SEK 2.74 per share (1.56).
- > Property value totalled SEK 7,422 million (6,229).
- > Investments amounted to SEK 994.7 million (129.8), of which SEK 857.3 million (0.0) pertained to the acquisition of properties in Rotebro and Rotsunda in the municipality of Sollentuna and leaseholds in Slakthusområdet in the City of Stockholm.

July–September 2020

- > Rental revenues totalled SEK 77.1 million (63.2), up 22%.
- > Income from property management was SEK 31.4 million (24.7), corresponding to SEK 0.93 per share (0.73).
- > Cash flow from operating activities before changes in working capital amounted to SEK 31.9 million (25.2), which was on a par with income from property management.
- > Changes in property values amounted to SEK 9.7 million (8.1) and changes in the value of interest-rate derivatives to SEK 4.2 million (negative: 7.0).
- > Earnings after tax for the period totalled SEK 32.8 million (20.8), corresponding to SEK 0.97 per share (0.62).
- > Investments amounted to SEK 135.3 million (47.6), of which SEK 89.7 million (0.0) pertained to the acquisition of leaseholds in Slakthusområdet in the City of Stockholm.

Goals and strategies

John Mattson is a private residential property owner with 2,800 rental apartments in Lidingö and Sollentuna. Since July 2020, the company has owned three leasehold properties in Slakthusområdet in the City of Stockholm. The business was founded in 1965 by master builder John Mattson and its core values — a long-term perspective, professionalism and commitment — are as strong today as they were then.

Business idea

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

Offering

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

Financial targets

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

Strategies

Property management

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

Adding value

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

Infill development

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

Acquisitions

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

Financing

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

Goal fulfilment Rolling 12 months



**7% growth in
net asset value**



**66% growth in
income from property**



**SEK 7.4 billion in
property value
30 September 2020**

Significant events in the third quarter of 2020

- > **John Mattson took possession of three leasehold properties in the Slakthusområdet in the City of Stockholm.**
- > **During the period January - September, 132 apartments underwent base upgrades and 88 apartments underwent total upgrades. There were 93 upgrades ongoing at the end of the period.**

Key metrics	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months Oct 2019-Sep 2020	Jan-Dec 2019
Rental revenues, SEK m	77.1	63.2	215.9	188.2	280.7	253.0
Net operating income, SEK m	54.5	43.8	145.9	112.6	186.2	152.8
Income from property management, SEK m	31.4	24.7	75.0	45.2	95.1	64.9
Income from property management, SEK/share ¹⁾	0.93	0.73	2.23	1.34	2.82	1.93
Growth in income from property management, SEK/share, %	27.1	102.1	66.0	106.1	95.8	159.0
Adjusted growth in income from property management, SEK/share, % ²⁾	27.1	34.6	36.1	65.7	40.8	63.6
Profit after tax, SEK/share ¹⁾	0.97	0.62	2.74	1.56	6.50	5.31
Property value at the end of the period, SEK m	7,422.0	6,228.8	7,422.0	6,228.8	7,422.0	6,365.2
Economic occupancy rate at the end of the period, %	93.4	95.4	93.4	95.4	93.4	94.9
LTV ratio at the end of the period, %	47.2	41.2	47.2	41.2	47.2	40.7
Interest coverage ratio during the period, multiple	2.9	3.0	2.7	2.2	2.7	2.3
NAV, SEK/share ¹⁾	115.19	107.33	115.19	107.33	115.19	111.07
Growth in NAV, SEK/share, %	7.3	3.2	7.3	3.2	7.3	6.6
NNNAV, SEK/share ¹⁾	105.50	99.05	105.50	99.05	105.50	103.36

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.

²⁾ Income from property management for the full-year 2019 has been adjusted by SEK 9.9 million for non-recurring costs linked to the completed stock exchange listing.

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

Active in the development of Slakthusområdet

During the summer, John Mattson took possession of three leaseholds in Slakthusområdet and is now active in the area's development. The upgrades of the apartments in Lidingö are progressing according to plan. We are nearing our goal of totally upgrading at least 130 apartments in 2020.

Possession in Slakthusområdet

In July, John Mattson took possession of three leasehold properties in Slakthusområdet in the City of Stockholm, which we acquired in May. The expansive Slakthusområdet is transitioning now from an industrial area to a vibrant city district. Culturally significant buildings are being preserved and developed, and thousands of new housing, workplaces, schools, stores, services and cultural buildings are being added.

The leaseholds are in a prime location near the future Metro station entrance in the area, where we plan to drive a detailed development plan for starting the development of new housing and workplaces in 2023.

The project is in line with our growth strategy to grow in more municipalities within the Stockholm region and I'm pleased that we are now part of the development of the exciting Slakthusområdet.

Development and infill

Base and total upgrades for apartments built in the 1950s and 1960s on Lidingö are continuing according to the scope planned. We are continuing to relocate tenants during the upgrades due to the contagion risk during the ongoing COVID-19 pandemic. Instead of remaining in their apartments during renovations, tenants are offered either temporary quarters or a permanent move to an apartment that has already been totally upgraded. Permanent moves, in turn, mean that a tenant's previous apartment is freed up for a total upgrade.

We are nearing our goal of totally upgrading at least 130 apartments in 2020. We are also building extensions to some of the properties in Käppala in the form of loft apartments. Occupancy in the additional loft apartments is scheduled for the end of the year.

Effects of the COVID-19 pandemic

The COVID-19 pandemic continues to have a dramatic effect on people's lives and all of society. After the summer's relatively low levels in Sweden, we are now seeing a rise. John Mattson, like other companies, has adapted portions of its operations to maintain safety and a functioning daily life for our



It is gratifying to see that our efforts to grow are having visible effects on financial performance.

tenants, employees and contractors who work in our residential areas.

Approximately 90% of John Mattson's total rental value comes from housing and only around 10% from commercial premises, of which the majority is attributable to operations like grocery stores and universities, which remain stable despite COVID-19. The costs for rent discounts connected to COVID-19 had a marginal effect on the quarter. A higher rate of relocations for apartment upgrades in Käppala led to a temporarily higher vacancy rate at the same time as it enabled total upgrades of more apartments.

Third quarter earnings and financial development

Income from property management for the period from January–September 2020 was SEK 75 million (45.2) and income from property management amounted to SEK 2.23 per share (1.34), corresponding to annual growth of 66%. The growth was partly attributable to an improved NOI and partly by the quarter not being burdened with costs related to the IPO. The properties in the municipality of Sollentuna and the leaseholds in the City of Stockholm acquired during the period accounted for SEK 7.5 million and new builds in Lidingö for SEK 4.5 million of the improvement in net operating income.

Net asset value (NAV) per share amounted to SEK 115.19 (107.33) at 30 September. Over the past 12 months, the net asset value increased just over 7%.

As of 30 September 2020, the property value was SEK 7.4 billion. The goal is for the Group's property value to amount to at least SEK 10 billion by the end of 2023.

It is gratifying to see that our efforts to grow are having visible effects on financial performance.

Outlook

With taking possession of the properties in Rotsunda and Rotebro in the municipality of Sollentuna in May, and the leaseholds in Slakthusområdet in July, John Mattson is now established in three municipalities in the Stockholm region. We aim to grow even further and we are continuing to work based on our growth strategy to acquire new builds, older properties and development rights as well as to participate in land allocations in the Stockholm region in locations with good development possibilities and easy access to transportation.

Work has begun on detailed development plans together with the municipality of Lidingö Stad for new homes in the Ekporten infill development project in Larsberg. The expected construction start is 2022.

Base upgrades of 400 apartments in Käppala in Lidingö are expected to be ready by autumn 2021. In 2022, we plan to start upgrading apartments in Rotebro and Rotsunda in the municipality of Sollentuna.

In addition to projects that have started or been completed, efforts to realise the identified development projects in the company's existing property portfolio are ongoing.

Despite uncertainty in the market concerning the COVID-19 pandemic, which is affecting the entire property sector, the company expects demand for rental properties to remain high.



