# Stable foundation for *future growth.*

Annual and Sustainability Report 2023

JohnMattson

**About this report**
John Mattson reports the Group's financial and non-financial information together in one report. The statutory annual report includes the administration report and financial statements on pages 56–98. John Mattson's statutory sustainability report pursuant to the Annual Accounts Act can be found on pages 6–7, 14, 33–45, 47–50 and 63.

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

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# This is John Mattson

John Mattson is a property company with operations in the Stockholm region. We own nearly 4,300 rental apartments as well as commercial premises in attractive areas in five municipalities: Lidingö, Sollentuna, Stockholm, Nacka and Upplands Väsby. On 31 December 2023, the property portfolio comprised a total lettable area of approximately 350,000 square metres and a property value of close to SEK 14 billion.

We were founded by master builder John Mattson (1915–1995), who, in 1945, created one of Sweden's largest construction and property companies at that time. The construction operations were sold in 1965 and the business was concentrated to managing and developing properties, primarily in Lidingö. After its listing 2019, John Mattson has since grown in size and in geographic spread within the Stockholm region.

The focus of the company's strategy is on property management, adding value, densification and acquisitions. Our vision is to create great neighbourhoods across generations. This means we make daily life easier for everyone through a holistic property management perspective and close tenant contact, as well as by developing safe and attractive neighbourhoods and local communities.

John Mattson's share is listed on Nasdaq Stockholm, Mid Cap (symbol: JOMA).

**4,270**
apartments in five municipalities in Stockholm

**343**
thousand sq m lettable area

**13.6**
billion kronor in property value

# Four reasons to own shares in John Mattson

1

## Attractive residential properties with satisfied tenants

We have a property portfolio focused on housing. We have well-maintained properties in attractive areas with robust demand for housing. The willingness to pay for our housing exceeds our average rent by a significant margin, which means stable rental revenues with low risk for vacancies. We maintain our residential properties with our own staff and understand our tenants' needs well. We have a low level of movement in our portfolio, which leads to cost-efficient property management.

2

## Presence in growth municipalities in the Stockholm region

Our geographic focus means that we are familiar with our submarkets and have strong relationships with organisations that are important for the company. We have established four property management areas with sufficient scale and geographic focus to enable efficient management. Our exposure is exclusively to the growth region of Stockholm and provides stable demand for housing and good growth opportunities. Given that the willingness to pay for our housing exceeds current regulated utility value rents, any future changes in the rental market will give rise to value potential.

3

## Value-creating player in social sustainability

We have worked with social sustainability since the company was founded. Our work is based on a holistic perspective where we take responsibility not only for individual buildings but life in outdoor areas as well. In recent years, in areas with challenges in terms of being perceived as unsafe, we have shown that we can make a difference. We have a reputation as a long-term, value-creating player within social sustainability – something that is important for ensuring the future appeal of our housing as well as for partnerships with municipalities and others.

