



In February, John Mattson assumed management of Gravyren 1, Vinjetten 6 and Kopparsticket 8 at Gullmarsplan in Stockholm. The properties were acquired in 2022.

INTERIM REPORT

Q1
Jan-Mar
2023

January–March 2023

- Rental revenues totalled SEK 153.9 million (153.2), up 0.4%.
- Net operating income was SEK 101.1 million (93.2), up 8.5%.
- Income from property management was SEK 29.4 million (40.7), corresponding to SEK 0.77 per share (1.11), down 30% per share.
- Changes in property values amounted to a decrease of SEK 554.9 million (increase: 271.8). Changes in the value of interest-rate derivatives amounted to negative SEK 39.1 million (positive: 118.7).
- Earnings after tax for the period amounted to a loss of SEK 492.4 million (profit: 337.8), corresponding to a loss of SEK 12.99 per share (profit: 9.11).
- Property value totalled SEK 14,974.7 million (16,890.6).
- Investments amounted to SEK 90.0 million (724.3), of which SEK 0 million (643.2) pertained to property acquisitions.
- NAV totalled SEK 6,071.8 million (6,821.8). This corresponded to SEK 160.22 per share (184.19), down 13%.

JohnMattson

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 – 2023

Significant events during the first quarter

- In February, two properties in Lidingö were divested with an underlying property value of SEK 262 million.
- In March, a sustainability-linked credit agreement of SEK 949 million was arranged with Handelsbanken as a lender.

Financial targets Q1 2023 versus Q1 2022*



-13% growth in
net asset value



-30% growth in income from
property management

* The financial targets are presented on page 4.

Key metrics	Jan–Mar 2023	Jan–Mar 2022	Rolling 12 months Apr 2022–Mar 2023	Jan–Dec 2022
Property-related key metrics				
Economic occupancy rate at the end of the period, %	96.6	97.1	96.6	95.9
Surplus ratio, %	65.7	60.8	65.3	64.1
Property value at the end of the period, SEK m	14,974.7	16,890.6	14,974.7	15,695.5
No. of upgraded apartments during the period	10	58	291	86
Key financial metrics				
Rental revenues, SEK m	153.9	153.2	621.5	620.9
Net operating income, SEK m	101.1	93.2	405.7	397.8
Income from property management, SEK m	29.4	40.7	142.6	153.9
Average interest rate, %	3.05	1.40	3.05	2.54
LTV ratio at the end of the period, %	58.4	57.3	58.4	56.6
Interest coverage ratio during the period, multiple	1.5	2.2	1.7	1.9
Share-related key metrics				
Income from property management, SEK/share	0.77	1.11	3.78	4.10
Growth in income from property management, SEK/share, %	-30.0	135.6	4.5	37.6
Profit/loss after tax, SEK/share	-12.99	9.11	-18.68	3.30
Growth in NAV, SEK/share, %	-13.0	35.8	-13.0	-1.1
NNNAV, SEK/share, %	147.47	168.32	147.47	162.08
NAV, SEK/share	160.22	184.19	160.22	174.02

Definitions of key metrics are provided on page 23.

Our proactivity delivers results

After working actively to transition operations to suit new market conditions, John Mattson's income from property management increased SEK 15 million quarter-on-quarter. The interest coverage ratio improved from 1.3 to 1.5. The global operating environment remains uncertain and the company is continuing to take proactive and enterprising action.



Strong earnings despite rising interest rates

After the first quarter of the year, it is clear that our cost-savings programme has had the desired effect. Despite high underlying pressure from high inflation and a property portfolio that has contracted due to sales; net operating income increased 8.5% from SEK 93.2 million to SEK 101.1 million and, year-on-year, EBITDA increased a full 17%. The income from property management of SEK 29.4 million was down year-on-year, as a result of higher interest expenses, but SEK 15 million higher than the previous quarter. The interest coverage ratio improved from 1.3 for the previous quarter to 1.5 for the first quarter of the year, despite higher interest expenses for the period. Growth in income from property management per share was a negative 30% compared with the year-earlier period.

Our property values continued to decline during the period, with a change of negative 3.5%. The change in value primarily resulted from continued rising yield requirements, which amounted on average to 14 basis points. The increased yield requirements were partially offset by value creation within our property management and project operations. It is our assessment that the ongoing work to increase the efficiency of our properties will have a positive impact on property values going forward.

As a result of the negative value trend, growth declined 13% per share in NAV.

Delivering according to our plan

In autumn 2022, we initiated a comprehensive cost-savings programme with

an expected effect of SEK 50 million on income from property management starting in 2023. The programme includes downsizing personnel, energy streamlining and reviewing our purchases. It is very gratifying to see this work proceed according to plan and to note its impact. The cost-savings programme, together with increased rental revenues for 2023 are expected to further improve earnings going forward.

The result of annual rent negotiations for our housing will have full effect from the second quarter since the new rent levels will apply retroactively from 1 January to 1 April. We had positive net lettings in our commercial property portfolio during the first quarter, which had an effect of SEK 3 million on rental revenues in 2023. Property expenses are also expected to decline for the full year, since the first quarter generally has 15 to 20% higher operating expenses than average due to snow and cold weather.

Positive signs in our operating environment

There is much to indicate that inflation has now peaked and that we can expect lower interest rates going forward. Before interest rates go down, however, they will continue to rise. John Mattson has reduced its exposure to rising market interest rates since 60–70% of our loans have a fixed-interest period of three years. We are now beginning to expand our fixed-interest period beyond these three years. In April, we procured interest-rate hedges starting in three years at an interest rate of 2.6%, which is significantly lower than current

variable interest rates. During the period, we also refinanced a loan of close to SEK 1 billion. The loan is sustainability-linked, allowing for a lower interest rate.

Energy prices are also starting to decline. We locked in electricity prices for the remaining portion of 2023 at a significantly lower price than the average spot rate in 2022. We are now securing energy prices for 2024 and 2025 at even lower levels.

Homes in attractive locations

For some time, we have noticed increased demand for smaller apartments and a somewhat longer period on the market for larger apartments. This change in behaviour among our tenants is likely the result of weakened household purchasing power. John Mattson's properties in growth municipalities with good market locations and a high willingness to pay among tenants continues to mean that the risk of vacancies remains low. This is only a strength now that Sweden is likely entering into a longer recession.

Continued value creation and proactive measures

Our upgrade and new production project in Örby in southern Stockholm is proceeding as planned and preparations are ongoing for occupancy of the first stage in the second quarter of 2023. Project completion will contribute to income from property management going forward.