Siv Malmgren
Siv Malmgren, CEO

John Mattson's property portfolio

The property portfolio comprises 2,794 rental properties with a lettable area of 215,000 sq m, broken down as around 90% residential and 10% commercial premises.

The portfolio is concentrated to the Stockholm region, primarily Lidingö, and expanded during the year with the addition of 541 apartments in the municipality of Sollentuna and three leaseholds in Slakthusområdet in the City of Stockholm.

John Mattson's property portfolio

Master Builder John Mattson constructed the Larsberg residential area in Lidingö toward the end of the 1960s. The company owns most of the land in Larsberg and has increased the area's housing density in recent years by adding a number of housing blocks, most recently U25 with 74 apartments for young adults and Parkhusen with 80 housing units. Larsberg accounts for 60% of the company's total number of apartments. The properties in nearby Baggeby were totally upgraded and comprise a total of 83 apartments. The company also owns and manages one property with 146 apartments in the neighbouring area of Dalénium.

In 2018, John Mattson acquired 481 apartments in Käppala, Lidingö, a portfolio that is now undergoing extensive upgrades.

Since May 2020, John Mattson has also owned and managed 541 apartments in Rotebro and Rotsunda in the municipality of Sollentuna.

In July, the company took possession of three leasehold properties in Slakthusområdet in the City of Stockholm.

Adding value

Over the last few years, the buildings in Larsberg, Baggeby and Käppala have undergone extensive upgrades to ensure their technical viability and to generate a higher net operating income primarily through higher rent levels.

Renovations using the Larsberg model follow a two-step process: first, the initial base upgrade secures the building's technical status through the replacement of electrical and plumbing systems as well as bathrooms. The following step, the total upgrade, brings the apartments up to contemporary standards, to meet demand from existing and new tenants. This focuses on the remaining aspects of the apartment and the installation of new kitchen interiors and renovation of all surfaces. Total upgrades are carried out

Property portfolio as per 30 September 2020												January–September 2020 ¹⁾		
	Buildings/ Apartments		Property value		Lettable area	No. of renovated apartments		Rental value		Economic occupancy rate, %	Tenant turnover ²⁾	Rental revenues	Property expenses	Net operating income
	No.	No.	SEK m	SEK/ sq m	thou- sand sq m	Base	Total/ New build	SEK m	SEK/ sq m	%	%	SEK m	SEK m	SEK m
Housing														
Larsberg/Baggeby/ Dalénium, Lidingö	26	1,770	5,167.7	39,176	131.9	824	946	214.7	1,628	98.4	7.7	159.1	45.8	113.3
Käppala, Lidingö	12	483	995.0	33,133	30.0	68	150	42.4	1,412	69.4	8.2	21.9	15.0	6.9
Rotebro/Rotsunda, Sollentuna	29	541	800.3	21,614	37.0	–	–	42.1	1,137	95.1	7.9	30.9	14.4	16.5
Total housing ³⁾	67	2,794	6,963.0	34,996	199.0	892	1,096	299.2	1,504	93.8	7.8	211.9	75.2	136.7
Commercial and other premises														
Larsberg	3	–	306.8	38,548	8.0	–	–	22.1	2,771	92.9	–	15.8	2.8	13.0
Total investment properties	70	2,794	7,269.8	35,132	206.9	892	1,096	321.3	1,553	93.8	–	227.7	78.0	149.7
Dev. projects for identified dev. rights and undeveloped land	4	–	152.2	19,166	7.9	–	–	8.4	1,056	78.6	–	5.0	1.1	3.8
Total	74	2,794	7,422.0		214.9	892	1,096	329.7	1,534	93.4	–	232.6	79.2	153.5

¹⁾ The above compilation encompasses the properties owned by John Mattson at the close of the period and shows the properties' revenue and expenses as if they had been owned for the entire period. The discrepancy between the net operating income of SEK 153.5 million reported above and the net operating income in the income statement of SEK 145.9 million is attributable to the net operating income for acquired and completed projects during the period being revised upward by SEK 7.6 million as if they had been owned or completed for the entire period.

²⁾ In the preceding twelve-month period.

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

when apartments are vacant or where tenants so wish.

In conjunction with the upgrades, where possible, unused spaces are converted to housing. In Larsberg, where the entire portfolio from the 1960s has already received a base upgrade, total upgrades are being carried out for apartments that were vacated or when the tenants have requested it.

The objective is to totally upgrade at least a total of 100 of the apartments in the portfolio each year. In the January to September period, 88 (52) apartments were totally upgraded. Another 29 apartments were undergoing total upgrades at the end of the period.

The acquisition of 481 apartments in Käppala in 2018 resulted in an increase in the percentage of unrenovated apartments in the company's portfolio.

Nearly 400 apartments in Käppala are expected to have base upgrades completed by autumn 2021. A total of 132 (0) apartments in the area were given base upgrades during the January to September period. Another 64 apartments were undergoing base upgrades at the end of the period.

In conjunction with the base upgrades, unused premises and laundry rooms in Käppala are being converted into 11 apartments and in the attics of two buildings, a further 25 apartments will be created. A further 36 apartments will thus be added to the property portfolio in Käppala.

One (0) conversion was completed during the period. COVID-19 has not significantly affected the project's completion rate – the timetable is intact compared to earlier reporting.

The share of unrenovated apartments increased further in May 2020, when the company took possession of the recently acquired properties in Rotebro and Rotsunda in the municipality of Sollen-tuna. Plans for upgrades of these properties are under way.

Acquisitions

John Mattson strives to acquire properties and development rights as well as to participate in land allocation projects across the Stockholm region. The aim is to add properties with development potential in attractive market locations. All acquisitions are approached using a long-term ownership and management perspective, and areas with potential for adding value and development are particularly attractive.

Agreements were entered into in May 2020 to acquire three leasehold properties in Slakthusområdet in the City of Stockholm and possession was taken in July 2020. The acquisition encompasses approximately 6,000 sq m of lettable area and now generates an annual rental value of approximately SEK 5 million when fully let. A detailed development plan is being prepared for the leaseholds with the aim of developing new housing and workplaces. Refer to the table on page 7.

Apartment structure and occupancy rate

As of 30 September 2020, the total number of apartments was 2,794 (2,251).

Of these, 806 (396) were unrenovated, 892 (861) had undergone base upgrades, 606 (505) had received total upgrades and 490 (489) were newly built.

The economic occupancy rate at 30 September 2020 was 93.4% (95.4) and the occupancy rate for apartments was 95.3% (96.9). As per 30 September 2020, 162 apartments were vacant, all of which were attributable to the ongoing upgrade project in Käppala. These vacant apartments can be given a total upgrade direct from their unrenovated state.

Object	No.	Lettable area, thousand sq m	Rental value, SEK m
Unrenovated Apts.	806	50.4	57.7
Base upgrade, Apts.	892	70.3	91.0
Total upgrade, Apts.	606	42.7	68.6
New build Apts.	490	27.1	60.7
Garages and parking places	–	–	15.4
Premises and store rooms	–	24.4	36.2
Total	2,794	214.9	329.7
Vacancies and discounts	No.	Lettable area, thousand sq m	Vacancy value, SEK m
Vacant Apts.	162	9.5	11.8
Vacant garages and parking places	–	–	4.8
Vacant premises and store rooms	–	3.5	2.0
Discounts	–	–	3.1
Total	162	13.0	21.8
	No.	Let area, thousand sq m	Contract value, SEK m
Total	2,632	201.9	307.8

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

The vacancy value comprises a snapshot at period end.

Infill development

John Mattson works actively to identify undeveloped land where infill development is possible and appropriate for the existing built-up area. The aim is to generate growth through value adding construction that concurrently makes the areas more attractive. Development is conducted in close collaboration with the municipalities where we operate.

Ongoing projects

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

Development projects

The planning process is ongoing for the Fyrtornet 5 property in Larsberg in Lidingö under the project name of Ekporten. Work and dialogues are ongoing with the municipality of Lidingö Stad's politicians and personnel. Construction start is planned for 2022.

A number of additional potential infill development projects have been identified in Larsberg and in Käppala.

