



View from the Trappsteget 2 property in Högdalen, which received the Nordic Swan Ecolabel during the quarter. The property meets John Mattsson's goal of providing infill development and sustainable growth in the Stockholm region.

INTERIM REPORT

Q1
Jan-Mar
2022

January–March 2022

- Rental revenues totalled SEK 153.2 million (80.4), up 91%.
- Income from property management amounted to SEK 40.7 million (15.8). Income from property management per share was SEK 1.11 (0.47), up 136%. Adjusted for non-recurring items in 2021, growth was 70%.
- NAV totalled SEK 6,821.8 million (4,565.2). NAV totalled SEK 184.19 per share (135.59), corresponding to a per share increase of 36%.
- Changes in property values amounted to SEK 271.8 million (197.4) and changes in the value of interest-rate derivatives to SEK 118.7 million (16.8).
- Earnings after tax for the period totalled SEK 337.8 million (181.0), of which SEK 335.1 million (181.0) pertained to the Parent Company's shareholders, corresponding to SEK 9.11 per share (5.38).
- Property value totalled SEK 16,890.6 million (8,188.5).
- Investments amounted to SEK 724.3 million (34.2), of which SEK 643.2 million (0.0) pertained to acquisitions.

JohnMattsson

Great neighbourhoods across generations

This interim 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.

Q1 – 2022

Significant events during the period

- On 1 February, possession was taken of three properties at Gullmarsplan in Stockholm with an underlying property value of SEK 670 million
- A decision was taken to upgrade 76 apartments at the Gengasen 4 property in Örby
- Per Nilsson assumed his role as CEO on 10 January
- Mattias Lundström was appointed new CFO and will assume the role in August 2022



Financial targets Q1 2022 versus Q1 2021

36% growth in net asset value



136% growth in income from property management



SEK 16.9 billion in property value 31 March 2022

Key metrics	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months Apr 2021-Mar 2022	Jan-Dec 2021
Property-related key metrics				
Economic occupancy rate at the end of the period, %	97.1	94.9	97.1	95.6
Property value at the end of the period, SEK m	16,890.6	8,188.5	16,890.6	15,894.5
No. of upgraded apartments during the period	58	62	335	339
Key financial metrics				
Rental revenues, SEK m	153.2	80.4	480.8	407.9
Net operating income, SEK m	93.2	46.2	296.8	249.8
Income from property management, SEK m	40.7	15.8	128.0	103.1
LTV ratio at the end of the period, %	57.3	43.8	57.3	58.0
Interest coverage ratio during the period, multiple	2.2	2.2	2.2	2.2
Share-related key metrics				
Income from property management, SEK/share	1.11	0.47	3.62	2.98
Growth in income from property management, SEK/share, %	135.6	-13.9	28.1	6.0
Profit after tax, SEK/share	9.11	5.38	41.73	38.21
NAV, SEK/share	184.19	135.59	184.19	175.90
Growth in NAV, SEK/share, %	35.8	21.3	35.8	36.1
NNNAV, SEK/share	168.32	125.38	168.32	158.54

Definitions of key metrics are provided on page 22.

Growth remains strong

Income from property management growth per share was 136% and NAV growth per share amounted to 36%. John Mattson's expanded property portfolio provides the preconditions to create a more cost efficient organisation moving forward.



Attractive and unique position

First, I would like to thank all my colleagues for their warm welcome and a great start to my first quarter as CEO. It has become clear to me how our daily work is affected by John Mattson's long history and strong values, and moreover, how we apply a long-term perspective and a sense of responsibility in everything we do.

John Mattson is attractively and uniquely positioned. The property portfolio is focused on attractive areas in the Stockholm region, close to well-functioning infrastructure and where demand for housing is high. We have a focused property portfolio, 81% of which consists of well-managed, high-quality housing with happy tenants.

John Mattson creates value in social sustainability and applies a holistic perspective in its initiatives. In recent years, in areas with challenges in terms of perceived insecurity, we have shown that we can make a difference.

The company's growth strategy builds on creating value within our strategic cornerstones: management, refinement, densification and acquisition. This breadth means that we are not dependent on one set of circumstances for our growth, and we can reinvest the value the four cornerstones create in operations, thereby resulting in low-risk growth. In 2021 the company grew robustly to increase the business volume.

Continued growth

2021's successful acquisitions, in combination with the value created through management and project activities, generated continued growth in the year's first quarter. Income from property management growth per share amounted to 70%, adjusted for non-recurring costs in 2021. Growth in NAV per share was 36%. The quarter-on-quarter decrease in the company's administrative costs is also gratifying. The property portfolio has increased 70% in terms of lettable area over the past year, which means we now have the prerequisites in place to create a more cost efficient organisation going forward.

In February, we took possession of three properties at Gullmarsplan. The properties are a good fit with our City/Bromma property management area and result in an expansion of our portfolio that creates the preconditions for efficient management. The addition of the properties at Gullmarsplan and our development properties in Slakthusområdet mean we are now eagerly anticipating being part of the expansive development of Söderstaden.

Our successful apartment upgrades continue. In the first quarter, 58 apartments were upgraded. Moreover, a decision was taken to start the upgrade project at Gengasen in Örby, which encompasses a total of 76 apartments.

Generating value in sustainability

Because social sustainability is at the core of the company's DNA, we are gratified to see that our safety initiatives in Sollentuna, as part of the BID (Boende Integration Dialog) Tureberg association, are delivering results and attracting attention. BID Tureberg, which just celebrated its first anniversary, is based on a partnership where John Mattson, together with other property owners, the police and the municipality of Sollentuna, work to make Sollentuna safer, and where all parties contribute as their role and circumstances permit.

John Mattson aims to certify all newly built homes according to the Nordic Swan Ecolabel, which confirms the sustainability of our buildings from a life cycle perspective. Certification was completed in the first quarter for the new construction project Trappsteget 2 in Högdalen, which comprises 72 apartments.

A turbulent business environment

Just as society reopened following the Covid-19 pandemic, it was hit by the next big crisis. Above all else, the war in Ukraine is a tragedy for the Ukrainian people. More than ten million people are estimated to be fleeing the horrific effects of Russia's ongoing invasion of the country. John Mattson and our staff have donated money to UNHCR and UNICEF in an effort to help alleviate the effects of the war. We are also working with the municipalities where we operate with efforts to provide housing for refugees from the war.

The war is also directly impacting the company in ways that we need to manage. Rising inflation and interest rates in combination with supply chain disruptions mean that the need for quick action in a changing environment is greater than it has been for a long time – all John Mattson's employees will be working purposefully with this moving forward.

John Mattson stands well-prepared to manage the current turbulent business environment.

Per Nilsson,
CEO of John Mattson Fastighetsföretagen AB

Business idea, goals and strategies

Our business idea revolves around the long-term ownership, management and development of residential property and attractive local communities in the Stockholm region. We make daily life easier for everyone by offering well-managed, attractive homes and safe neighbourhoods.

Strategies

John Mattson's strategy is based on four cornerstones, in which sustainability efforts are integrated in every part.