An important focus area where we see significant potential is energy efficiency. It is therefore gratifying that we have now strengthened the organisation to accelerate the pace in this area.

Despite the bright points on the horizon, market conditions remain challenging. It is very gratifying that we are delivering according to our plan and to see our employees' commitment and drive to do so. We need to remain enterprising and to continue taking proactive measures.

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

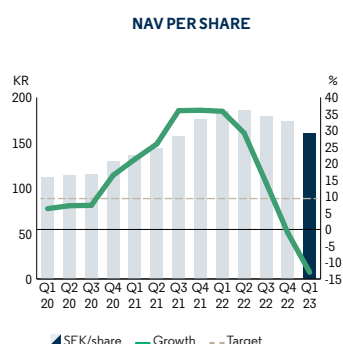
are vacant or where tenants so wish. The objective is to totally upgrade at least a total of 100 of the apartments in the portfolio each year. All upgrades take place in dialogue with the tenants and adjusted rent levels are negotiated with Hyresgästföreningen (Swedish Union of Tenants).

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.

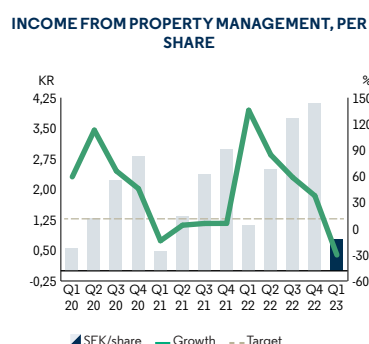
Acquisitions – We strive to acquire properties and development rights with development potential in attractive market locations in the Stockholm region, close to efficient infrastructure. All acquisitions are approached using a long-term ownership and management perspective, and areas with potential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

Financial targets

An average annual growth in EPRA NAV per share of not less than 10% over a business cycle.



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



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 after taking into consideration the company's investment plans, consolidation needs, liquidity and overall financial position. Dividends may be less than the long-term goal or be fully absent.

Sustainability targets

In 2022, John Mattson adopted new long-term sustainability targets, including science-based climate targets, for each of the company's four focus areas in sustainability. The new targets are to steer the company's operations toward more sustainable

development and contribute to achieving the vision of "Great neighbourhoods across generations." The results of these sustainability targets are presented in the interim report for Q4.



Dynamic and safe local communities

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

Targets

- Safe neighbourhoods as assessed by residents: to outperform the sector average for comparable properties.
- Attractive areas according to the residents: above the sector average.



Responsible material and waste management

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



Energy-efficient and fossil-free solutions

The energy consumption during the lifespan of a property is considerable.

Energy classifications, choosing fossil-free energy types and efficient management of the properties reduce their climate impact.



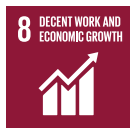
Targets

- By 2030, John Mattson will have reduced its Scope 1 and Scope 2 greenhouse gas emissions by at least 40% compared with the base year of 2021.
- John Mattson will reduce its greenhouse gas emissions from new builds and redevelopments on a per square metre basis to match or better the property sector average.



Healthy and inspiring workplaces

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



Targets

- Engaged employees and an efficient organisation: above the average results of comparable companies.
- John Mattson has an inclusive culture that enables the company to attract and retain employees with various backgrounds and perspectives. The recruitment process is competence-based and free from discrimination.
- The proportion of women or men is not to exceed two thirds within the company, management and the Board of Directors.
- Absenteeism among John Mattson's employees: not exceeding 3%.
- John Mattson aims to have zero accidents leading to absenteeism of over one day at our workplaces. This applies both for John Mattson's own personnel and for contracted personnel working for John Mattson.

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. The property portfolio comprises 4,440 rental apartments. The total lettable area amounted to 354,100 square metres, where residential comprised 82%.

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.



4 440
apartments



82%
of total lettable
area is housing



354 thousand sq m
lettable area



Property portfolio	on 31 March 2023							January–March 2023		
	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
	No.	thousand sq m	SEK m	SEK/sq m	SEK m	SEK/sq m	%	SEK m	SEK m	SEK m
Lidingö	2,205	167	7,529	45,168	313	1,877	97.9	75	22	53
North Stockholm	1,068	80	1,900	23,830	107	1,339	91.6	25	13	12
City/Bromma	451	49	2,388	49,077	97	2,000	96.8	27	8	18
South Stockholm/Nacka	716	59	3,158	53,464	122	2,058	97.4	27	10	18
Total properties	4,440	354	14,975	42,285	639	1,803	96.6	154	53	101

On 31 March 2023	Rental value			Vacancies and discounts			Contract value		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, %
	No.	thousand sq m	SEK m	No.	thousand sq m	SEK m	No.	thousand sq m	SEK m	%
Housing	4,440	291	486	119	7	6	4,321	284	480	98.8
Commercial		63	130		12	12		51	119	91.2
Parking places			22			4			18	80.9
Total	4,440	354	639	119	20	22	4,321	334	617	96.6

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 65% 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, 10 (58) 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. 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 2023
Area, residentials, thousand sq m	159
Rental value, residentials, SEK/sq m	1,812
Economic occupancy rate, residentials, %	98.6
Property value, residentials, SEK/sq m	44,896
Surplus ratio, residentials, %	68

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).

Upgrade plans for the properties in Rotebro and Rotsunda are underway. Upgrades in Rotebro are expected to start in 2024.

Production of one apartment block with 73 rental apartments in the area of Vilunda in central Upplands Väsby has been completed. The property was fully let by January 2023.

Key metrics, North Stockholm	Q1 2023
Area, residentials, thousand sq m	80
Rental value, residentials, SEK/sq m	1,339
Economic occupancy rate, residentials, %	91.6
Property value, residentials, SEK/sq m	23,830
Surplus ratio, residentials, %	39

SHARE OF LETTABLE AREA



City/Bromma

In City/Bromma, John Mattson's residential management portfolio includes properties in Slakthusområdet, Hammarby Sjöstad, Johanneshov and Abrahamsberg. Residential properties account for 64% of the total lettable area. The buildings were constructed from the early 1900s to 2017, with the majority dating back to the 1940s. City/Bromma has the largest share of commercial properties, which account for 23% 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 2024.

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 2023
Area, residentials, thousand sq m	31
Rental value, residentials, SEK/sq m	2,020
Economic occupancy rate, residentials, %	97.5
Property value, residentials, SEK/sq m	55,006
Surplus ratio, residentials, %	71

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 1990s. 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, retail premises and

LSS housing. The project started in 2021 and occupancy is expected for the second half of 2023. An upgrading project for apartments also began in the second quarter of 2022.