The expansive Slakthusområdet in the City of Stockholm is

transitioning now from an industrial area to a vibrant, small-scale city district. Culturally significant buildings are being preserved and developed, and thousands of new housing, workplaces, schools, stores, services and cultural buildings are being added. John Mattson's leaseholds are in a prime location near the future Metro station entrance in the area. Plans for the leaseholds John Mattson took possession of in July 2020 entail a detailed development plan aimed at developing new housing and workplaces.

A possible construction start on the leasehold sites is planned for 2023, after a detailed development plan has been adopted.

The company's total development projects encompasses around 1,000 apartments.

The carrying amount for the development right portfolio was SEK 152.2 million (62.2).

Ongoing development and infill projects as of 30 September 2020

Property/Area	Category	No. of Apts.	Additional lettable area:	Total Inv. incl. land, SEK m	Of which, left to invest, SEK m	Rental value, SEK m	Completion
Herkules 1/Käppala	Conversion of premises	11	490	18	5	1 ¹⁾	Q4 2020
Herkules 1/Käppala	Attic extension	25	830	34	5	2 ¹⁾	Q4 2020
Total ongoing projects		36	1,320	52	10	3	

¹⁾ A negotiation was completed with Hyresgästföreningen (Swedish Union of Tenants) during the period.

Development projects and identified development rights

Property/Area	Category	No. of Apts. ¹⁾	Additional lettable area ¹⁾	Carrying amount, SEK m	Possible construction start ²⁾	Project phase
Ekporten, Fyrtornet 5/Larsberg	New builds	150	8–9,000	–	2022	Ongoing planning process
Juno 2 & 3/Käppala	Conversion of premises	9	300	–	2021	Detailed development plan in place
Juno 2 & 3/Käppala	Attic extension	50	1,750	–	2021	Inquiry under way
Slakthusområdet ³⁾	New builds	100	7,000		2023	New detailed development plan needed
Total ongoing development projects		309	17–18,050	152.2		
Larsberg	New builds	500–600	30–35,000	–	after 2022	New detailed development plan needed
Käppala	New builds	150	10,000	–	after 2022	New detailed development plan needed
Total development rights identified		650–750	40–45,000	–		
Total development portfolio		959–1,059	57,050–63,050	152.2		

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 if work on the detailed development plan progresses in line with the current plan.

³⁾ In collaboration with LaTerre.

Current earnings capacity

The table below illustrates John Mattson's current earnings capacity on a 12-month basis as per 30 September 2020, after taking the entire property portfolio on the balance-sheet date into consideration. The properties acquired and taken possession of, and the projects completed during last 12 months have been restated on an annualised basis. Deductions are made for any property disposals. Current earnings capacity is reported in conjunction with interim and year-end reports. The aim is to highlight the company's underlying earning capacity. It is important to note that the current earnings capacity is not the same as a projection for the forthcoming 12 months.

The earnings capacity includes no assessments of rental, vacancy or interest-rate changes. Moreover, John Mattson's earnings are impacted by changes in the values of properties and derivatives. None of the above was taken into consideration when assessing current earnings capacity. Rental revenues are based on contractual revenue on the balance-sheet date. The vacancy

level shown in the earnings capacity pertains to Käppala, where upgrade projects are ongoing. Property expenses are based on LTM property expenses.

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

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

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

Amounts in SEK m	30 Sep 2020
Rental value	329.7
Vacancies and discounts	-21.8
Rental revenues	307.8
Operating expenses	-73.4
Maintenance expenses	-14.8
Property tax	-5.9
Property administration	-16.8
Net operating income	197.0
Central administration costs	-32.0
Net financial items	-58.6
Income from property management	106.4

Condensed consolidated income statement

Amounts in SEK m	Note	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months Oct 2019–Sep 2020	Jan-Dec 2019
Rental revenues	2	77.1	63.2	215.9	188.2	280.7	253.0
Operating expenses	3	-15.0	-11.4	-46.2	-42.6	-61.1	-57.4
Maintenance	3	-2.2	-3.4	-8.0	-15.9	-11.4	-19.4
Property tax	3	-1.4	-1.1	-3.5	-3.3	-4.8	-4.5
Property administration	3	-4.1	-3.6	-12.3	-13.8	-17.3	-18.8
Net operating income		54.5	43.8	145.9	112.6	186.2	152.8
Central administration costs	4	-6.6	-6.4	-26.6	-30.5	-33.9	-38.0
Net financial items	5	-16.5	-12.6	-44.3	-37.0	-57.2	-49.8
Income from property management	1	31.4	24.7	75.0	45.2	95.1	64.9
Change in property values	6	9.7	8.1	62.1	59.5	168.3	165.6
Change in the value of interest-rate derivatives	6	4.2	-7.0	-12.7	-31.7	23.6	4.6
EBT		45.2	25.8	124.4	73.0	286.9	235.2
Current tax	7	–	0.2	–	-0.3	0.0	-0.4
Deferred tax	7	-12.4	-5.2	-32.3	-20.1	-68.2	-56.0
Profit for the period		32.8	20.8	92.1	52.5	218.7	178.8
Other comprehensive income for the period							
Profit for the period		32.8	20.8	92.1	52.5	218.7	178.8
Other comprehensive income		–	–	–	–	–	–
Comprehensive income for the period		32.8	20.8	92.1	52.5	218.7	178.8
Average No. of shares, thousand		33,670	33,670	33,670	33,670	33,670	33,670
Earnings per share for the period		0.97	0.62	2.74	1.56	6.50	5.31

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

January to September 2020 period

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

Note 1: Income from property management

Income from property management — profit excluding value changes and tax for the period — was SEK 75.0 million (45.2), corresponding to SEK 2.23 per share (1.34). This corresponded to annual growth in income from property management per share of 66%. The growth is partly explained by an improved NOI driven primarily by new builds and acquisitions and partly by the quarter not being burdened with costs related to the IPO. The properties in the municipality of Sollentuna and the leaseholds in the City of Stockholm acquired during the period accounted for SEK 7.5 million and new builds in Lidingö for SEK 4.5 million of the improvement in net operating income. Income from property management was on a par with the cash flow from operating activities before changes in working capital.

Note 2: Revenue

The Group's revenue for the period amounted to SEK 215.9 million (188.2), corresponding to SEK 1,438 per sq m (1,476). The average economic occupancy rate over the period amounted to 94.3% (95.6) including discounts of SEK 1.7 million (1.4).

The total revenue increase of SEK 27.7 million was attributable to acquired and newly built properties, which increased revenue by SEK 23.6 million (22.8) for the period. The increase is also due to general residential rent increases, which had a revenue impact of SEK 4.0 million compared to the year-earlier period. The general annual housing rent negotiations for 2020 resulted in increases of 1.9% and apply from 1 January 2020. The negotiations in 2019 resulted in increases of 1.8–2.1% from 1 July 2019. Revenue also increased SEK 4.2 million due to base and total upgrades as well as commercial and parking rent increases. The earnings impact of the rent increases is reduced by a SEK 4.1 million increase in vacancy costs pertaining to ongoing residential upgrades in Käppala.

Rental revenues for residential properties totalled SEK 184.6 million (159.9), corresponding to SEK 1,379 per sq m (1,359). The average economic occupancy rate for apartments over the period amounted to 95.6% (96.9) including apartment vacancies of SEK 7.6 million (4.6) and apartment discounts of SEK 0.8 million (0.3). Käppala accounted for SEK 6.7 million of apartment vacancies. The vacancies were linked to the planned upgrades of the portfolio.

Revenue	Jan-Sep 2020, SEK m	30 Sep 2020, SEK/sq m	Jan-Sep 2019, SEK m	30 Sep 2019, SEK/sq m
Larsberg/Baggeby/Dalén, Lidingö	176.3	1,652	163.3	1,555
Käppala, Lidingö	21.9	980	24.9	1,111
Rotebro/Rotsunda, Sollentuna	16.5	1,113	–	–
Slakthusområdet, Stockholm	1.2	744	–	–
Total	215.9	1,438	188.2	1,476

Note 3: Property expenses

Property expenses totalled SEK 70.0 million (75.5), corresponding to SEK 518 per sq m (646), which is a cost reduction of SEK 128 per sq m or 20% and is primarily attributable to reduced maintenance compared with the year-earlier period.