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 work proactively with property management and continuously make efficiency enhancements and value-generating investments with the aim of achieving more sustainable property operations and increasing net operating income. Focus is on optimising property consumption and thereby reducing operating expenses.

Adding value – We add value to our buildings to secure the buildings' technical longevity and to generate increased net operating income. Value is added by upgrading, extending and converting space to housing or commercial operations. We have a well-established two-step model for housing upgrades, the Larsberg model. First, the initial base upgrade conducted with tenants in place secures the building's technical status. The following step, the total upgrade, brings the apartments up to contemporary standards, to meet demand from existing and

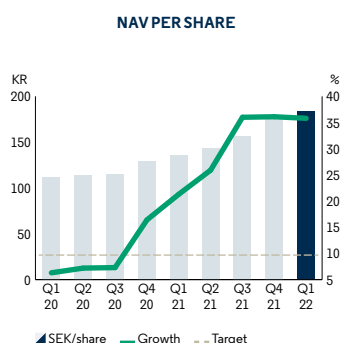
new tenants. Total upgrades are carried out when apartments are vacant or where tenants so wish. The objective is to totally upgrade at least a total of 100 of the apartments in the portfolio each year. All upgrades take place in dialogue with the tenants and adjusted rent levels are negotiated with Hyresgästföreningen (Swedish Union of Tenants).

Densification – We are increasing the housing density of our own land or adjacent to existing properties, often on already paved land. In addition to new construction, infill development is also taking place in the form of extensions to existing properties. In this way, we are expanding the residential and commercial offering, 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. The aim is to generate growth through value adding construction that concurrently makes the neighbourhoods more attractive. Development is conducted in close collaboration with the municipalities where we operate.

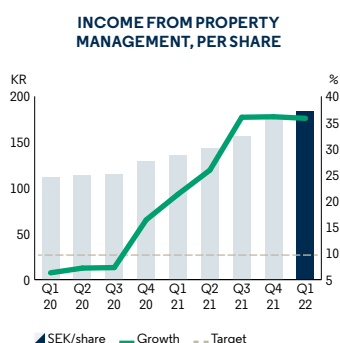
Acquisitions – We strive to acquire properties and development rights with development potential in attractive market locations in the Stockholm region, close to efficient infrastructure. All acquisitions are approached using a long-term ownership and management perspective, and areas with potential for adding value and development are particularly attractive.

Financial targets

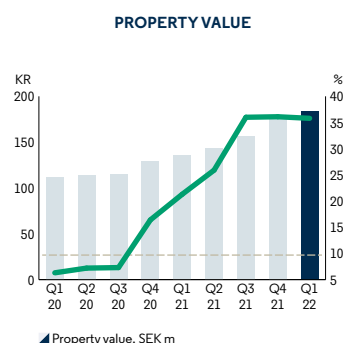
An average annual growth in NAV per share of not less than 10%, including distributions to shareholders, over a business cycle.



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. At the end of the period, the property value was SEK 16.9 billion.



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% or may not even transpire.

Property portfolio

John Mattson is a property company with operations in the Stockholm region. The company is listed on Nasdaq Stockholm, Mid Cap.

Our areas

The portfolio has been divided into four property management areas: Lidingö, North Stockholm, City/Bromma, South Stockholm/Nacka. On 31 March, the property portfolio contained 4,493 rental apartments. The total lettable area amounted to 367,400 square metres, where residentials comprised 81%.

The majority of the properties were built in the 1950s to 1970s, and have good preconditions for adding value. Growth will be through acquisitions and infill development in attractive market locations in the Stockholm region.



4493
apartments



81%
of total lettable
area is housing



367 thousand sq m
lettable area



Property portfolio	on 31 March 2022							January–March 2022 ¹⁾		
	Apartments	Lettable area	Property value		Rental value		Economic occupancy rate	Rental revenues	Property expenses	Net operating income
	No.	thousand sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	%	SEK m	SEK m	SEK m
Lidingö	2,288	172	8,127	47,150	309	1,791	98.1	74	28	46
North Stockholm	995	75	2,091	27,771	92	1,216	95.4	22	13	9
City/Bromma	543	61	3,525	58,115	125	2,055	97.4	29	9	20
South Stockholm/Nacka	667	59	3,148	53,271	119	2,008	95.2	29	9	19
Total properties	4,493	367	16,891	45,974	644	1,752	97.1	154	60	94

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 94 million reported above and the net operating income in the income statement of SEK 93 million is attributable to the net operating income for acquired properties and completed projects during the period being revised upward by SEK 1 million as if they had been owned for the entire period.

On 31 March 2022	Rental value			Vacancies and discounts			Contract value			Economic occupancy rate
	Lettable area, thousand sq m	Rental value, SEK m	No.	Lettable area, thousand sq m	Vacancies and discounts, SEK m	No.	Let area, thousand sq m	Contract value, SEK m	Economic occupancy rate, %	
Object	No.									
Housing	4,493	299	474	77 ¹⁾	5	6	4,416	293	467	98.6
Commercial	–	69	144	–	5	7	–	63	136	94.9
Parking places	–	–	26	–	–	5	–	–	21	81.3
Total	4,493	367	644	77	10	19	4,416	357	625	97.1

¹⁾ Vacancies primarily pertain to properties with ongoing upgrade projects.

Lidingö

John Mattson's largest property management area is in Lidingö, both in terms of number of apartments and property value. The properties mainly comprise residentials in the Larsberg area and in Käppala, which account for 95% of the total lettable area. The commercial premises house local services and educational premises. The portfolio also includes a development property with an ongoing detailed development plan process and identified potential development rights. The majority of the properties were constructed in the 1960s, but also include new buildings from the turn of the century.

Since 62% of the portfolio has received total upgrades or is newly built, the housing is of a generally high standard.

All the apartments have received base upgrades and total upgrades are ongoing both in Larsberg and in Käppala. During the period, 58 (62) apartments were upgraded.

The planning process for new housing 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. Possibilities are being investigated in Käppala regarding the construction of loft apartments at existing properties, but the project is at an early stage. A number of additional potential infill development projects have been identified in Larsberg and Käppala.

Key metrics, Lidingö	Q1 2022
Area, residentials, thousand sq m	164
Rental value, residentials, SEK/sq m	1,724
Economic occupancy rate, residentials, %	98.7
Property value, residentials, SEK/sq m	47,024
Surplus ratio, residentials, %	65 ¹⁾

SHARE OF LETTABLE AREA



North Stockholm

North Stockholm comprises John Mattson's residential management portfolio in the municipality of Sollentuna, in the areas of Rotebro, Rotsunda, Häggvik and Tureberg. The largest share of properties was built in the 1970s, but some are also older (built in the 1940s and 1950s) and newer (built in the 1990s or later). North Stockholm also includes a development property in the municipality of Upplands Väsby.

Upgrade plans for the properties in Rotebro and Rotsunda are underway. Upgrades in Rotebro are expected to start in 2022.

Production is ongoing of one apartment block with 73 rental apartments in the area of Vilunda in central Upplands Väsby. The property is adjacent to the commuter train station and close to Väsby centrum. The project is Stockholm's first apartment building for sustainable mobility that does not require private parking spaces. Occupancy is scheduled for the second half of 2022.