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

The Sicklaön 37:46 property at Finnboða kaj in Nacka Municipality includes development rights for residential properties with a possible construction start in 2024.

Key metrics, South Stockholm/Nacka	Q1 2023
Area, residentials, thousand sq m	43
Rental value, residentials, SEK/sq m	1,989
Economic occupancy rate, residentials, %	97.7
Property value, residentials, SEK/sq m	50,422
Surplus ratio, residentials, %	69

SHARE OF LETTABLE AREA



Development projects

The challenging market conditions for project operations, including high contractor costs and uncertain yield requirements, entail the postponement of planned projects. We are completing ongoing projects but have no plans to start new

construction or base upgrade projects in 2023. Initially, the estimated construction starts for the Juno, Geografiboken and Finnboða projects have been postponed to 2024.

Project	Area	Category	Type	No. of Apts. ¹⁾	Additional lettable area ¹⁾	Status	Possible construction start ²⁾
Gengasen, Örby	South Stockholm/Nacka	Own management	Rental properties	129	8,400	Production	Ongoing
Juno, Käppala	Lidingö	Own management	Rental properties	50	1,750	Early phase	2025
Geografiboken, Abrahamsberg	City/Bromma	Own management	Nursing and care home	80	5,900	Detailed development plan adopted	2024
Finnboða, Nacka	South Stockholm/Nacka	Own management	Rental properties	20	1,300	Detailed development plan entered force	2024
Ekporten, Larsberg/Dalén	Lidingö	Own management	Rental properties	150	8,500	Detailed development plan in progress	2025
Pincetten, Örsnberg	South Stockholm/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	Detailed development plan in progress	2026
Total development portfolio				759	48,350		

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. The detailed development plan for the Geografiboken project has been revoked by the Land and Environment Court. The City of Stockholm has appealed the case with the Land and Environment Court of Appeal.

Current earnings capacity

The table illustrates John Mattson's current earnings capacity on a 12-month basis as per 31 March 2023, after taking the entire property portfolio on the balance-sheet date into consideration. Properties acquired and taken possession of, and projects completed during the period are restated on an annual basis. Deductions are made for divested and transferred properties, but none are made for properties where a sales agreement has been reached but the transfer has not yet been made.

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 11.

Net financial items have been calculated based on interest expenses for the last 12 months with supplements for ground rent and is not a forecast of future interest costs. Any interest on cash and cash equivalents has not been taken into account.

Amounts in SEK m	31 Mar 2023
Rental value	638.6
Vacancies and discounts	-21.7
Rental revenues	616.9
Operating expenses	-136.2
Maintenance expenses	-28.8
Property tax	-13.2
Property administration	-20.2
Net operating income	418.5
Central administration costs	-48.5
Net financial items	-219.8
Less non-controlling interests	-0.1
Income from property management	150.1



The Vävstolen 8 property in Bromma.

Condensed consolidated income statement

Amounts in SEK m	Note	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months Apr 2022-Mar 2023	Jan-Dec 2022
Rental revenues	2	153.9	153.2	621.5	620.9
Operating expenses	3	-39.1	-40.9	-139.4	-141.2
Maintenance	3	-4.7	-7.2	-32.7	-35.2
Property tax	3	-3.4	-3.1	-13.9	-13.6
Property administration	3	-5.6	-8.8	-29.8	-33.1
Net operating income		101.1	93.2	405.7	397.8
Central administration costs	4	-10.6	-15.7	-53.6	-58.8
Net financial items	5	-61.2	-36.9	-209.5	-185.2
Income from property management	1	29.4	40.7	142.6	153.9
Changes in property values	6	-554.9	271.8	-1,051.8	-225.1
Change in the value of interest-rate derivatives	6	-39.1	118.7	106.8	264.6
EBT		-564.6	431.2	-802.4	193.4
Current tax	7	-0.0	-2.4	2.2	-0.2
Deferred tax	7	72.3	-91.0	92.8	-70.5
Profit/loss for the period		-492.4	337.8	-707.4	122.7
Statement of comprehensive income					
Comprehensive income for the period					
Profit for the period		-492.4	337.8	-707.4	122.7
Other comprehensive income					
Comprehensive income for the period		-492.4	337.8	-707.4	122.7
Profit/loss for the period attributable to Parent Company shareholders, weighted Av. No. of shares		-12.99	9.11	-18.68	3.30
Comprehensive income for the period attributable to:					
Parent Company shareholders		-492.3	335.1	-703.7	123.7
Non-controlling interests		-0.1	2.7	-3.8	-1.0
Average No. of shares, thousand		37,897	36,798	37,671	37,538

January to March 2023 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 and transferred properties and completed projects have been restated at the full-year rate, and divested and transferred properties excluded from the period.

Note 1 Income from property management

Income from property management (that is, profit excluding value changes and tax) for the period was SEK 29.4 million (40.7), corresponding to SEK 0.77 per share (1.11). This corresponded to negative annual growth in income from property management per share of 30%.

Note 2 Revenue

The Group's revenue for the period amounted to SEK 153.9 million (153.2), corresponding to SEK 1,750 per sq m (1,655) rolling 12 months.

Rental revenues for residential properties totalled SEK 119.0 million (117.0), corresponding to SEK 1,600 per sq m (1,554). The general annual housing rent negotiations for 2023 resulted in increases of 2.3–4.75%.

Revenue	Jan–Mar 2023, SEK m	31 Mar 2023 SEK/sq m	Jan–Mar 2022, SEK m	31 Mar 2022 SEK/sq m
Lidingö	75.4	1,839	74.4	1,683
North Stockholm	24.5	1,227	22.1	1,151
City/Bromma	26.5	1,998	28.2	1,958
South Stockholm/Nacka	27.4	2,004	28.6	1,904
Total	153.9	1,750	153.2	1,655

Note 3 Property expenses

Property expenses totalled SEK 52.8 million (60.0), corresponding to SEK 583 per sq m (608) rolling 12 months, which is a cost reduction of SEK 25 per sq m or 4%. The decrease in costs was mainly attributable to lower costs for property administration, operation and maintenance.

Operating expenses amounted to SEK 39.1 million (40.9), due to lower costs for heating. Maintenance expenses amounted to SEK 4.7 million (7.2).

Property administration expenses were lower at SEK 5.6 million (8.8). The change was attributable to the effects from the implemented savings programme.