Operating expenses amounted to SEK 46.2 million (42.6), of which SEK 4.7 million (0.0) pertained to the newly acquired properties in the municipality of Sollentuna and the City of Stockholm. The largest cost item among the company's total operating expenses comprised media costs, which corresponded to around 40% of operating expenses.

Maintenance expenses amounted to SEK 8.0 million (15.9). The reduced expenses are due in part to COVID-19, since maintenance measures have been limited temporarily. Expenses during the period are therefore relatively low. Property administration expenses amounted to SEK 12.3 million (13.8).

Property expenses	Jan-Sep 2020, SEK m	30 Sep 2020, SEK/sq m	Jan-Sep 2019, SEK m	30 Sep 2019, SEK/sq m
Larsberg/Baggeby/Dalén, Lidingö	49.4	471	60.3	603
Käppala, Lidingö	13.3	592	15.2	845
Rotebro/Rotsunda, Sollentuna	7.0	691	–	–
Slakthusområdet, Stockholm	0.2	207	–	–
Total	70.0	518	75.5	646

Property expenses/sq m	Larsberg/Baggeby/Dalén, Lidingö	Käppala, Lidingö	Rotebro/Rotsunda, Sollentuna	Slakthusområdet, Stockholm	Total
Operating expenses	310	416	440	103	341
Maintenance	63	54	107	46	69
Property tax	25	30	36	26	27
Property administration	73	92	107	32	81
Total	471	592	691	207	518

Note 4: Central administration costs

Central administration costs, which consist of costs for company management and central support functions, totalled SEK 26.6 million (30.5). The period included costs from changes in management.

Note 5: Net financial items

Net financial items amounted to SEK 44.3 million (37.0).

Increased net financial items are primarily from financing the period's acquisitions. Capitalised financial expenses for ongoing projects amounted to SEK 3.2 million (1.1). The average interest rate, including the effects of interest-rate derivatives, was 1.67% (1.88) at the end of the period. The average interest coverage ratio was a multiple of 2.7 (2.2) at the end of the period.

Note 6: Changes in value

Unrealised changes in the value of the properties amounted to SEK 62.1 million (59.5). The value changes were mainly attributable to the properties acquired during the period in the municipality of Sollentuna and to an improved net operating income, linked to measures to raise rents in the form of upgrades.

Unrealised changes in value	Jan-Sep 2020, SEK m	Jan-Sep 2019, SEK m
Change in net operating income	0.9	33.1
Ongoing projects/development rights	28.2	26.3
Yield requirement	-	-
Acquired properties	33.0	-
Total	62.1	59.5

Unrealised value changes in interest-rate derivatives amounted to a negative SEK 12.7 million (negative: 31.7), primarily as a result of falling long-term market interest rates, which resulted in an increase in the interest-rate derivatives' deficit values in the period.

Note 7: Tax

Current tax for the period was SEK 0.0 million (expense: 0.3). Deferred tax amounted to an expense of SEK 32.3 million (expense: 20.1) and was impacted by unrealised changes in net property and derivative values of a negative SEK 10.2 million (negative: 5.7). The value changes of the properties during the period were affected by an amount of SEK 31.3 million (0.0) due to the recently acquired apartments in Rotebro and Rotsunda in the municipality of Sollentuna. Other fiscal adjustments are not included in non-deductible interest expenses of SEK 35.2 million, for which the tax value has not been capitalised.

The Group's loss carryforwards are estimated at SEK 449.3 million (454.4 at 31 December 2019), 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 5,602.7 million (4,679.8 at 31 December 2019). The full nominal tax rate of 20.6% is recognised as deferred tax liabilities, less deferred tax pertaining to historical asset acquisitions.

SEK m	Tax base, current tax	Tax base, deferred tax
Income from property management	75.0	-
<i>Tax deductible</i>		
Depreciation	-32.8	32.8
New builds and redevelopments	-69.2	69.2
Other fiscal adjustments	32.2	-
Taxable income from property management	5.1	102.0
Changes in property values	-	62.1
Changes in derivative values	-	-12.7
Taxable earnings before loss carryforwards	5.1	151.4
Loss carryforwards, opening balance	-454.4	454.4
Loss carryforwards, closing balance	449.3	-449.3
Taxable profit	0.0	156.6
Tax for the period	0.0	-32.3

SEK m	Tax base	Nominal tax liability	Actual tax liability/ asset
Properties	-5,602.7	-1,154.2	-336.2
Derivatives	81.6	16.8	15.5
Loss carryforwards	449.3	92.6	76.4
Untaxed reserves	-8.4	-1.7	-0.5
Total	-5,080.2	-1,046.5	-244.8
Property, asset acquisitions	1,343.3	276.7	-
Total	-3,736.9	-769.9	-244.8
According to balance sheet	-	-769.9	-

The nominal tax liability recognised in the balance sheet was a net amount of SEK 769.9 million (699.9). However, the actual tax liability was calculated at SEK 244.8 million (173.4).

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.

Condensed consolidated balance sheet

Amounts in SEK m	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
Assets				
Investment properties	8	7,422.0	6,228.8	6,365.2
Right-of-use asset, leaseholds	9	46.6	–	–
Other non-current assets		10.0	6.6	7.0
Total non-current assets		7,478.6	6,235.4	6,372.2
Current receivables		40.4	15.4	16.9
Cash and cash equivalents		7.6	11.3	9.8
Total current assets		48.0	26.6	26.7
Total assets		7,526.6	6,262.1	6,398.9
Equity and liabilities				
Equity	10	3,027.0	2,808.6	2,934.8
Provisions		0.5	0.6	0.5
Lease liability, leaseholds	9	46.6	–	–
Non-current interest-bearing liabilities	10	2,385.4	2,022.6	2,046.2
Deferred tax liabilities	7	769.9	699.9	735.9
Interest-rate derivatives	10	81.6	105.2	68.9
Total non-current liabilities		3,284.0	2,828.3	2,851.5
Current interest-bearing liabilities	10	1,124.4	556.2	555.4
Other current liabilities		91.5	69.0	57.1
Total current liabilities		1,215.6	625.1	612.5
Total liabilities		4,499.6	3,453.5	3,464.0
Total equity and liabilities		7,526.6	6,262.1	6,398.9

Condensed consolidated statement of changes in equity

Amounts in SEK m	Total shares outstanding, thousand ¹⁾	Share capital	Other contributed capital	Retained earnings	Total equity
Equity at 1 Jan 2019	33,670	11.2	362.8	2,382.0	2,756.0
Profit for the period				52.5	52.5
Equity at 30 Sep 2019	33,670	11.2	362.8	2,434.6	2,808.6
Profit for the period				126.2	126.2
Equity at 31 Dec 2019	33,670	11.2	362.8	2,560.8	2,934.8
Profit for the period				92.1	92.1
Equity at 30 Sep 2020	33,670	11.2	362.8	2,653.0	3,027.0

¹⁾ At 30 September 2020, the quotient value of the shares was SEK 0.33 per share (SEK 0.33).

Balance sheet at 30 September 2020

Note 8: Investment properties

John Mattson's property portfolio is primarily concentrated in two geographic areas: the Larsberg, Baggeby, Dalénium and Käppala districts in Lidingö in Stockholm, and the Rotebro and Rotsunda districts in the municipality of Sollentuna. Since July 2020, the company has also held three leasehold properties in Slakthusområdet in Stockholm. The property portfolio consists primarily of residential properties.

At the end of the period, the property value was SEK 7,422.0 million (6,228.8) with a lettable area of 215,000 sq m (171,000), broken down as approximately 90% residential and 10% commercial premises, with an annual rental value of SEK 329.7 million (272.3). The portfolio comprises 2,794 apartments (2,251).