Key metrics, North Stockholm	Q1 2022
Area, residentials, thousand sq m	75
Rental value, residentials, SEK/sq m	1,228
Economic occupancy rate, residentials, %	95.5
Property value, residentials, SEK/sq m	25,313
Surplus ratio, residentials, %	38 ¹⁾

SHARE OF LETTABLE AREA



City/Bromma

In City/Bromma, John Mattson residential management portfolio includes properties in Slakthusområdet, Hammarby Sjöstad, Johanneshov, Abrahamsberg and Östermalm. Residential properties account for 56% of the total lettable area. The buildings are from 1930s and 1940s as well as from the 1990s through to 2019, all of which are well-maintained and in good condition. City and Bromma have the largest share of commercial properties, which account for 33% of the total lettable area. The commercial properties contain premises for local services, offices and public sector operations. Development properties are located in Abrahamsberg and in Söderstaden (urban

development area comprising Globenområdet, Slakthusområdet and Gullmarsplan-Nynäsvägen).

A detailed development plan has been adopted for the construction of a nursing and care home at the Geografiboken 1 property in Bromma. Construction is scheduled to start in 2023.

The planning process for the expansive Slakthusområdet in Söderstaden started in the first quarter of 2022 for the construction of new housing, with a preliminary construction start in 2026. John Mattson's leaseholds are in a prime location near the future Metro station entrance in the area.

Key metrics, City/Bromma	Q1 2022
Area, residentials, thousand sq m	34
Rental value, residentials, SEK/sq m	1,956
Economic occupancy rate, residentials, %	98.6
Property value, residentials, SEK/sq m	61,737
Surplus ratio, residentials, %	69 ¹⁾

SHARE OF LETTABLE AREA



South Stockholm/Nacka

John Mattson's portfolio in South Stockholm and Nacka is mainly concentrated to Hägerstensåsen, Västberga and Örby. 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. The area has three development properties at different stages of development.

The development of the Gengasen property is ongoing at Örby centrum, a new production project that includes rental apartments, store premises and

LSS housing. The project started in 2021 and occupancy is expected for the second half of 2023. Moreover, project planning is in progress for an apartment upgrade project with a planned project start in 2022.

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, premises and a preschool.

The Sicklaön 37:46 property at Finnboda kaj in Nacka Municipality includes development rights for residential properties with a possible construction start in 2023.

Key metrics, South Stockholm/Nacka	Q1 2022
Area, residentials, thousand sq m	43
Rental value, residentials, SEK/sq m	1,911
Economic occupancy rate, residentials, %	97.2
Property value, residentials, SEK/sq m	54,246
Surplus ratio, residentials, %	67 ¹⁾

SHARE OF LETTABLE AREA



¹⁾ The surplus ratio for residential properties pertains to rolling 12 month outcomes, whereby acquired properties and completed projects have been restated at the full-year rate.

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 properties	73	4,400	Production	Ongoing
Gengasen, Örby	South Stockholm/Nacka	Own management	Rental properties	128	8,400	Production	Ongoing
Juno, Käppala	Lidingö	Own management	Rental properties	50	1,750	Early phase	2023
Geografiboken, Abrahamsberg	City/Bromma	Own management	Nursing and care home	80	5,900	Detailed development plan adopted	2023
Finnboda, Nacka	South Stockholm/Nacka	Own management	Rental properties	20	1,300	Detailed development plan entered force	2023
Ekporten, Larsberg/Dalén	Lidingö	Own management	Rental properties	150	8,500	Detailed development plan in progress	2024
Pincetten, Örnberg	Nacka	Own management	Rental properties and housing	230	13,500	Detailed development plan in progress	2025
Hjälpslaktaren, Slakthusområdet	City/Bromma	Own management	Rental properties	100	9,000	Planning notice	2026
Total development portfolio				831	52,750		

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.

Current earnings capacity

The table illustrates John Mattson's current earnings capacity on a 12-month basis as per 31 March 2022, 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 the period 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 primarily pertains to upgrade projects. 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. For more information about central administration costs, refer to Note 4, page 10.

Net financial items have been calculated based on net interest-bearing debt on the balance-sheet date with supplements for ground rent. 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	31 March 2022
Rental value	643.6
Vacancies and discounts	-18.8
Rental revenues	624.8
Operating expenses	-138.0
Maintenance expenses	-37.5
Property tax	-12.1
Property administration	-33.9
Net operating income	403.2
Central administration costs	-54.2
Net financial items	-149.3
Less non-controlling interests	-2.5
Income from property management	197.2



Condensed consolidated income statement

Amounts in SEK m	Note	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months Apr 2021-Mar 2021	Jan-Dec 2021
Rental revenues	2	153.2	80.4	480.8	407.9
Operating expenses	3	-40.9	-24.0	-114.6	-97.7
Maintenance	3	-7.2	-4.3	-28.2	-25.3
Property tax	3	-3.1	-1.4	-9.1	-7.3
Property administration	3	-8.8	-4.5	-32.1	-27.7
Net operating income		93.2	46.2	296.8	249.8
Central administration costs	4	-15.7	-17.2	-55.2	-56.8
Net financial items	5	-36.9	-13.2	-113.6	-89.9
Income from property management	1	40.7	15.8	128.0	103.1
Participation in profits of associates		-	-	2.2	2.2
Changes in property values	6	271.8	197.4	1,613.4	1,539.0
Change in the value of interest-rate derivatives	6	118.7	16.8	149.9	48.0
EBT		431.2	230.1	1,893.5	1,692.3
Current tax	7	-2.4	-	-5.4	-3.0
Deferred tax	7	-91.0	-49.1	-398.8	-356.9
Profit for the period		337.8	181.0	1,489.3	1,332.5
Comprehensive income for the period					
Profit for the period		337.8	181.0	1,489.3	1,332.5
Other comprehensive income		-	-	-	-
Comprehensive income for the period		337.8	181.0	1,489.3	1,332.5
Comprehensive income for the period attributable to:					
Parent Company shareholders		335.1	181.0	1,476.1	1,322.0
Non-controlling interests		2.7	-	13.2	10.5
Average No. of shares, thousand		36,798	33,670	35,372	34,601
Profit for the period attributable to Parent Company shareholders before and after dilution, per share		9.11	5.38	41.73	38.21

January to March 2022 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 (that is, profit excluding value changes, participation in profits of associates and tax) for the period was SEK 40.7 million (15.8), corresponding to SEK 1.11 per share (0.47). This corresponded to annual growth in income from property management per share of 135.6%.

Note 2 Revenue

The Group's revenue for the period amounted to SEK 153.2 million (80.4), corresponding to SEK 1,655 per sq m (1,453). The total revenue increase of SEK 72.9 million was mainly attributable to acquired properties, which increased revenue by SEK 67.5 million for the period. The increase in revenue was also due to completed upgrades and infill development, which increased revenue by about SEK 3 million.

Rental revenues for residential properties totalled SEK 117.0 million (68.7), corresponding to SEK 1,554 per sq m (1,394). The general annual housing rent negotiations for 2022 resulted in increases of 1.6–1.8%.