Property expenses	Jan–Mar 2023, SEK m	31 Mar 2023 SEK/sq m	Jan–Mar 2022, SEK m	31 Mar 2022 SEK/sq m
Lidingö	22.4	557	28.4	570
North Stockholm	12.6	667	13.3	715
City/Bromma	8.1	552	8.9	580
South Stockholm/Nacka	9.6	568	9.5	611
Total	52.8	583	60.0	608

Property expenses/sq m	Lidingö	North Stockholm	City/ Bromma	South Stock- holm/ Nacka	Total
Operating expenses	374	458	324	366	385
Maintenance	69	100	88	84	81
Property tax	32	31	60	42	37
Property administration	81	79	80	76	80
Total	557	667	552	568	583

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 10.6 million (15.7). The year-on-year reduction in costs was attributable to the effects from the implemented cost savings programme.

Note 5 Net financial items

Net financial items amounted to SEK 61.2 million (36.9). The year-on-year increase in net financial items was attributable to higher interest rates. Capitalised financial expenses for ongoing projects amounted to SEK 2.3 million (0.8). The average interest rate, including the effects of interest-rate derivatives, was 3.05% (1.40) at the end of the period. The interest coverage ratio was a multiple of 1.5 (2.2) at the end of the period.

Note 6 Changes in value

Changes in property values amounted to a loss of SEK 554.9 million (gain: 271.8). Realised changes in the value of divested properties in the period amounted to a loss of SEK 11.5 million (gain: 0.0). Unrealised changes in property values amounted to a loss of SEK 543.3 million (gain: 271.8). The value changes were attributable to an improved net operating income linked to implemented investments, increased assessments of yield requirements and divested properties.

The average valuation yield for the Group was 3.0% (2.9% on 31 December 2022).

Changes in value	Jan–Mar 2023, SEK m	Jan–Mar 2022, SEK m
Change in net operating income	311.9	35.5
Ongoing projects/development rights	151.8	117.2
Yield requirement	-1,007.2	92.3
Acquired properties		26.8
Divested properties	-11.5	
Total	-554.9	271.8

Unrealised changes in the value of interest-rate derivatives in the period amounted to a loss of SEK 39.1 million (gain: 118.7). The change was mainly due to changes in underlying market interest rates during the period.

Note 7 Tax

Current tax for the period was an expense of SEK 0.0 million (expense: 2.4). Deferred tax amounted to income of SEK 72.3 million (expense: 91.0) and was impacted by unrealised changes

in net property and derivative values of SEK 120.0 million (negative: 80.4). In other fiscal adjustments are non-deductible interest expenses of SEK 44.4 million (20.8) included, 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 87.9 million (364.7 on 31 December 2022), 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 10,888.6 million (11,663.1 on 31 December 2022). 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	29.4	
<i>Tax deductible</i>		
Depreciation	-25.1	25.1
New builds and redevelopments		
Other fiscal adjustments	272.5	-58.9
Taxable income from property management	276.8	-33.8
Changes in property values		-554.9
Changes in derivative values		-39.1
Taxable earnings before loss carryforwards	276.8	-627.8
Loss carryforwards, opening balance	-364.7	364.7
Loss carryforwards, closing balance	87.9	-87.9
Taxable profit	0.1	-351.0
Tax for the period	0.0	72.3

SEK m	Tax base	Nominal tax liability	Actual tax liability/asset
Properties	-10,888.6	-2,243.1	-653.3
Derivatives	-200.3	-41.3	-38.1
Loss carryforwards	87.9	18.1	14.9
Untaxed reserves	-33.1	-6.8	-6.8
Total	-11,034.1	-2,273.0	-683.2
Property, asset acquisitions	5,084.2	1,047.3	
Total	-5,950.0	-1,225.7	-683.2
According to balance sheet		-1,225.7	

The nominal tax liability recognised in the balance sheet was a net amount of SEK 1,225.7 million (1,318.5). However, the actual net tax liability was calculated at SEK 683.2 million (681.1). 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 2023	31 Mar 2022	31 Dec 2022
Assets				
Investment properties	8	14,974.7	16,890.6	15,695.5
Right-of-use assets, leaseholds	9	357.6	332.8	345.2
Interest-rate derivatives	10	189.3	93.5	226.5
Other non-current assets		12.2	12.9	12.0
Total non-current assets		15,533.8	17,329.8	16,279.4
Current receivables		78.0	79.7	75.9
Interest-rate derivatives	10	11.0		12.9
Cash and cash equivalents		48.5	205.4	47.6
Total current assets		137.5	285.2	136.4
Total assets		15,671.3	17,615.0	16,415.8
Equity and liabilities				
Equity attributable to Parent Company shareholders	10	5,046.4	5,596.8	5,536.2
Non-controlling interests		79.9	108.9	105.3
Total equity		5,126.3	5,705.7	5,641.5
Provisions		1.3	1.7	1.4
Lease liability, leaseholds	9	357.6	332.8	345.3
Non-current interest-bearing liabilities	10	6,426.7	5,485.0	6,363.9
Other non-current liabilities		7.0	10.2	7.0
Deferred tax liabilities	7	1,225.7	1,318.5	1,298.0
Total non-current liabilities		8,018.4	7,148.2	8,015.6
Current interest-bearing liabilities	10	2,362.1	4,394.3	2,559.9
Other current liabilities		164.6	366.8	198.8
Total current liabilities		2,526.7	4,761.1	2,758.7
Total liabilities		10,545.0	11,909.3	10,774.3
Total equity and liabilities		15,671.3	17,615.0	16,415.8

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 2022	36,364.8	12.1	770.1	4,361.7	5,143.9	106.2	5,250.2
Non-cash issue	672.2	0.2	117.5		117.8		117.8
Comprehensive income for the period				335.1	335.1	2.7	337.8
Equity on 31 Mar 2022	37,037.0	12.3	887.6	4,696.8	5,596.8	108.9	5,705.7
Non-cash issue	859.9	0.3	150.3		150.6		150.6
Comprehensive income for the period				-211.4	-211.4	-3.7	-215.0
Equity on 31 Dec 2022	37,897.0	12.6	1,038.0	4,485.5	5,536.2	105.3	5,641.5
Acquisition of minority shares, controlling influence retained				2.4	2.4	-25.3	-22.9
Comprehensive income for the period				-492.3	-492.3	-0.1	-492.4
Equity on 31 Mar 2023	37,897.0	12.6	1,038.0	3,995.7	5,046.4	79.9	5,126.3

¹⁾ Two new issues, of 672,208 and 859,930 shares respectively, were completed in conjunction with the acquisition of properties by Gullmarsplan. The shares were registered on 3 February and 6 May 2022. The number of shares on 31 March 2023 was 37,896,965.