Investments

During the period, total investments amounted to SEK 994.7 million (129.8), of which SEK 857.3 (0.0) million pertained to the acquisition of the properties in Rotebro and Rotsunda in the municipality of Sollentuna and leaseholds in Slakthusområdet in the City of Stockholm. Investments in new builds amounted to SEK 23.5 million (86.1) and for the period pertain mainly to attic extensions and converting business premises to apartments in Käppala, Lidingö. Investments in implemented base and total upgrades amounted to SEK 83.4 million (28.6). A total of 220 (52) apartments were upgraded during the period. Another 93 apartments were undergoing upgrades at the end of the period.

Change in property value

	SEK m
Property value, opening balance at 1 Jan 2020	6,365.2
+ Acquisitions	857.3
+ Investments in new builds	23.5
+ Investments in base upgrades	51.1
+ Investments in total upgrades	32.2
+ Other investments	30.6
- Sales	-
+/- Unrealised changes in value	62.1
Property value, closing balance at 30 September 2020	7,422.0

Other investments pertained primarily to heating and ventilation measures at Käppala as well as balconies and laundry rooms.

Property value

The Group's properties are recognised at fair value in line with level 3 under IFRS. As of 30 September 2020, the Group's investment properties were externally evaluated by Cushman & Wakefield. The valuations use a cash-flow model with an individual assessment for each property covering its future earnings potential and the market's yield requirement.

The estimates are normally conducted using a calculation period of 10.25 years, the period from October 2020 to December 2030. For an assessment of residual value at the end of the calculation horizon, net operating income for 2031 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.

Note 9: Right-of-use assets and lease liabilities

Possession was taken of properties in the municipality of Sollentuna and of leaseholds in the City of Stockholm during the period. Part of the newly acquired properties includes leasehold properties. In accordance with IFRS 16 – Leases, this type of agreement is recognised as a right-of-use asset together with a corresponding lease liability. As of 30 September 2020, the estimated value of the right-of-use assets and the liability was SEK 46.6 million (0.0).

Property-related key metrics

	Jan-Sep 2020	Jan-Sep 2019
Rental value SEK/sq m	1,534	1,588
Economic occupancy rate, %	93.4	95.4
Property expenses, SEK/sq m	518	646
Net operating income, SEK/sq m	920	830
Property value, SEK/sq m	34,542	36,328
Number of buildings	74	42
Lettable area at the end of the period, thousand sq m	214.9	171.5
Average valuation yield, %	3.0	3.1

Financing

Note 10. Financing

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

Equity

As of 30 September 2020, equity totalled SEK 3,027.0 million (2,808.6), which corresponds to SEK 89.9 (83.42) per share. During the period, equity increased with profit for the period of SEK 92.1 million (52.5).

Interest-bearing liabilities

John Mattson conducts its borrowing through banks using mortgage deeds as collateral. At the end of the period, John Mattson had credit agreements for SEK 4,167.5 million (3,207.6). The loan volumes utilised at the end of the period amounted to SEK 3,509.5 million (2,578.8), of which SEK 2,385.4 million (2,022.6) was a non-current liability and SEK 1,124.2 million (556.2) was current. The increased

loan volume pertains mainly to the acquisition of the properties in the municipality of Sollentuna, which was completed in May 2020.

Net interest-bearing liabilities amounted to SEK 3,501.9 million (2,567.5), corresponding to an LTV ratio of 47.2% (41.2).

New borrowing during the year amounted to SEK 914.8 million (106.2), the largest portion of which pertained to the period's acquisition of apartments in the municipality of Sollentuna and leaseholds in the Slakthusområdet, in the City of Stockholm, and to finance completed and ongoing new build projects and upgrades.

Loan repayments during the period amounted to SEK 6.9 million (6.9).

Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 165.5 million (171.3) at the end of the period. Moreover, a credit facility for SEK 500 million is in place for future financing needs.

The average loan-to-maturity was 2.4 years (2.6) at the end of the year.

Fixed-interest and loan-to-maturity periods at 30 September 2020

Maturity	Fixed-interest period			Loan-to-maturity			Interest-rate swaps	
	Volume (SEK m)	Average interest (%) ¹⁾	Share (%)	Credit agreement volume (SEK m)	Utilised, SEK m	Share (%)	Volume (SEK m)	Average interest rate (%) ²⁾
0–1 year	1,507	2.19	43	1,134	1,124	32	0	–
1–2 years	563	1.54	16	1,223	575	16	154	–
2–3 years	0	0.00	0	560	560	16	0	–
3–4 years	471	0.51	13	775	775	22	471	–
4–5 years	468	1.86	13	475	475	14	468	–
→5 years	500	1.13	14	0	0	0	500	–
Total	3,509.5	1.67	100	4,167.5	3,509.5	100	1,593	1.15

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

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

Fixed interest and interest-rate derivatives

The interest-rate maturity structure is allocated over time to ensure the stability of net financial items. John Mattson utilises derivatives in the form of interest-rate swaps to limit risk for floating-rate loans.

An interest-rate swap is an agreement between two parties to swap interest payments over a fixed period.

By combining floating rate (Stibor) loans with interest-rate swaps, a predetermined interest rate can be secured for the duration of the swap. The agreement means that the company receives a floating interest rate (corresponding to the interest rate under the loan agreement) at the same time as a fixed interest rate (swap interest rate) is paid. None of the company's loan agreements include covenants that prevent the base rate (Stibor) declining to a negative rate when establishing the interest rates for the interest periods. Such covenants would entail rising interest expenses for the company in the case of negative base rates and would limit the efficiency of interest-rate hedging. Therefore, only loan agreements without such terms are entered into.

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

the interest-rate derivative, and this non-cash item is recognised in profit or loss. On expiry, the derivative contract's market value dissolves entirely and, accordingly, the value change over time has had no impact on equity.

John Mattson has contracted interest-rate swaps to a nominal value of SEK 1,593.0 million (1,279.0), corresponding to 45.4% (49.6) of interest-bearing liabilities. During the last quarter of the period, a derivative of SEK 586.0 million expired, as forward swaps of SEK 600.0 million came into effect. The interest-rate swaps expire between 2020 and 2028. The market value of interest-rate derivatives at the end of the year was a negative SEK 81.6 million (negative: 105.2). The related reserve of SEK 81.6 million will be gradually reversed and recognised in profit or loss up to the end date of the derivatives, regardless of the interest-rate level. No hedge accounting is applied. The fair value of non-current interest-bearing liabilities does not deviate from their carrying amounts, since the discounting effect is not material.

John Mattson's average fixed-interest tenor, including interest-rate swaps, was 2.4 years (3.1) at the end of the period.

The average interest rate for the Group's total interest-bearing liability, including the effect of interest-rate swaps, was 1.67% (1.88) at the end of the period.

Condensed consolidated cash-flow statement

Amounts in SEK m	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months Oct 2019-Oct 2020	Jan-Dec 2019
<i>Operating activities</i>						
EBT	45.2	25.8	124.4	73.0	286.6	235.2
<i>Adjustment for non-cash items</i>					0.0	
Change in property values	-9.7	-8.1	-62.1	-59.5	-168.3	-165.6
Change in value of interest-rate derivatives	-4.2	7.0	12.7	31.7	-23.6	-4.6
Depreciation and disposals	0.5	0.3	1.2	0.9	1.5	1.2
Other non-cash items, etc.	-	0.0	-	0.2	-0.1	0.1
Taxes paid	-	0.2	-	-0.3	0.0	-0.4
Cash flow from operating activities before changes in working capital	31.9	25.2	76.2	46.0	96.2	65.9
<i>Cash flow from changes in working capital</i>						
Change in operating receivables	-1.4	-0.9	-6.4	13.3	-8.1	11.6
Change in operating liabilities	15.4	11.9	16.7	-19.4	4.8	-31.2
Cash flow from operating activities	45.9	36.2	86.5	39.9	92.8	46.2
<i>Investing activities</i>						
Investments in equipment	-0.4	-0.4	-4.1	-0.9	-4.6	-1.5
Net acquisition of investment properties 1)	-88.2	-	-855.1	-	-855.1	-
Investments in investment properties	-45.6	-47.6	-137.4	-129.8	-167.7	-160.1
Investments/divestments, financial assets	-	-	-	-	0.0	-
Cash flow from investing activities	-134.1	-48.0	-996.6	-130.7	-1,027.4	-161.5
<i>Financing activities</i>						
Borrowings	89.7	6.2	914.8	106.2	940.0	131.4
Repayments of borrowings	-2.3	-2.3	-6.9	-6.9	-9.2	-9.2
Cash flow from financing activities	87.4	3.9	907.9	99.4	930.8	122.3
<i>Cash flow for the period</i>	-0.9	-7.8	-2.2	8.5	-3.8	7.0
Opening balance, cash and cash equivalents	8.4	19.1	9.8	2.8	11.3	2.8
Closing balance, cash and cash equivalents	7.6	11.3	7.6	11.3	7.6	9.8