	Jan-Mar 2022, SEK m	31 Mar 2022 SEK/sq m	Jan-Mar 2021, SEK m	31 Mar 2021 SEK/sq m
Revenue				
Lidingö	74.4	1,683	68.9	1,558
North Stockholm	22.1	1,151	10.3	1,090
City/Bromma	28.2	1,958	1.2	733
South Stockholm/Nacka	28.6	1,904	-	-
Total	153.2	1,655	80.4	1,453

Note 3 Property expenses

Property expenses totalled SEK 60.0 million (34.1), corresponding to SEK 608 per sq m (508), which is a cost increase of SEK 100 per sq m or 22%. The cost increase was mainly due to higher operating and maintenance expenses, which were primarily attributable to acquired properties, but also due to higher media costs.

Operating expenses amounted to SEK 40.9 million (24.0), SEK 16.7 of which pertained to acquired properties.

Maintenance expenses amounted to SEK 7.2 million (4.3), approximately SEK 3 million of which pertained to acquired properties.

Property administration expenses amounted to SEK 8.8 million (4.5), mainly due to integration costs.

	Jan-Mar 2022, SEK m	31 Mar 2022 SEK/sq m	Jan-Mar 2021, SEK m	31 Mar 2021 SEK/sq m
Property expenses				
Lidingö	28.4	570	26.8	512
North Stockholm	13.3	715	7.2	571
City/Bromma	8.9	580	0.1	50
South Stockholm/Nacka	9.5	611	-	-

	Jan-Mar 2022, SEK m	31 Mar 2022 SEK/sq m	Jan-Mar 2021, SEK m	31 Mar 2021 SEK/sq m
Property expenses				
Total	60.0	608	34.1	508

	Lidingö	North Stockholm	City/ Bromma	South Stockholm/ Nacka	Total
Property expenses/ sq m					
Operating expenses	364	454	328	360	376
Maintenance	80	131	113	120	102
Property tax	26	30	48	41	33
Property adminis- tration	100	100	92	90	97
Total	570	715	580	611	608

Note 4 Central administration costs

Central administration costs comprise costs for company management, business development and central support functions. During the period, expenses amounted to SEK 15.7 million (17.2).

Note 5 Net financial items

Net financial items amounted to SEK 36.9 million (13.2). The increase in net financial items was attributable to higher interest expenses on increased borrowing attributable to acquisitions and investments. Ground rent of SEK 2.8 million (0.4) is included in net financial items. Capitalised financial expenses for ongoing projects amounted to SEK 0.8 million (0.3). The average interest rate, including the effects of interest-rate derivatives, was 1.40% (1.53) at the end of the period. The average interest coverage ratio was a multiple of 2.2 (2.2) at the end of the period.

Note 6 Changes in value

Changes in property values amounted to SEK 271.8 million (197.4), of which SEK 0.0 million (1.0) pertained to realised changes in value. Unrealised changes in the value of the properties amounted to SEK 271.8 million (196.4). The value changes were also attributable to an improved net operating income linked to implemented investments, changed yield requirements and acquired properties.

The average valuation yield for the Group was 2.7% (2.7% on 31 December 2021).

	Jan-Mar 2022, SEK m	Jan-Mar 2021, SEK m
Unrealised changes in value		
Change in net operating income	35.5	19.9
Ongoing projects/development rights	117.2	27.0
Yield requirement	92.3	149.4
Acquired properties	26.8	-
Total	271.8	196.4

Unrealised changes in the value of interest-rate derivatives in the period amounted to SEK 118.7 million (16.8). The change was mainly due to rising market interest rates.

Note 7 Tax

Current tax for the period was an expense of SEK 2.4 million (0.0). Deferred tax amounted to an expense of SEK 91.0 million

(expense: 49.1) and was impacted by unrealised changes in net property and derivative values of a negative SEK 80.4 million (negative: 43.9). Other fiscal adjustments are not included in non-deductible interest expenses of SEK 20.8 million (9.4), for which the tax value has not been capitalised since the opportunities to utilise these adjustments in the future is deemed uncertain.

The Group's loss carryforwards are estimated at SEK 528.1 million (533.4 on 31 December 2021), 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 12,513.0 million (11,658.0 on 31 December 2021). 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	40.7	-
<i>Tax deductible</i>		
Depreciation	-26.2	26.2
New builds and redevelopments	-18.9	18.9
Other fiscal adjustments	21.5	1.0
Taxable income from property management	17.1	46.2
Changes in property values	-	271.8
Changes in derivative values	-	118.7
Taxable earnings before loss carryforwards	17.1	436.7
Loss carryforwards, opening balance	-533.4	533.4
Loss carryforwards, closing balance	528.1	-528.1
Taxable profit	11.8	441.9
Tax for the period	-2.4	-91.0

SEK m	Tax base	Nominal tax liability	Actual tax liability/asset
Properties	-12,513.0	-2,577.7	-750.8
Derivatives	-93.5	-19.3	-17.8
Loss carryforwards	528.1	108.8	89.8
Untaxed reserves	-38.2	-7.9	-2.3
Total	-12,116.7	-2,496.0	-681.1
Property, asset acquisitions	5,716.0	1,177.5	-
Total	-6,400.6	-1,318.5	-681.1
According to balance sheet	-	-1,318.5	-

The nominal tax liability recognised in the balance sheet was a net amount of SEK 1,318.5 million (914.2). However, the actual tax liability was calculated at SEK 681.1 million (287.4). 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	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets				
Investment properties	8	16,890.6	8,188.5	15,894.5
Right-of-use assets, leaseholds	9	332.8	46.6	332.8
Interest-rate derivatives		93.5	–	–
Other non-current assets		12.9	7.4	11.9
Total non-current assets		17,329.8	8,242.5	16,239.2
Current receivables		79.7	44.7	79.1
Cash and cash equivalents		205.4	6.8	227.5
Total current assets		285.2	51.5	306.6
Total assets		17,615.0	8,294.0	16,545.7
Equity and liabilities				
Equity attributable to Parent Company shareholders	10	5,596.8	3,594.7	5,143.9
Non-controlling interests		108.9	–	106.2
Total equity		5,705.7	3,594.7	5,250.2
Provisions		1.7	1.7	1.8
Lease liability, leaseholds	9	332.8	46.6	332.8
Non-current interest-bearing liabilities	10	5,485.0	2,360.6	6,224.6
Other non-current liabilities		10.2	–	10.1
Deferred tax liabilities	7	1,318.5	914.2	1,227.5
Interest-rate derivatives	10	–	56.4	25.2
Total non-current liabilities		7,148.2	3,379.4	7,821.9
Current interest-bearing liabilities	10	4,394.3	1,232.9	3,221.9
Other current liabilities		366.8	87.0	251.8
Total current liabilities		4,761.1	1,319.9	3,473.4
Total liabilities		11,909.3	4,699.3	11,295.6
Total equity and liabilities		17,615.0	8,294.0	16,545.7