²⁾ On 31 March 2023, the quotient value of the shares was SEK 0.33 per share (SEK 0.33).

Balance sheet on 31 March 2023

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 14,974.7 million (15,695.5 on 31 December 2022). The property value has decreased SEK 720.9 million compared with the end of last year, which was primarily due to divestments, and unrealised changes in value. Residential properties account for 86% of the portfolio's value, commercial properties for 9% and development properties for 5%. The total lettable area amounted to 354,100 square metres (367,400) and the rental value on 31 March amounted to SEK 638.6 million (643.6). The portfolio comprises 4,440 apartments (4,493).

Investments and sales

During the period, total investments amounted to SEK 90.0 million (724.3), of which SEK 0 million (643.2) pertained to acquisitions. Investments in new builds amounted to SEK 52.3 million (58.5), and mainly pertained to the new build project in Örbý centrum. Last year, a new build project was also in progress in Upplands Väsby. Investments in completed upgrades amounted to SEK 33.3 million (17.5). During the period, 10 (58) apartments were upgraded. Other investments includes items such as window replacements. During the period, properties were divested with an underlying property value of SEK 267.6 million.

Change in property value	SEK m
Property value, opening balance on 1 Jan 2023	15,695.5
+ Acquisitions	
+ Investments in new builds	52.3
+ Investments in base upgrades	33.3
+ Other investments	4.5
- Sales	-267.6
+/- Unrealised changes in value	-543.3
Property value, closing balance on 31 Mar 2023	14,974.7

Property value

The Group's properties are recognised at fair value in line with level 3 under IFRS. As of 31 March 2023, parts of the portfolio were externally valued by Cushman & Wakefield, which corresponded to one quarter of the property portfolio's total value. The remainder of the property portfolio was valued internally. External valuations are conducted for all properties once each calendar year. 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 square metre GFA. Ongoing projects are valued at their completed value less remaining investments and a risk deduction depending on the phase of the project.

The external valuations are normally conducted using a calculation period of ten years, the period from April 2023 to December 2032. For an assessment of residual value at the end of the calculation horizon, net operating income for 2033 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.

The internal valuation model is based on a residual value calculation supported by inputs from external valuations. Moreover, ongoing assessments are made of any other indications affecting the fair value of the properties, such as tenants vacating, notice of termination and significant changes in yield requirements.

In addition to assumed short-term inflation of 5.0% and assumed long-term 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 yield requirements.

Property-related key metrics	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Rental value SEK/sq m	1,803	1,752	1,742
Economic occupancy rate, %	96.6	97.1	95.9
Property expenses, SEK/sq m	583	608	620
Net operating income, SEK/sq m	1,167	1,047	1,106
Property value, SEK/sq m	42,285	45,974	43,638
Lettable area at the end of the period, thousand sq m	354	367	359
Average valuation yield, %	3.0	2.7	2.9

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 2023, the estimated value of the right-of-use assets and the liability was SEK 357.6 million (332.8).

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, equity attributable to Parent Company shareholders totalled SEK 5,046.4 million (5,536.2), which corresponds to SEK 133.16 (146.09) per share. During the year, equity declined due to the loss for the period of SEK 492.3 million (profit: 123.7) and increased through transactions with non-controlling interests by SEK 2.4 million.

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 9,060.5 million (10,061.9).

The credit volumes utilised at the end of the period amounted to SEK 8,788.8 million (9,879.3), of which SEK 6,426.7 million (5,485.0) was a non-current liability and SEK 2,362.1 million (4,394.3) was a current liability.

External borrowing during the period amounted to SEK 77.4 million (432.8). Loan repayments during the period amounted to SEK 212.4 million (0.0).

At the end of the period, net interest-bearing liabilities amounted to SEK 8,740.3 million (9,673.8), corresponding to an LTV ratio of 58.4% (57.3).

Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 94.0 million (288.0) at the end of the period. Moreover, a credit facility for SEK 25.0 million and an unutilised construction credit of SEK 226.2 million are in place for future financing needs.

The average loan-to-maturity, including credit commitments, was 2.9 years (2.5) at the end of the period.

The average interest coverage ratio was a multiple of 1.5 (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.

John Mattson has contracted interest-rate swaps to a nominal value of SEK 4,788.6 million (2,843.0), corresponding to 60.0% (33.5) of interest-bearing liabilities with a floating interest rate (Stibor).

The contracted interest-rate swaps mature from 2023 to 2030. The market value of interest-rate derivatives at the end of the period was SEK 200.3 million (93.5). 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 3.05% (1.40) at the end of the period.

Note 11 Transactions with related parties

The Group's related parties include all Board Members and members of executive management as well as individuals and companies related to these parties. All transactions with related parties are conducted on commercial terms.

Fixed-interest and loan-to-maturity periods on 31 March 2023

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	3,267.0	5.50	37	2,401.6	2,362.1	26	471	
1-2 years	351.0	1.09	4	1,280.0	1,053.8	12	300	
2-3 years	1,392.6	0.89	16	1,762.4	1,762.4	20	1,518	
3-4 years	1,602.0	1.75	18	737.0	737.0	8	1,200	
4-5 years	527.0	2.11	6	1,592.9	1,592.9	18	400	
>5 years	1,584.7	1.99	18	1,280.7	1,280.7	15	900	
Total	8,724.3	3.05	100	9,060.5	8,788.8	100	4,789	-1.71