1) Consolidated additional cash-flow statement disclosures

Acquisition of investment properties upon subsidiary acquisition

Investment properties	89.7	-	857.3	-	857.3	-
Operating receivables	0.6	-	17.2	-	17.2	-
Cash and cash equivalents	1.2	-	5.2	-	5.2	-
Deferred tax assets, accrual reserves	-	-	-1.8	-	-1.8	-
Operating liabilities	-2.1	-	-17.6	-	-17.6	-
Net assets acquired	89.4	-	860.3	-	860.3	-
Purchase price paid	89.4	-	860.3	-	860.3	-
Less: Cash and cash equivalents in acquired operations	-1.2	-	-5.2	-	-5.2	-
Net impact on cash and cash equivalents (positive = decrease)	88.2	-	855.1	-	855.1	-

Parent Company

The operations of the Parent Company, John Mattson Fastighetsföretagen AB (publ) with company registration number 556802-2858, primarily encompass shared Group services pertaining to strategy, communication, business development and accounting/finance.

Condensed Parent Company income statement

Amounts in SEK m	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Revenue	7.3	5.8	8.4
Central administration costs	-24.6	-27.4	-35.6
EBIT	-17.3	-21.5	-27.2
Net interest	-4.9	-2.0	-2.9
Loss after financial items	-22.2	-23.5	-30.1
Appropriations	-	0.0	21.0
EBT	-22.2	-23.5	-9.1
Tax	0.2	3.5	0.1
Loss for the period	-21.9	-20.0	-9.0

Condensed Parent Company balance sheet

Amounts in SEK m	30 Sep 2020	30 Sep 2019	31 Dec 2019
Assets			
Participations in Group companies	1,668.7	1,668.6	1,668.7
Deferred tax assets	0.3	3.5	0.1
Receivables from Group companies	207.1	99.7	123.6
Other current receivables	5.1	1.1	5.4
Cash and cash equivalents	7.3	11.0	9.5
Total assets	1,888.5	1,783.9	1,807.2
Equity and liabilities			
Equity	1,223.4	1,234.3	1,245.3
Liabilities to Group companies	659.1	546.0	553.1
Other current liabilities	6.1	3.6	8.8
Total equity and liabilities	1,888.5	1,783.9	1,807.2

Opportunities and risks in the Group and Parent Company

The long-term effect of COVID-19 for the property sector is too early to predict as yet. The company's cash flow remains steady with 90% of the portfolio being residential properties.

Opportunities and risks in cash flow

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

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

John Mattson has stable cash flow from operating activities before changes in working capital, which was in line with income from property management.

Interest expenses are one of John Mattson's single largest expenses and are impacted by changes in market interest rates, whereby rising market interest rates over time are normally an effect of economic growth and rising inflation. Accordingly, the interest-bearing borrowing means that John Mattson is exposed to interest-rate risk, among other risks.

Full-year effect, next 12 months, SEK m	Change +/-	Impact on income from property management
Rent level	SEK 100 per sq m	+/-21.5
Economic occupancy rate	1 percentage point	+/-3.3
Property expenses	5%	+/-5.5
Underlying market interest rate	1 percentage point	-9.9 / +9.3

Opportunities and risks with property values

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

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

	-20%	-10%	0%	+10%	+20%
Change in value, SEK m	-1,484	-742	0	742	1,484
Loan-to-value (LTV) ratio, %	59.0	52.4	47.2	42.9	39.3

Financial risk

John Mattson strives to limit financial risks with a long-term LTV ratio that is not permitted to exceed 50% and a long-term interest coverage ratio of not less than 1.5. Access to funds is one of the largest risks that the company has to manage. This is kept in check through a high level of disposable liquidity, in addition to a low LTV ratio. Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 165.5 million (171.3) at the end of the period. Moreover, a credit facility for SEK 500 million is in place for future financing needs. The company's volume-weighted average loan-to-maturity amounted to 2.4 years (2.6) at the end of the period. To limit the company's exposure to increasing interest rates, agreements concerning interest-rate swaps have been concluded with banks for a nominal amount of SEK 1,593.0 million (1,279.0), representing 45.4% (49.6%) of interest-bearing liabilities.

Effects of COVID-19

COVID-19 entails changes and consequences for individuals and society as a whole to an extent no one could have predicted. This is a historic global event and the long-term consequences for property sector have yet to become transparent. John Mattson, like many other companies, has needed to adapt portions of its operations. There is great focus on maintaining security and a functioning daily life for our tenants and employees as well as contractors who work in our residential areas.

Approximately 10% of John Mattson's total rental value comes from commercial properties, of which the majority is attributable to activities that remain stable despite COVID-19, including grocery stores and universities. These commercial tenants have not been significantly affected.

Despite uncertainty in the market, which also affects housing, it is the company's assessment that demand for rental properties will remain high.

Key metrics

Key metrics	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months Oct 2019–Sep 2020	Jan-Dec 2019
Property-related key metrics						
Surplus ratio during the period, %	70.7	69.2	67.6	59.8	66.3	60.4
Economic occupancy rate at the end of the period, %	93.4	95.4	93.4	95.4	93.4	94.9
Rental value at the end of the period, SEK m	329.7	272.3	329.7	272.3	329.7	275.1
Rental value, apartments, at the end of the period, SEK/sq m	1,460	1,468	1,460	1,468	1,460	1,485
Lettable area at the end of the period, thousand sq m	214.9	171.5	214.9	171.5	214.9	171.5
Investments in new builds, extensions and redevelopments, SEK m	45.6	47.6	137.4	129.8	167.7	160.1
Property value at the end of the period, SEK m	7,422.0	6,228.8	7,422.0	6,228.8	7,422.0	6,365.2
Property value, at the end of the period, SEK/sq m	34,542	36,328	34,542	36,328	34,542	37,124
Total number of apartments	2,794	2,251	2,794	2,251	2,794	2,251
No. of upgraded apartments during the period	51	11	220	52	233	65
No. of upgraded apartments at the end of the period	1,498	1,366	1,498	1,366	1,498	1,366
No. of unrenovated apartments at the end of the period	806	396	806	396	806	396
Key financial metrics						
Rental revenues, SEK m	77.1	63.2	215.9	188.2	280.7	253.0
Net operating income, SEK m	54.5	43.8	145.9	112.6	186.2	152.8
Income from property management, SEK m	31.4	24.7	75.0	45.2	95.1	64.9
Earnings after tax for the period	32.8	20.8	92.1	52.5	218.7	178.8
LTV ratio at the end of the period, %	47.2	41.2	47.2	41.2	47.2	40.7
Average interest rate at the end of the period, %	1.7	1.9	1.7	1.9	1.7	1.9
Interest coverage ratio during the period, multiple	2.9	3.0	2.7	2.2	2.7	2.3
Fixed-interest tenor, at the end of the period, years	2.4	3.1	2.4	3.1	2.4	3.2
Loan-to-maturity at the end of the period, years	2.4	2.6	2.4	2.6	2.4	2.4
NAV, SEK m	3,878.5	3,613.7	3,878.5	3,613.7	3,878.5	3,739.6
NNNAV, SEK m	3,552.1	3,335.1	3,552.1	3,335.1	3,552.1	3,480.2
Share-related key metrics						
Income from property management, SEK/share ¹⁾	0.93	0.73	2.23	1.34	2.82	1.93
Growth in income from property management, SEK/share, %	27.1	102.1	66.0	106.1	95.8	159.0
Adjusted growth in income from property management, SEK/share, % ²⁾	27.1	34.6	36.1	65.7	40.8	63.6
Profit after tax, SEK/share ¹⁾	0.97	0.62	2.74	1.56	6.05	5.31
NAV, SEK/share ¹⁾	115.19	107.33	115.19	107.33	115.19	111.07
Growth in NAV, SEK/share, %	7.3	3.2	7.3	3.2	7.3	6.6
NNNAV, SEK/share ¹⁾	105.50	99.05	105.50	99.05	105.50	103.36
Equity, SEK/share ¹⁾	89.90	83.42	89.90	83.42	89.90	87.16

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.