Condensed consolidated statement of changes in equity

Amounts in SEK m	Total shares outstanding, thousand ^{1, 2)}	Share capital	Other contributed capital	Retained earnings	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity on 1 Jan 2021	33,670	11.2	362.8	3,039.7	3,413.7	–	3,413.7
Profit for the period	–	–	–	181.0	181.0	–	181.0
Equity on 31 Mar 2021	33,670	11.2	362.8	3,220.6	3,594.7	–	3,594.7
Non-cash issue	2,695	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	–
Profit for the period	–	–	–	1,141.0	1,141.0	10.5	1,151.5
Equity on 31 Dec 2021	36,365	12.1	770.1	4,361.8	5,143.9	106.2	5,250.2
Non-cash issue	672	0.2	117.5	–	117.8	–	117.8
Profit for the period	–	–	–	335.1	335.1	2.7	337.8
Equity on 31 Mar 2022	37,037	12.3	887.6	4,696.8	5,596.8	108.9	5,705.7

¹⁾ A non-cash issue of 672,208 shares was conducted in conjunction with the acquisition of properties by Gullmarsplan. The shares were registered on 3 February 2022. The number of shares on 31 March was 37,037,035.

²⁾ On 31 March 2022, the quotient value of the shares was SEK 0.33 per share (SEK 0.33).

Balance sheet on 31 March 2022

Note 8 Investment properties

John Mattson's property portfolio is located across five municipalities in the Stockholm region – in Lidingö, Sollentuna, Nacka, Upplands Väsby and in the City of Stockholm.

At the end of the period, property value totalled SEK 16,890.6 million (15,894.5 on 31 December 2021). The property value has increased SEK 996.1 million compared with the end of last year, which was primarily due to the Gullmarsplan property acquisitions, where possession was taken on 1 February 2022. Residential properties account for 83% of the portfolio's value, commercial properties for 12% and development properties for 5%. The total lettable area amounted to 367,000 square metres (216,000) and the rental value on 31 March amounted to SEK 643.6 million (339.8). The portfolio comprises 4,493 apartments (2,829).

Investments

During the period, total investments amounted to SEK 724.3 million (34.2), of which SEK 643.2 million (0.0) pertained to acquisitions. Investments in new builds amounted to SEK 58.5 million (10.6), and mainly pertained to the new build projects in Upplands Väsby and Örby centrum. Investments in upgrades amounted to SEK 17.5 million (19.2). During the period, 58 (62) apartments were upgraded.

Change in property value	SEK m
Property value, opening balance on 1 Jan 2022	15,894.5
+ Acquisitions	643.2
+ Investments in new builds	58.5
+ Investments in base upgrades	17.5
+ Other investments	5.2
- Sales	-
+/- Unrealised changes in value	271.8
Property value, closing balance on 31 Mar 2022	16,890.6

Property value

The Group's properties are recognised at fair value in line with level 3 under IFRS. As of 31 March 2022, the majority of the portfolio was externally valued by Cushman & Wakefield, which corresponded to 93% of the property portfolio's total value. The remainder of the property portfolio was valued internally.

The valuations of investment properties use a cash-flow model with an individual assessment for each property's future earnings potential. The valuations are based on an analysis of

completed property transactions for similar properties to assess market yield requirements.

Development properties are valued either as development rights or ongoing projects. Development rights are valued based on their assessed market value per GFA. Ongoing projects are valued at their completed value less remaining investments and a risk premium depending on the phase of the project.

The estimates are normally conducted using a calculation period of ten years, the period from April 2022 to December 2031. 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.

Property-related key metrics	Jan-Mar 2022	Jan-Mar 2021	2021 Jan-Dec
Rental value SEK/sq m	1,752	1,574	1,715
Economic occupancy rate, %	97.1	94.9	95.6
Property expenses, SEK/sq m	608	508	618
Net operating income, SEK/sq m	1,047	945	1,009
Property value, SEK/sq m	45,974	37,922	44,710
Lettable area at the end of the period, thousand sq m	367	216	356
Average valuation yield, %	2.7	2.8	2.7

Note 9 Right-of-use assets and lease liabilities

In accordance with IFRS 16 – Leases, the value of leaseholds is recognised as a right-of-use asset together with a corresponding lease liability. As of 31 March 2022, the estimated value of the right-of-use assets and the liability was SEK 332.8 million (46.6).

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 31 March 2022, equity attributable to Parent Company shareholders totalled SEK 5,596.8 million (3,594.7), which corresponds to SEK 151.11 (106.76) per share. During the period, equity attributable to Parent Company shareholders increased SEK 335.1 million (181.0) with profit for the period and SEK 117.8 million through the non-cash issue.

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 10,061.9 million (4,161.9).

The credit volumes utilised at the end of the period amounted to SEK 9,879.3 million (3,593.5), of which SEK 5,485.0 million (2,360.6) was a non-current liability and SEK 4,394.3 million (1,232.9) was a current liability.

New borrowing during the period amounted to SEK 432.8 million (35.5) and was raised to finance completed property acquisitions. Loan repayments during the period amounted to SEK 0.0 million (2.8).

At the end of the period, net interest-bearing liabilities amounted to SEK 9,673.8 million (3,586.7), corresponding to an LTV ratio of 57.3% (43.8).

Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 288.0 million (75.2) at the end of the period. Moreover, a credit facility for SEK 100 million is in place for future financing needs.

The average loan-to-maturity, including credit commitments, was 2.5 years (2.2) at the end of the period.

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.

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 2,843.0 million (1,943.0), corresponding to 33.5% (64.9) of interest-bearing liabilities with a floating rate (Stibor).

During the period, the company entered additional agreements concerning interest-rate swaps for a nominal amount of SEK 600 million, which entered force when the agreements were signed. The contracted interest-rate swaps mature from 2022 to 2032. The market value of interest-rate derivatives at the end of the period was SEK 93.5 million (negative: 56.4). The amount 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 values of non-current interest-bearing liabilities do not deviate significantly from their carrying amounts, since the discounting effect is not material.

John Mattson's average fixed-interest tenor, including interest-rate swaps, was 2.5 years (2.5) 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 1.40% (1.53) at the end of the period.