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 2023	Jan-Mar 2022	Rolling 12 months Apr 2022-Mar 2023	Jan-Dec 2022
<i>Operating activities</i>				
EBT	-564.6	431.2	-802.4	193.4
<i>Adjustment for non-cash items</i>				
Change in property values	554.9	-271.8	1,051.8	225.1
Change in value of interest-rate derivatives	39.1	-118.7	-106.8	-264.6
Depreciation and disposals	0.8	0.9	3.8	3.9
Other non-cash items, etc.	-0.3	-0.1	1.3	1.5
Taxes paid	0.0	-2.4	2.2	-0.2
Cash flow from operating activities before changes in working capital	29.9	39.1	149.9	159.1
<i>Cash flow from changes in working capital</i>				
Change in operating receivables	-2.2	5.1	1.7	8.9
Change in operating liabilities	-34.3	-1.7	-205.2	-172.6
Cash flow from operating activities	-6.5	42.5	-53.6	-4.6
<i>Investing activities</i>				
Investments in equipment	-1.0	-1.8	-4.6	-5.4
Net acquisition of investment properties ¹⁾		-414.5	150.6	-263.9
Investments in investment properties	-90.0	-81.1	-366.9	-358.0
Divestments of non-current assets	256.2		1,131.1	874.9
Cash flow from investing activities	165.2	-497.4	910.3	247.6
<i>Financing activities</i>				
Acquisition of minority holdings	-22.9		-22.9	
Borrowings	77.4	432.8	1,806.4	2,161.8
Repayments of borrowings	-212.4		-2,797.0	-2,584.5
Cash flow from financing activities	-157.9	432.8	-1,013.5	-422.8
<i>Cash flow for the period</i>	<i>0.9</i>	<i>-22.1</i>	<i>-156.8</i>	<i>-179.8</i>
Opening balance, cash and cash equivalents	47.6	227.5	205.4	227.5
Closing balance, cash and cash equivalents	48.5	205.4	48.5	47.6

¹⁾ Consolidated additional cash-flow statement disclosures

Acquisition of investment properties in corporate wrappers:

Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months Apr 2022-Mar 2023	Jan-Dec 2022
Investment properties		643.2		643.2
Operating receivables		5.7		5.7
Cash and cash equivalents		6.8		6.8
Deferred tax assets, accrual reserves				
Assumed operating liabilities		-116.6		-116.6
Assumed interest-bearing liabilities				
Less: Previously recognised participation in profits of associates				
Net assets acquired		539.0		539.0
Non-cash issue*		-117.8	-150.6	-268.4
Acquired non-controlling interest				
Purchase price paid		421.3	-150.6	270.7
Less: Cash and cash equivalents in acquired operations		-6.8		-6.8
Net impact on cash and cash equivalents (positive = decrease)		414.5	-150.6	263.9

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	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Revenue	0.7	3.4	13.9
Central administration costs	-7.8	-11.0	-43.5
EBIT	-7.1	-7.6	-29.6
Result from participations in group companies	-47.4		
Net interest	-27.0	-11.2	-60.6
Loss after financial items	-81.5	-18.8	-90.3
Appropriations			29.8
EBT	-81.5	-18.8	-60.5
Tax		-0.3	
Loss for the period	-81.5	-19.1	-60.5

Condensed Parent Company balance sheet

Amounts in SEK m	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets			
Plant and equipment	0.7		0.9
Participations in Group companies	5,343.3	5,317.5	5,320.5
Deferred tax assets	3.0	2.8	3.0
Receivables from Group companies	325.6	447.1	323.6
Other current receivables	2.6	6.5	11.5
Cash and cash equivalents	27.6	7.4	4.7
Total assets	5,702.7	5,781.2	5,664.2
Equity and liabilities			
Equity	1,764.2	1,736.2	1,845.7
Non-current liabilities to credit institutions	0.2	400.0	475.0
Liabilities to Group companies	3,252.0	932.5	2,430.8
Current liabilities to credit institutions	673.5	2,700.0	893.1
Other current liabilities	12.8	12.6	19.6
Total equity and liabilities	5,702.7	5,781.2	5,664.2

Two new issues, of 672,208 and 859,930 shares respectively, were completed in conjunction with the acquisition of properties by Gullmarsplan. The shares were registered on 3 February and 6 May 2022. The number of shares on 31 March 2023 was 37,896,965.

Opportunities and risks in the Group and Parent Company

John Mattson has a stable cash flow with 82% of the lettable area comprising 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 76% 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 costs have been more volatile in 2022 than in previous periods.

John Mattson has stable cash flow from operating activities before changes in working capital and net financial items.

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	5%	+/- 31.9
Economic occupancy rate	1 percentage point	+/- 6.4
Property expenses	5%	+/- 9.9
Underlying market interest rate	1 percentage point	-35.8/+27.0

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	-2,995	-1,497	0	1,497	2,995
Loan-to-value (LTV) ratio, %	73.0	64.9	58.4	53.1	48.6

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 58.4% (57.3). Access to external funding is one of the key risk parameters that the company

has to manage. This is kept in check through access to disposable liquidity, in addition to a low LTV ratio.

Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 94.0 million (288.0) at the end of the period. Moreover, a credit facility for SEK 25 million and an unutilised construction credit of SEK 226.2 million are in place for future financing needs. The company's volume-weighted average loan-to-maturity amounted to 2.9 years (2.5) 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 4,788.6 million (2,843.0), representing 60.0% (33.5) of interest-bearing liabilities with a floating interest 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.

In 2022, John Mattson strengthened its initiatives in environmental sustainability through the adoption of new long-term sustainability targets, including science-based climate targets, as well as through the decision to strengthen the environmental organisation to enable delivery on these sustainability targets.

The code of conduct is reviewed annually, and each year all employees review the supplemental policies. 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 business environment

The continued uncertainty in the operating environment, together with financial volatility and high inflation with rising interest rates, means that the company must continuously analyse changes in the company's operational and financial risks and, if necessary, act proactively to manage these risks.

Key metrics

Key metrics	Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months Apr 2022-Mar 2023	Jan-Dec 2022
Property-related key metrics				
Surplus ratio during the period, %	65.7	60.8	65.3	64.1
Economic occupancy rate at the end of the period, %	96.6	97.1	96.6	95.9
Rental value at the end of the period, SEK m	638.6	643.6	638.6	626.6
Rental value, apartments, at the end of the period, SEK/sq m	1,670	1,587	1,670	1,610
Lettable area at the end of the period, thousand sq m	354.1	367.4	354.1	359.7
Investments in new builds, extensions and redevelopments, SEK m	90.0	81.1	366.9	358.0
Investments – acquisitions, SEK m		643.2		643.2
Property value at the end of the period, SEK m	14,974.7	16,890.6	14,974.7	15,695.5
Property value, at the end of the period, SEK/sq m	42,285	45,974	42,285	43,638
Total number of apartments	4,440	4,493	4,440	4,515
No. of upgraded apartments during the period	10	58	38	86
Key financial metrics				
Rental revenues, SEK m	153.9	153.2	621.5	620.9
Net operating income, SEK m	101.1	93.2	405.7	397.8
Income from property management, SEK m	29.4	40.7	142.6	153.9
Earnings after tax for the period	-492.4	337.8	-707.4	122.7
Average interest rate at the end of the period, %	3.05	1.40	3.05	2.54
LTV ratio at the end of the period, %	58.4	57.3	58.4	56.6
Interest coverage ratio during the period, multiple	1.5	2.2	1.7	1.9
Fixed-interest tenor, at the end of the period, years	2.5	2.5	2.5	2.6
Loan-to-maturity at the end of the period, years	2.9	2.5	2.9	2.8
NAV, SEK m	6,071.8	6,821.8	6,071.8	6,594.8
NNNAV, SEK m	5,588.8	6,234.2	5,588.8	6,142.3
Share-related key metrics				
Income from property management, SEK/share	0.77	1.11	3.78	4.10
Growth in income from property management, SEK/share, %	-30.0	135.6	4.5	37.6
Profit after tax attributable to Parent Company shareholders, SEK/share	-12.99	9.11	-18.68	3.30
NAV, SEK/share	160.22	184.19	160.22	174.02
Growth in NAV, SEK/share, %	-13.0	35.8	-13.0	-1.1
NNNAV, SEK/share	147.47	168.32	147.47	162.08
Equity attributable to Parent Company shareholders, SEK/share	133.16	151.11	133.16	146.09
Market capitalisation at the end of the period, SEK/share	70.30	165.20	70.30	83.10
Average No. of shares during the period	37,896,965	36,798,028	37,670,792	37,537,496
No. of shares outstanding at the end of period	37,896,965	37,037,035	37,896,965	37,896,965