²⁾ Income from property management for the full-year 2019 has been adjusted by SEK 9.9 million for non-recurring costs linked to the completed stock exchange listing.

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

Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting together with the appropriate provisions of the Swedish Annual Accounts Act. The accounting and measurement policies applied remain unchanged from the annual report. However, “Leases” now applies to properties held as leaseholds as well as to low-value leases. Under “IFRS 16 – Leases,” these are recognised as perpetual lease agreements that are valued at their expected future right-of-use value. The value changes when the ground rent is renegotiated and the right-of-use asset is not written off. Expenses for ground rents are recognised as a financial expense.

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

For further information on the accounting policies, please refer to the Group’s 2019 Annual Report, which is available on John Mattson’s website.

Lidingö, 5 November 2020

Johan Ljungberg,
Chairman of the Board

Håkan Blixt
Board member

Ulrika Danielsson
Board member

Christer Olofsson
Board member

Anna Sander
Board member

Significant events after the end of the period

No significant events have taken place after the balance-sheet date.

Auditor's review report

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

Introduction

I have reviewed the condensed interim financial information (interim report) of John Mattson Fastighetsföretagen AB (publ) as of 30 September 2020 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express a conclusion on this interim report based on my review.

Scope of review

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

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

Conclusion

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

Stockholm, 5 November 2020

Jonas Svensson
Authorised Public Accountant

The John Mattson share

John Mattson's shares are listed on Nasdaq Stockholm, Mid Cap.
As of 30 September 2020, the market capitalisation was SEK 5.2 billion.

John Mattson's share was listed on Nasdaq Stockholm, Mid Cap as of 5 June 2019. The share price in conjunction with the listing was SEK 90 and the closing price on 30 September 2020 was SEK 153.40. The lowest closing price in the quarter was SEK 144.00, recorded on 31 August. The highest closing price of SEK 162.60 was posted on 18 September.

Over the quarter, stock turnover on Nasdaq Stockholm amounted to 398,762 shares with a combined value of SEK 59.29 million, representing an annualised stock turnover of 4.7%. Nasdaq Stockholm accounted for 81.1% of all trading in John Mattson shares.

John Mattson has one class of shares and each share entitles the holder to one vote.

Net asset value

By the end of the period, NAV amounted to SEK 115.19 per share (107.33). NAV increased 7.3% compared with 30 September 2019. NNNAV amounted to SEK 3,552.1 million (3,335.1) or SEK 105.50 per share (99.05) at the end of the period, following deductions for the estimated actual deferred tax liability.

Dividend policy

Over the long term, dividends are to amount to 50% of annual income from property management. Because John Mattson will prioritise value-creating investments in the property portfolio over the years ahead, dividends over the next few years may in

the short term drop below the long-term target or may not even transpire.

Main shareholders at 30 September 2020

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

	No. of shares	Percentage
AB Borudan Ett	12,277,055	36.46%
Tagehus Holding AB	4,336,698	12.88%
Länsförsäkringar Fonder	3,187,662	9.47%
Första AP-fonden (AP1)	2,777,777	8.25%
Carnegie Fonder	2,240,609	6.65%
Fidelity Investments (FMR)	1,760,522	5.23%
Prior & Nilsson Fonder	1,395,835	4.15%
Other shareholders	5,693,874	16.91%
Total	33,670,032	100%
Of which, foreign shareholders	2,824,033	8.39%

Source: Euroclear/Modular Finance

Net asset value

	30 September 2020		30 September 2019		31 December 2019	
	SEK m	SEK/share	SEK m	SEK/share	SEK m	SEK/share
Equity according to balance sheet	3,027.0	89.90	2,808.6	83.42	2,934.8	87.16
Add back:						
Derivatives according to balance sheet	81.6	2.42	105.2	3.12	68.9	2.05
Deferred tax liability in balance sheet	769.9	22.87	699.9	20.79	735.9	21.86
NAV	3,878.5	115.19	3,613.7	107.33	3,739.6	111.07
Less:						
Derivatives according to balance sheet	-81.6	-2.42	-105.2	-3.12	-68.9	-2.05
Estimated actual deferred tax liability	-244.8	-7.27	-173.4	-5.15	-190.5	-5.66
NNNAV	3,552.1	105.50	3,335.1	99.05	3,480.2	103.36

Share-related key metrics

	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Income from property management, SEK/share ¹⁾	2.23	1.34	1.93
Growth in income from property management, SEK/share, %	66.0	106.1	159.0
Adjusted growth in income from property management, SEK/share, % ²⁾	36.1	65.7	63.6
Profit after tax, SEK/share ¹⁾	2.74	1.56	5.31
NAV, SEK/share ¹⁾	115.19	107.33	111.07
Growth in NAV, SEK/share, %	7.3	3.2	6.6
NNNAV, SEK/share ¹⁾	105.50	99.05	103.36
Equity, SEK/share ¹⁾	89.90	83.42	87.16
Market capitalisation (SEK/share)/NAV, SEK/share at the end of the period	1.33	1.08	1.26

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.

2) Income from property management for the full-year 2019 has been adjusted by SEK 9.9 million for non-recurring costs linked to the completed stock exchange listing.

Development of share capital

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

Definitions

John Mattson Fastighetsföretagen AB (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 Swedish 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, SEK m	Profit excluding value changes and tax.	This metric facilitates increased understanding of John Mattson's profit generation.
Income from property management, SEK/share	Earnings excluding value changes and tax divided by the average number of shares outstanding during the period.	This metric facilitates increased understanding of the trend in income from property management taking shares outstanding into account.
Average economic occupancy rate, %	Rental 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.
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.

Reconciliation tables

NNNAV, SEK/share		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	NNNAV at the end of the period, SEK m	3,552.1	3,335.1	3,552.1	3,335.1	3,552.1	3,480.2
B	Number of shares outstanding at the end of the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	NNNAV, SEK/share	105.50	99.05	105.50	99.05	105.50	103.36

LTV ratio at the end of the period, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Interest-bearing debt, excluding lease liabilities for leasehold properties, at the end of the period according to balance sheet, SEK m	3509.5	2,578.8	3,509.5	2,578.8	3,509.5	2,601.6
B	Cash and cash equivalents at the end of the period according to balance sheet, SEK m	7.6	11.3	7.6	11.3	7.6	9.8
C	Investment properties according to balance sheet at the end of the period, SEK m	7,422.0	6,228.8	7,422.0	6,228.8	7,422.0	6,365.2
(A-B)/C	LTV ratio at the end of the period, %	47.2	41.2	47.2	41.2	47.2	40.7

Equity, SEK/share		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Equity according to balance sheet at the end of the period, SEK m	3,027.0	2,808.6	3,027.0	2,808.6	3,027.0	2,934.8
B	Number of shares outstanding at the end of the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	Equity, SEK/share	89.90	83.42	89.90	83.42	89.90	87.16

Economic occupancy rate at the end of the period, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Annualised contract value at the end of the period, SEK m	307.8	259.7	307.8	259.7	307.8	261.2
B	Annualised vacancy value at the end of the period, SEK m	21.8	12.5	21.8	12.5	21.8	13.9
A/(A+B)	Economic occupancy rate during the period, %	93.4	95.4	93.4	95.4	93.4	94.9