Fixed-interest and loan-to-maturity periods on 31 March 2022

Fixed-interest period				Loan-to-maturity			Interest-rate swaps	
Maturity	Volume (SEK m)	Average interest (%) ¹⁾	Share (%)	Credit agreements volume (SEK m)	Utilised, SEK m	Share (%)	Volume (SEK m)	Average interest rate (%) ²⁾
0–1 year	5,500	1.46	56	4,904	4,394	44	54	–
1–2 years	664	1.07	7	1,393	1,720	17	471	–
2–3 years	820	1.75	8	1,049	1,049	11	300	–
3–4 years	393	0.79	4	250	250	3	518	–
4–5 years	220	1.26	2	555	555	6	200	–
>5 years	2,281	1.33	23	1,910	1,910	19	1,300	–
Total	9,879.3	1.40	100	10,061.9	9,879.3	100	2,843	0.86

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

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

Condensed consolidated cash-flow statement

Amounts in SEK m	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months Apr 2021-Mar 2022	Jan-Dec 2021
<i>Operating activities</i>				
EBT	431.2	230.1	1,893.5	1,692.3
<i>Adjustment for non-cash items</i>				
Change in property values	-271.8	-196.4	-1,613.5	-1,538.2
Change in value of interest-rate derivatives	-118.7	-16.8	-149.9	-48.0
Depreciation and disposals	0.9	0.6	3.2	3.0
Other non-cash items, etc.	-0.1	6.0	-8.0	-1.8
Taxes paid	-2.4	-	-8.0	-5.6
Cash flow from operating activities before changes in working capital	39.1	23.5	117.3	101.7
<i>Cash flow from changes in working capital</i>				
Change in operating receivables	5.1	-9.2	26.6	12.3
Change in operating liabilities	-1.7	-12.2	17.7	7.1
Cash flow from operating activities	42.5	2.0	161.6	121.1
<i>Investing activities</i>				
Investments in equipment	-1.8	-0.7	-5.4	-4.4
Net acquisition of investment properties ¹⁾	-414.5	-	-4,408.7	-3,994.2
Investments in investment properties	-81.1	-34.2	-301.5	-254.6
Investments/divestments, non-current assets	-	1.0	-	1.0
Cash flow from investing activities	-497.4	-33.9	-4,715.5	-4,252.1
<i>Financing activities</i>				
Borrowings	432.8	35.5	4,761.0	4,363.7
Repayments of borrowings	-	-2.8	-8.4	-11.2
Cash flow from financing activities	432.8	32.7	4,752.6	4,352.5
<i>Cash flow for the period</i>	<i>-22.1</i>	<i>0.8</i>	<i>198.6</i>	<i>221.5</i>
Opening balance, cash and cash equivalents	227.5	6.0	6.8	6.0
Closing balance, cash and cash equivalents	205.4	6.8	205.4	227.6

¹⁾ Consolidated additional cash-flow statement disclosures

Acquisition of investment properties in corporate wrappers:

Amounts in SEK m	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months Apr 2021-Mar 2022	Jan-Dec 2021
Investment properties	643.2	-	6,787.0	6,143.8
Operating receivables	5.7	-	44.7	39.0
Cash and cash equivalents	6.8	-	301.5	294.7
Deferred tax assets, accrual reserves	-	-	-6.8	-6.8
Assumed operating liabilities	-116.6	-	-259.1	-142.5
Assumed interest-bearing liabilities	-	-	-1,533.1	-1,533.1
Less: Previously recognised participation in profits of associates	-	-	-2.2	-2.2
Net assets acquired	539.0	-	5,331.9	4,792.9
Non-cash issue	-117.8	-	-526.0	-408.2
Acquired non-controlling interest	-	-	-95.8	-95.8
Purchase price paid	421.3	-	4,710.2	4,288.9
Less: Cash and cash equivalents in acquired operations	-6.8	-	-301.5	-294.7
Net impact on cash and cash equivalents (positive = decrease)	414.5	-	4,408.7	3,994.2

Parent Company

The operations of the Parent Company, John Mattson Fastighetsföretagen AB (publ) with corporate identification 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	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Revenue	3.4	3.0	20.2
Central administration costs	-11.0	-10.0	-36.5
EBIT	-7.6	-7.1	-16.3
Net interest	-11.2	-1.3	-19.4
Loss after financial items	-18.8	-8.4	-35.7
Appropriations	-	-	36.2
EBT	-18.8	-8.4	0.5
Tax	-0.3	-2.1	-2.9
Profit/loss for the period	-19.1	-10.5	-2.4

Condensed Parent Company balance sheet

Amounts in SEK m	31 Mar 2022	31 Mar 2021	31 Dec 2021
Assets			
Participations in Group companies	5,317.5	1,804.2	5,317.5
Deferred tax assets	2.8	3.8	3.0
Receivables from Group companies	447.1	209.6	387.4
Other current receivables	6.5	5.0	7.6
Cash and cash equivalents	7.4	6.7	9.9
Total assets	5,781.2	2,029.2	5,725.5
Equity and liabilities			
Equity	1,736.2	1,221.2	1,637.5
Non-current liabilities to credit institutions	400.0	-	1,800.0
Liabilities to Group companies	932.5	799.8	977.7
Current liabilities to credit institutions	2,700.0	-	1,300.0
Other current liabilities	12.6	8.3	10.3
Total equity and liabilities	5,781.2	2,029.2	5,725.5

A non-cash issue of 672,208 shares was conducted in conjunction with the acquisitions of properties by Gullmarsplan. The shares were registered on 3 February 2022. The number of shares on 31 March was 37,037,035.

Opportunities and risks in the Group and Parent Company

John Mattson has a stable cash flow with 81% of the rental value generated by residential properties in attractive locations in the Stockholm region. It is the company's assessment that demand for rental properties in these locations will remain high.

Opportunities and risks in cash flow

Of John Mattson's total rental revenues, around 81% 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 the Stockholm region.

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.

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 value	5 %	+/-32.2
Economic occupancy rate	1 percentage point	+/-6.4
Property expenses	5%	+/-11.1
Underlying market interest rate	1 percentage point	-53.4/+31.6

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	3,378	1,689	0	1,689	3,378
Loan-to-value (LTV) ratio, %	71.6	63.6	57.3	52.1	47.7

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. At the end of the period, the loan-to-value ratio was 57.3% (43.8). The year-on-year increase in the LTV ratio was mainly due to the acquisition

of shares in Hefab and Efib. Access to funds is one of the largest risks that the company has to manage. This is kept in check through disposable liquidity, in addition to a low LTV ratio.

Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 288.0 million (75.2) at the end of the period. Moreover, a credit facility for SEK 100 million is in place for future financing needs. The company's volume-weighted average loan-to-maturity amounted to 2.5 years (2.2) 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 2,843.0 million (1,943.0), representing 33.5% (64.9) of interest-bearing liabilities with a floating rate (Stibor).

Sustainability risks

John Mattson's sustainability agenda is integrated into the company's business model. Sustainability-related risks that are deemed the most material for the company's development are social conditions, negative environmental impact and climate change as well as issues related to the company's code of conduct and employees.

John Mattson takes an overall approach towards buildings as well as outdoor areas to create safe, attractive and sustainable neighbourhoods and local communities. The company works together with municipalities, the police, other property owners and organisations on safety issues and works systematically to prevent improper rental conditions.

Now the company is taking the next step in sustainability by strengthening its environmental sustainability. In 2022, John Mattson will establish science-based emissions targets and strengthen the organisation to meet these targets.

The code of conduct is reviewed annually, and each year employees review the supplemental policies relevant to their roles. In areas that involve all employees, the company's core values are continuously reinforced. John Mattson has a clear process for performance appraisals and works systematically to prevent accidents and work-related illness.

A turbulent environment

The war in Ukraine affects the company both directly and indirectly. Rising inflation and interest rates as well as disturbances in the supply chains mean that the company needs to continuously analyze the current situation and take appropriate actions.