Definitions of key metrics are provided on page 23.

Accounting policies

This 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 2022 Annual Report. For further information on the accounting policies, please refer to the Group's 2022 Annual Report, which is available on John Mattson's website.

Significant events after the end of the period

- On 12 April, the company's CFO Mattias Lundström informed the company of his wish to step down from his position with immediate effect. Costs pertaining to the above will be recognised as an expense of SEK 2.0 million in the second quarter of 2023.
- The company's Annual General Meeting was held on 21 April at which a new Board of Directors was elected. Information about the Board members is available on the company's website.

Lidingö, 5 May 2023

Per-Gunnar (P-G) Persson
Chairman of the Board

Johan Ljungberg
Vice chairman

Håkan Blixt
Board Member

Ingela Lindh
Board Member

Christer Olofsson
Board Member

Katarina Wallin
Board Member

Åsa Bergström
Board Member

Per Nilsson
Chief Executive Officer

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

The John Mattson share

**John Mattson's shares are listed on Nasdaq Stockholm, Mid Cap.
As of 31 March 2023, the market capitalisation was SEK 3.1 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 2023 was SEK 70.30. The lowest closing price in the quarter was SEK 65.70, recorded on 1 December. The highest closing price in the quarter was SEK 96.40, recorded on 12 January.

Over the quarter, stock turnover on Nasdaq Stockholm amounted to 1,225,706 shares with a combined value of SEK 100.8 million, representing an annualised stock turnover of 12.9%. Nasdaq Stockholm accounted for 87.2% 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

NAV decreased 11.0% compared with 31 March 2022 and totalled SEK 6,071.8 million (6,821.8). By the end of the period, NAV amounted to SEK 160.22 per share (184.19). NNNAV amounted to SEK 5,588.8 million (6,234.2) or SEK 147.47 per share (168.32) at the end of the period, following deductions for the estimated actual deferred tax liability of 6%.

Dividend policy

Over the long term, dividends are to amount to 50% of annual income from property management after taking into consideration the company's investment plans, consolidation needs, liquidity and overall financial position.

Dividends may be less than the long-term goal or be fully absent.

Main shareholders on 31 March 2023

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	14,351,055	37.9%
Tagehus Holding AB	4,786,698	12.6%
Carnegie Fonder	3,270,000	8.7%
Bergamotträdet 9 Holding AB	1,532,138	4.0%
Fidelity Investments (FMR)	1,499,095	4.0%
Other shareholders	12,213,393	32.8%
Total	37,896,965	100.00%
Of which, foreign shareholders	3,201,396	8.8%

Source: Consolidated and compiled data from Euroclear/Modular Finance

Net asset value

	31 Mar 2023		31 Mar 2022		31 Dec 2022	
	SEK m	SEK/ share	SEK m	SEK/ share	SEK m	SEK/ share
Equity attributable to Parent Company shareholders, according to balance sheet	5,046.4	133.16	5,596.8	151.11	5,536.2	146.09
Add back						
Derivatives according to balance sheet	-200.3	-5.29	-93.5	-2.53	-239.4	-6.32
Deferred tax liability in balance sheet	1,225.7	32.34	1,318.5	35.60	1,298.0	34.25
NAV	6,071.8	160.22	6,821.8	184.19	6,594.8	174.02
Less:						
Derivatives according to balance sheet	200.3	5.29	93.5	2.53	239.4	6.32
Estimated actual deferred tax liability	-683.2	-18.03	-681.1	-18.39	-691.9	-18.26
NNNAV	5,588.8	147.47	6,234.2	168.32	6,142.3	162.08

Share-related key metrics

	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Income from property management, SEK/share	0.77	1.11	4.10
Growth in income from property management, SEK/share, %	-30.0	135.6	37.6
Profit after tax attributable to Parent Company shareholders, SEK/share	-12.99	9.11	3.30
NAV, SEK/share	160.22	184.19	174.02
Growth in NAV, SEK/share, %	-13.0	35.8	-1.1
NNNAV, SEK/share	147.47	168.32	162.08
Equity attributable to Parent Company shareholders, SEK/share	133.16	151.11	146.09
Market capitalisation at the end of the period, SEK/share	70.30	165.20	83.10
Market capitalisation (SEK/share)/NAV, SEK/share at the end of the period	0.44	0.90	0.48
Average No. of shares during the period	37,896,965	36,798,028	37,537,496
No. of shares outstanding at the end of period	37,896,965	37,037,035	37,896,965

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
2022	Non-cash issue	859,930	37,896,965	286,643	12,632,321	0.33

¹⁾ Two non-cash issues of 672,208 and 859,930 shares respectively, were decided in February 2022 in conjunction with the acquisition of properties. The shares were registered on 3 February and 5 May. On 31 March 2023, the number of shares totalled 37,896,965.