Property value, at the end of the period, SEK/sq m		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Investment properties according to balance sheet at the end of the period, SEK m	7,422.0	6,228.8	7,422.0	6,228.8	7,422.0	6,365.2
B	Carrying amount of ongoing projects at the end of the period, SEK m	0.0	0.0	0.0	0.0	0.0	0.0
C	Lettable area at the end of the period, thousand sq m	214.9	171.5	214.9	171.5	214.9	171.5
(A-B)/C	Property value, at the end of the period, SEK/sq m	34,542	36,328	34,542	36,328	34,542	37,124

Income from property management, SEK/share		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Income from property management during the period, SEK m	31.4	24.7	75.0	45.2	95.1	64.9
B	Average number of shares outstanding during the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	Income from property management, SEK/share	0.93	0.73	2.23	1.34	2.82	1.93

Income from property management, SEK m		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Profit for the period	32.8	20.8	92.1	52.5	218.7	178.8
B	Current and deferred tax	12.4	5.0	32.3	20.5	68.2	56.4
C	Change in value of investment properties and interest-rate derivatives	13.8	1.1	49.4	27.8	191.8	170.3
A+B-C	Income from property management, SEK m	31.4	24.7	75.0	45.2	95.1	64.9

Average economic occupancy rate, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Rental revenues during the period, SEK m	77.1	63.2	215.9	188.2	280.7	253.0
B	Gross rent during the period, SEK m	82.4	66.6	229.0	196.8	297.7	265.5
A/B	Average economic occupancy rate, %	93.6	94.9	94.3	95.6	94.3	95.3

Average economic occupancy rate, apartments, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Rental revenues during the period, apartments, SEK m	65.9	54.2	184.6	159.9	239.6	214.8
B	Gross rent during the period, apartments, SEK m	69.2	55.9	193.1	165.0	250.8	222.7
A/B	Average economic occupancy rate, apartments, %	95.2	97.0	95.6	96.9	95.5	96.5

Average interest rate at the end of the period, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Annualised interest expense, excluding interest under IFRS 16 Leases, at the end of the period, SEK m	58.5	48.5	58.5	48.5	58.5	48.7
B	Interest-bearing debt, excluding lease liabilities under IFRS 16 Leases, at the end of the period according to balance sheet, SEK m	3,509.5	2,578.8	3,509.5	2,578.8	3,509.5	2,601.6
A/B	Average interest rate at the end of the period, %	1.7	1.9	1.7	1.9	1.7	1.9

Rental value at the end of the period, SEK m		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Annualised contract value at the end of the period, SEK m	307.8	259.7	307.8	259.7	307.8	261.2
B	Annualised vacancy value at the end of the period, SEK m	21.8	12.5	21.8	12.5	21.8	13.9
A+B	Rental value at the end of the period, SEK m	329.7	272.3	329.7	272.3	329.7	275.1

Rental value, apartments, at the end of the period, SEK/sq m		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Annualised contract value, apartments, at the end of the period, SEK m	264.9	222.3	264.9	222.3	264.9	224.0
B	Annualised vacancy value, apartments, at the end of the period, SEK m	13.1	7.0	13.1	7.0	13.1	8.1
C	Lettable area of apartments at the end of the period, thousand sq m	190.5	156.3	190.5	156.3	190.5	156.3
(A+B)/C	Rental value, apartments, at the end of the period, SEK/sq m	1,460	1,468	1,460	1,468	1,460	1,485

Adjusted income from property management, SEK/share		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Income from property management during the period, SEK m	31.4	24.7	75.0	45.2	95.1	64.9
B	Non-recurring costs pertaining to listing, SEK m	0.0	0.0	0.0	9.9	0.0	9.9
C	Average number of shares outstanding during the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
(A+B)/C	Adjusted income from property management, SEK/share	0.93	0.73	2.23	1.64	2.82	2.22

Adjusted growth in income from property management, SEK/share, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Adjusted income from property management, SEK/share during the period	0.93	0.73	2.23	1.64	2.82	2.22
B	Income from property management, SEK/share during the preceding period	0.73	0.54	1.64	0.99	2.01	1.36
(A-B)/B	Adjusted growth in income from property management, SEK/share, %	27.1	34.6	36.1	65.7	40.8	63.6

NAV, SEK/share		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	NAV at the end of the period, SEK m	3,878.5	3,613.7	3,878.5	3,613.7	3,878.5	3,739.6
B	Number of shares outstanding at the end of the period, thousand	33,670	33,670	33,670	33,670	33,670	33,670
A/B	NAV, SEK/share	115.19	107.33	115.19	107.33	115.19	111.07

EPRA NAV and EPRA NNNNAV, SEK m		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Equity according to balance sheet at the end of the period, SEK m	3,027.0	2,808.6	3,027.0	2,808.6	3,027.0	2,934.8
B	Derivatives according to the balance sheet at the end of the period, SEK m	81.6	105.2	81.6	105.2	81.6	68.9
C	Deferred tax liabilities according to the balance sheet at the end of the period, SEK m	769.9	699.9	769.9	699.9	769.9	735.9
A+B+C=D	NAV, SEK m	3,878.5	3,613.7	3,878.5	3,613.7	3,878.5	3,739.6
B	Derivatives according to the balance sheet at the end of the period, SEK m	-81.6	-105.2	-81.6	-105.2	-81.6	-68.9
E	Estimated actual deferred tax liability at the end of the period, SEK m	-244.8	-173.4	-244.8	-173.4	-244.8	-190.5
D-B-E	NNNAV, SEK m	3,552.1	3,335.1	3,552.1	3,335.1	3,552.1	3,480.2

Net interest-bearing liabilities at the end of the period, SEK m		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Annualised interest-bearing liabilities, excluding lease liabilities for leasehold properties, at the end of the period, SEK m	3,509.5	2,578.8	3,509.5	2,578.8	3,509.5	2,046.2
B	Cash and cash equivalents at the end of the period, SEK m	7.6	11.3	7.6	11.3	7.6	9.8
A-B	Net interest-bearing liabilities at the end of the period, SEK m	3,501.9	2,567.5	3,501.9	2,567.5	3,501.9	2,036.5

Interest coverage ratio during the period, multiple		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Income from property management during the period according to income statement, SEK m	31.4	24.7	75.0	45.2	95.1	64.9
B	Financial expenses during the period, excluding ground rents recognised as an interest expense under IFRS 16, SEK m	16.5	12.6	44.3	37.0	57.2	49.8
(A+B)/B	Interest coverage ratio during the period, multiple	2.9	3.0	2.7	2.2	2.7	2.3

Growth in income from property management, SEK/share, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Income from property management, SEK/share during the period	0.93	0.73	2.23	1.34	2.82	1.93
B	Income from property management, SEK/share during the preceding period	0.73	0.36	1.34	0.65	1.44	0.74
(A-B)/B	Growth in income from property management, SEK/share, %	27.1	102.1	66.0	106.1	95.8	159.0

Growth in NAV, SEK/share, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	NAV at the end of the period, SEK/share	115.19	107.33	115.19	107.33	115.19	111.07
B	NAV at the end of preceding 12-month period, SEK/share	107.33	104.05	107.33	104.05	107.33	104.23
(A-B)/B	Growth in NAV, SEK/share, %	7.3	3.2	7.3	3.2	7.3	6.6

Surplus ratio during the period, %		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Rolling 12 months	Jan-Dec 2019
A	Net operating income during the period according to income statement, SEK m	54.5	43.8	145.9	112.6	186.2	152.8
B	Rental revenues during the period according to income statement	77.1	63.2	215.9	188.2	280.7	253.0
A/B	Surplus ratio during the period, %	70.7	69.2	67.6	59.8	66.3	60.4

Contact information and calendar

Financial calendar

Year-end report 2020: 24 February 2021
2021 Annual General Meeting: 22 April 2021
Interim Report January–March 2021: 6 May 2021

Information

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

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