Key metrics

Key metrics	Jan-Mar 2022	Jan-Mar 2021	Rolling 12 months Apr 2021- Mar 2022	2021 Jan-Dec
Property-related key metrics				
Surplus ratio during the period, %	60.8	57.5	61.7	61.3
Economic occupancy rate at the end of the period, %	97.1	94.9	97.1	95.6
Rental value at the end of the period, SEK m	643.6	339.8	643.6	609.7
Rental value, apartments, at the end of the period, SEK/sq m	1,587	1,493	1,587	1,557
Lettable area at the end of the period, thousand sq m	367.4	215.9	367.4	355.5
Investments in new builds, extensions and redevelopments, SEK m	81.1	34.2	301.5	254.6
Investments – acquisitions, SEK m	643.2	–	6,787.1	6,143.8
Property value at the end of the period, SEK m	16,890.6	8,188.5	16,890.6	15,894.5
Property value, at the end of the period, SEK/sq m	45,974	37,922	45,974	44,710
Total number of apartments	4,493	2,829	4,493	4,414
No. of upgraded apartments during the period	58	62	335	339
Key financial metrics				
Rental revenues, SEK m	153.2	80.4	480.8	407.9
Net operating income, SEK m	93.2	46.2	296.8	249.8
Income from property management, SEK m	40.7	15.8	128.0	103.1
Earnings after tax for the period	337.8	181.0	1,489.3	1,332.5
LTV ratio at the end of the period, %	57.3	43.8	57.3	58.0
Average interest rate at the end of the period, %	1.4	1.5	1.4	1.4
Interest coverage ratio during the period, multiple	2.2	2.2	2.2	2.2
Fixed-interest tenor, at the end of the period, years	2.5	2.5	2.5	2.0
Loan-to-maturity at the end of the period, years	2.5	2.2	2.5	2.1
NAV, SEK m	6,821.8	4,565.2	6,821.8	6,396.6
NNNAV, SEK m	6,234.2	4,221.4	6,234.2	5,765.1
Share-related key metrics				
Income from property management, SEK/share	1.11	0.47	3.62	2.98
Growth in income from property management, SEK/share, %	135.6	-13.9	28.1	6.0
Profit after tax attributable to Parent Company shareholders, SEK/share	9.11	5.38	41.73	38.21
NAV, SEK/share	184.19	135.59	184.19	175.90
Growth in NAV, SEK/share, %	35.8	21.3	35.8	36.1
NNNAV, SEK/share	168.32	125.38	168.32	158.54
Equity attributable to Parent Company shareholders, SEK/share	151.11	106.76	151.11	141.45
Market capitalisation at the end of the period, SEK/share	165.20	137.80	165.20	199.40
Average No. of shares during the period	36,798,028	33,670,032	35,371,824	34,600,537
No. of shares outstanding at the end of period	37,037,035	33,670,032	37,037,035	36,364,827

Definitions of key metrics are provided on page 22.

Accounting policies

The condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting together with the appropriate provisions of the Annual Accounts Act. The accounting and measurement policies applied remain unchanged from the annual report. 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.

Parent Company

The Parent Company applies the same accounting policies as the Group with the exceptions stipulated in Note 1 of the Parent Company notes in the 2021 Annual Report. For further information on the accounting policies, please refer to the Group's 2021 Annual Report, which is available on John Mattson's website.

Lidingö, 5 May 2022

Johan Ljungberg
Chairman of the Board

Håkan Blixt
Board Member

Ulrika Danielsson
Board Member

Ingela Lindh
Board Member

Christer Olofsson
Board Member

Per Nilsson, CEO
Chief Executive Officer

This interim report has not been reviewed by the company's auditors.

Significant events after the end of the period

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

The John Mattson share

**John Mattson's shares are listed on Nasdaq Stockholm, Mid Cap.
As of 31 March 2022, the market capitalisation was SEK 6.1 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 31 March 2022 was SEK 165.20. The lowest closing price in the quarter was SEK 142.00, recorded on 4 March. The highest closing price in the quarter was SEK 197.80, recorded on 4 January.

Over the period, stock turnover on Nasdaq Stockholm amounted to 4,179,537 shares with a combined value of SEK 660.6 million, representing an annualised stock turnover of 45.1%. Nasdaq Stockholm accounted for 92% 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 184.19 per share (135.59). NAV increased 35.8% compared with 31 March 2021. NNNAV amounted to SEK 6,234.2 million (4,221.4) or SEK 168.32 per share (125.38) 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 on 31 March 2022

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

	No. of shares	Percentage
AB Borudan Ett	14,027,055	37.9%
Tagehus Holding AB	4,436,698	12.0%
Fidelity Investments (FMR)	3,413,879	9.2%
Carnegie Fonder	2,663,482	7.2%
Prior & Nilsson Fonder	1,282,740	3.5%
Other shareholders	11 213 181	30.3%
Total	37,037,035	100%
Of which, foreign shareholders	5,776,204	15.6%

Source: Consolidated and compiled data from Euroclear/Modular Finance

Net asset value

	31 Mar 2022		31 Mar 2021		31 Dec 2021	
	SEK m	SEK/ share	SEK m	SEK/ share	SEK m	SEK/ share
Equity attributable to Parent Company shareholders, according to balance sheet	5,596.8	151.11	3,594.7	106.76	5,143.9	141.45
Add back						
Derivatives according to balance sheet	-93.5	-2.53	56.4	1.67	25.2	0.69
Deferred tax liability in balance sheet	1,318.5	35.60	914.2	27.15	1,227.5	33.76
NAV	6,821.8	184.19	4,565.2	135.59	6,396.6	175.90
Less:						
Derivatives according to balance sheet	93.5	2.53	-56.4	-1.67	-25.2	-0.69
Estimated actual deferred tax liability	-681.1	-18.39	-287.4	-8.54	-606.3	-16.67
NNNAV	6,234.2	168.32	4,221.4	125.38	5,765.1	158.54

Share-related key metrics

	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Income from property management, SEK/share	1.11	0.47	2.98
Growth in income from property management, SEK/share, %	135.6	-13.9	6.0
Profit after tax attributable to Parent Company shareholders, SEK/share	9.11	5.38	38.21
NAV, SEK/share	184.19	135.59	175.90
Growth in NAV, SEK/share, %	35.8	21.3	36.1
NNNAV, SEK/share	168.32	125.38	158.54
Equity attributable to Parent Company shareholders, SEK/share	151.11	106.76	141.45
Market capitalisation at the end of the period, SEK/share	165.20	137.80	199.40
Market capitalisation (SEK/share)/NAV, SEK/share at the end of the period	0.90	1.02	1.13
Average No. of shares during the period	36,798,028	33,670,032	34,600,537
No. of shares outstanding at the end of period	37,037,035	33,670,032	36,364,827

Development of share capital

Year	Event	Changes in no. of shares ^{1,2)}	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
2021	Non-cash issue	2,694,795	36,364,827	898,265	12,121,609	0.33
2022	Non-cash issue	672,208	37,037,035	224,069	12,345,678	0.33

¹⁾ A non-cash issue of 672,208 shares was conducted in conjunction with the acquisitions of properties in February 2022. The shares were registered on 3 February. The number of shares on 31 March was 37,037,035.