²⁾ On 31 March 2023, the quotient value of the shares was SEK 0.33 per share (SEK 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	Income from property management 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

		Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months Apr 2022– Mar 2023	Jan-Dec 2022
NNNAV, SEK/share					
A	NNNAV at the end of the period, SEK m	5,588.8	6,234.2	5,588.8	6,142.3
B	Number of shares outstanding at the end of the period, thousand	37,897	37,037	37,897	37,897
A/B	NNNAV, SEK/share	147.47	168.32	147.47	162.08
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	8,788.8	9,879.3	8,788.8	8,923.8
B	Cash and cash equivalents at the end of the period according to balance sheet, SEK m	48.5	205.4	48.5	47.6
C	Investment properties according to balance sheet at the end of the period, SEK m	14,974.7	16,890.6	14,974.7	15,695.5
(A-B)/C	LTV ratio at the end of the period, %	58.4	57.3	58.4	56.6
Equity, SEK/share					
A	Equity attributable to Parent Company shareholders at the end of the period, SEK m	5,046.4	5,596.8	5,046.4	5,536.2
B	Number of shares outstanding at the end of the period, thousand	37,897	37,037	37,897	37,897
A/B	Equity, SEK/share	133.16	151.11	133.16	146.09
Economic occupancy rate at the end of the period, %					
A	Annualised contract value at the end of the period, SEK m	616.9	624.8	616.9	601.0
B	Annualised vacancy value at the end of the period, SEK m	21.7	18.8	21.7	25.6
A/(A+B)	Economic occupancy rate during the period, %	96.6	97.1	96.6	95.9
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	14,974.7	16,890.6	14,974.7	15,695.5
B	Lettable area at the end of the period, thousand sq m	354.1	367.4	354.1	359.7
A/B	Property value, at the end of the period, SEK/sq m	42,285	45,974	42,285	43,638
Income from property management, SEK/share					
A	Income from property management during the period, SEK m	29.4	40.7	142.6	153.9
B	Average number of shares outstanding during the period, thousand	37,897	36,798	37,671	37,537
A/B	Income from property management, SEK/share	0.77	1.11	3.78	4.10
Income from property management, SEK m					
A	Profit/loss for the period	-492.4	337.8	-707.4	122.7
B	Current and deferred tax	-72.3	93.4	-95.0	70.7
C	Change in value of investment properties and interest-rate derivatives	-594.0	390.5	-945.0	39.5
D	Participation in profits of associates				
A+B-C-D	Income from property management, SEK m	29.4	40.7	142.6	153.9
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	268.0	138.1	268.0	227.1
B	Interest-bearing debt, excluding lease liabilities under IFRS 16 Leases, at the end of the period according to balance sheet, SEK m	8,788.8	9,879.3	8,788.8	8,923.8
A/B	Average interest rate at the end of the period, %	3.0	1.4	3.0	2.5
Rental value at the end of the period, SEK m					
A	Annualised contract value at the end of the period, SEK m	616.9	624.8	616.9	601.0
B	Annualised vacancy value at the end of the period, SEK m	21.7	18.8	21.7	25.6
A+B	Rental value at the end of the period, SEK m	638.6	643.6	638.6	626.6
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	480.2	467.3	480.2	464.1
B	Annualised vacancy value, apartments, at the end of the period, SEK m	6.0	6.5	6.0	13.7
C	Lettable area of apartments at the end of the period, thousand sq m	291.1	298.6	291.2	296.8
(A+B)/C	Rental value, apartments, at the end of the period, SEK/sq m	1,670	1,587	1,670	1,610
NAV, SEK/share					
A	NAV at the end of the period, SEK m	6,071.8	6,821.8	6,071.8	6,594.8
B	Number of shares outstanding at the end of the period, thousand	37,897	37,037	37,897	37,897
A/B	NAV, SEK/share	160.22	184.19	160.22	174.02

OTHER INFORMATION

		Jan-Mar 2023	Jan-Mar 2022	Rolling 12 months Apr 2022- Mar 2023	Jan-Dec 2022
EPRA NAV and NNNAV, SEK m					
A	Equity attributable to Parent Company shareholders at the end of the period, SEK m	5,046.4	5,596.8	5,046.4	5,536.2
B	Derivatives according to the balance sheet at the end of the period, SEK m	-200.3	-93.5	-200.3	-239.4
C	Deferred tax liabilities according to the balance sheet at the end of the period, SEK m	1,225.7	1,318.5	1,225.7	1,298.0
A+B+C=D	NAV, SEK m	6,071.8	6,821.8	6,071.8	6,594.8
B	Derivatives according to the balance sheet at the end of the period, SEK m	200.3	93.5	200.3	239.4
E	Estimated actual deferred tax liability at the end of the period, SEK m	-683.2	-681.1	-683.2	-691.9
D-B-E	NNNAV, SEK m	5,588.8	6,234.2	5,588.8	6,142.3
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	8,788.8	9,879.3	8,788.8	8,923.8
B	Cash and cash equivalents at the end of the period, SEK m	48.5	205.4	48.5	47.6
A-B	Net interest-bearing liabilities at the end of the period, SEK m	8,740.3	9,673.8	8,740.3	8,876.1
Interest coverage ratio during the period, multiple					
A	Income from property management during the period according to income statement, SEK m	29.4	40.7	142.6	153.9
B	Financial expenses during the period, excluding ground rents recognised as an interest expense under IFRS 16, SEK m	58.5	34.1	199.6	173.9
(A+B)/B	Interest coverage ratio during the period, multiple	1.5	2.2	1.7	1.9
Growth in income from property management, SEK/share, %					
A	Income from property management, SEK/share during the period	0.77	1.11	3.78	4.10
B	Income from property management, SEK/share during the preceding period	1.11	0.47	3.62	2.98
(A-B)/B	Growth in income from property management, SEK/share, %	-30.0	135.6	4.5	37.6
Growth in NAV, SEK/share, %					
A	NAV at the end of the period, SEK/share	160.22	184.19	160.22	174.02
B	NAV at the end of preceding 12-month period, SEK/share	184.19	135.59	184.19	175.90
(A-B)/B	Growth in NAV, SEK/share, %	-13.0	35.8	-13.0	-1.1
Surplus ratio during the period, %					
A	Net operating income during the period according to income statement, SEK m	101.1	93.2	405.7	397.8
B	Rental revenues during the period according to income statement	153.9	153.2	621.5	620.9
A/B	Surplus ratio during the period, %	65.7	60.8	65.3	64.1

Contact information and calendar

Financial calendar

Interim report January–June 2023: **17 August 2023**
Interim Report January–September 2023: **9 November 2023**
Year-end report 2023: **15 February 2024**

Information

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



Per Nilsson, CEO
per.nilsson@johnmattson.se
Tel: +46 (0)8-613 35 02



Lars Ingman, acting CFO
lars.ingman@johnmattson.se
Tel: +46 (0)70-639 86 87