²⁾ As of 31 December 2021, the quotient value of the shares was SEK 0.33 per share (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.
Residential properties	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.	Not an alternative performance measure.
Equity, SEK/share	Recognised equity attributable to Parent Company shareholders 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 attributable to Parent Company shareholders, 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 attributable to Parent Company shareholders, 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

		2022 Jan–Mar	2021 Jan–Mar	Rolling 12 months	2021 Jan–Dec
NNNAV, SEK/share					
A	NNNAV at the end of the period, SEK m	6,234.2	4,221.4	6,234.2	5,765.1
B	Number of shares outstanding at the end of the period, thousand	37,037	33,670	37,037	36,365
A/B	NNNAV, SEK/share	168.32	125.38	168.32	158.54
LTV ratio at the end of the period, %					
A	Interest-bearing debt, excluding lease liabilities for leasehold properties, at the end of the period according to balance sheet, SEK m	9,879.3	3,593.5	9,879.3	9,446.5
B	Cash and cash equivalents at the end of the period according to balance sheet, SEK m	205.4	6.8	205.4	227.5
C	Investment properties according to balance sheet at the end of the period, SEK m	16,890.6	8,188.5	16,890.6	15,894.5
(A-B)/C	LTV ratio at the end of the period, %	57.3	43.8	57.3	58.0
Equity, SEK/share					
A	Equity attributable to Parent Company shareholders at the end of the period, SEK m	5,596.8	3,594.7	5,596.8	5,143.9
B	Number of shares outstanding at the end of the period, thousand	37,037	33,670	37,037	36,365
A/B	Equity, SEK/share	151.11	106.76	151.11	141.45
Economic occupancy rate at the end of the period, %					
A	Annualised contract value at the end of the period, SEK m	624.8	322.4	624.8	582.9
B	Annualised vacancy value at the end of the period, SEK m	18.8	17.4	18.8	26.9
A/(A+B)	Economic occupancy rate during the period, %	97.1	94.9	97.1	95.6
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	16,890.6	8,188.5	16,890.6	15,894.5
B	Lettable area at the end of the period, thousand sq m	367.4	215.9	367.4	355.5
A/B	Property value, at the end of the period, SEK/sq m	45,974	37,922	45,974	44,710
Income from property management, SEK/share					
A	Income from property management during the period, SEK m	40.7	15.8	128.0	103.1
B	Average number of shares outstanding during the period, thousand	36,798	33,670	35,372	34,601
A/B	Income from property management, SEK/share	1.11	0.47	3.62	2.98
Income from property management, SEK m					
A	Profit for the period	337.8	181.0	1,489.3	1,332.5
B	Current and deferred tax	93.4	49.1	404.2	359.9
C	Change in value of investment properties and interest-rate derivatives	390.5	214.2	1,763.3	1,587.0
D	Participation in profits of associates	–	–	2.2	2.2
A+B-C-D	Income from property management, SEK m	40.7	15.8	128.0	103.1
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	138.1	54.9	138.1	127.2
B	Interest-bearing debt, excluding lease liabilities under IFRS 16 Leases, at the end of the period according to balance sheet, SEK m	9,879.3	3,593.5	9,879.3	9,446.5
A/B	Average interest rate at the end of the period, %	1.4	1.5	1.4	1.3
Rental value at the end of the period, SEK m					
A	Annualised contract value at the end of the period, SEK m	624.8	322.4	624.8	582.9
B	Annualised vacancy value at the end of the period, SEK m	18.8	17.4	18.8	26.9
A+B	Rental value at the end of the period, SEK m	643.6	339.8	643.6	609.7
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	467.3	277.1	467.3	444.5
B	Annualised vacancy value, apartments, at the end of the period, SEK m	6.5	9.2	6.5	10.9
C	Lettable area of apartments at the end of the period, thousand sq m	298.6	191.8	298.6	292.4
(A+B)/C	Rental value, apartments, at the end of the period, SEK/sq m	1,587	1,493	1,587	1,557
NAV, SEK/share					
A	NAV at the end of the period, SEK m	6,821.8	4,565.2	6,821.8	6,396.6

ADDITIONAL INFORMATION

		2022 Jan-Mar	2021 Jan-Mar	Rolling 12 months	2021 Jan-Dec
B	Number of shares outstanding at the end of the period, thousand	37,037	33,670	37,037	36,365
A/B	NAV, SEK/share	184.19	135.59	184.19	175.90
EPRA NAV and NNNAV, SEK m					
A	Equity attributable to Parent Company shareholders at the end of the period, SEK m	5,596.8	3,594.7	5,596.8	5,143.9
B	Derivatives according to the balance sheet at the end of the period, SEK m	-93.5	56.4	-93.5	25.2
C	Deferred tax liabilities according to the balance sheet at the end of the period, SEK m	1,318.5	914.2	1,318.5	1,227.5
A+B+C=D	NAV, SEK m	6,821.8	4,565.2	6,821.8	6,396.6
B	Derivatives according to the balance sheet at the end of the period, SEK m	93.5	-56.4	93.5	-25.2
E	Estimated actual deferred tax liability at the end of the period, SEK m	-681.1	-287.4	-681.1	-606.3
D-B-E	NNNAV, SEK m	6,234.2	4,221.4	6,234.2	5,765.1
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	9,879.3	3,593.5	9,879.3	9,446.5
B	Cash and cash equivalents at the end of the period, SEK m	205.4	6.8	205.4	227.5
A-B	Net interest-bearing liabilities at the end of the period, SEK m	9,673.8	3,586.7	9,673.8	9,219.0
Interest coverage ratio during the period, multiple					
A	Income from property management during the period according to income statement, SEK m	40.7	15.8	128.0	103.1
B	Financial expenses during the period, excluding ground rents recognised as an interest expense under IFRS 16, SEK m	34.1	12.8	106.8	85.5
(A+B)/B	Interest coverage ratio during the period, multiple	2.2	2.2	2.2	2.2
Growth in income from property management, SEK/share, %					
A	Income from property management, SEK/share during the period	1.11	0.47	3.62	2.98
B	Income from property management, SEK/share during the preceding period	0.47	0.55	2.82	2.81
(A-B)/B	Growth in income from property management, SEK/share, %	135.6	-13.9	28.1	6.0
Growth in NAV, SEK/share, %					
A	NAV at the end of the period, SEK/share	184.19	135.59	184.19	175.90
B	NAV at the end of preceding 12-month period, SEK/share	135.59	111.79	135.59	129.25
(A-B)/B	Growth in NAV, SEK/share, %	35.8	21.3	35.8	36.1
Surplus ratio during the period, %					
A	Net operating income during the period according to income statement, SEK m	93.2	46.2	296.8	249.8
B	Rental revenues during the period according to income statement	153.2	80.4	480.8	407.9
A/B	Surplus ratio during the period, %	60.8	57.5	61.7	61.3

Contact information and calendar

Financial calendar

Interim report January–June 2022: 18 August 2022
Interim Report January–September 2022: 10 November 2022
Year-end report 2022: 24 February 2023

Information

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



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