4

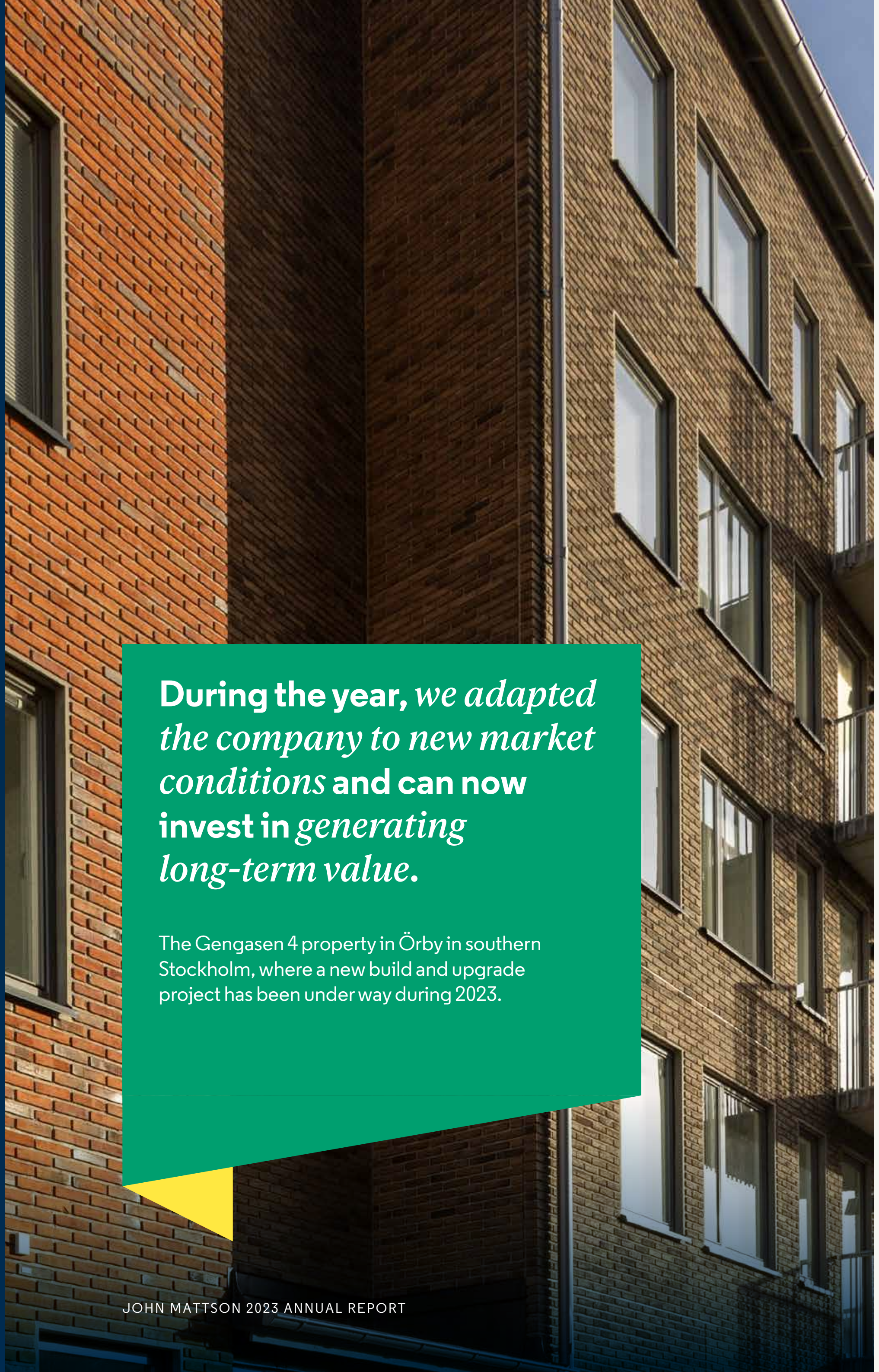
## Responsible growth

We have a growth strategy built on creating value within our four strategic cornerstones: property management, refinement, infill development and acquisition. The breadth of these four cornerstones means that we do not depend on one single condition for our growth. We have the ability to shift focus over time within these strategic cornerstones, depending on the company's conditions and operating environment. We have a property portfolio with development potential in value-creating upgrades and infill development through new builds. We strive to limit financial risks with a long-term net LTV ratio that is not permitted to exceed 50%.

**John Mattson has a unique offering for those who want to invest in *attractive rental properties with potential* in the Stockholm region.**

JohnMattson





**During the year,** *we adapted the company to new market conditions* **and can now invest in** *generating long-term value.*

The Gengasen 4 property in Örby in southern Stockholm, where a new build and upgrade project has been under way during 2023.





# 2023 in brief

**Q1**
- Two residential properties in Lidingö were divested with an underlying property value of SEK 262 million.
- A sustainability-linked credit agreement of SEK 949 million was contracted.

**Q2**
- The company's CFO Mattias Lundström stepped down.
- A residential property in Lidingö was divested with an underlying property value of SEK 525 million.

**Q3**
- Ebba Pilo Karth was appointed new CFO and assumed the role 26 March 2024.

**Q4**
- John Mattson's Extraordinary General Meeting resolved to issue new shares with preferential rights for existing shareholders for approximately SEK 1.25 billion. The rights issue was fully subscribed without utilising the underwriting commitments.
- It was decided to revise the average annual growth target for NAV per share to not less than 7% over a business cycle.
- A residential property in Högdalen in Stockholm and an office property in central Stockholm were divested with a total underlying property value of approximately SEK 363 million.
- All bank credits that would have matured by December 2024 were extended from one to seven years.
- Some 50 apartments were completed in the first part of a new build project in Örby in Stockholm.

| KEY METRICS | 2023 | 2022 |
|---|---|---|
| Rental revenues, SEK m | 610.4 | 620.9 |
| Net operating income, SEK m | 437.3 | 397.8 |
| Income from property management, SEK m | 133.2 | 153.9 |
| Income from property management, SEK/share | 3.37 | 4.10 |
| Growth in income from property management, SEK/share, % | –17.9 | 37.6 |
| Profit/loss after tax, SEK/share | –31.75 | 3.30 |
| Property value at the end of the period, SEK m | 13,567.6 | 15,695.5 |
| Economic occupancy rate at the end of the period, % | 96.4 | 95.9 |
| LTV ratio at the end of the period, % | 49.8 | 56.6 |
| Interest coverage ratio, multiple | 1.6 | 1.9 |
| NAV, SEK/share | 87.09 | 174.02 |
| Growth in NAV, SEK/share, % | –50.00 | –1.1 |
| NNNAV, SEK/share | 79.99 | 162.08 |






# Strong company and positive outlook

During the year, John Mattson successfully adapted the company to new market conditions and can now invest in generating long-term value.

### Rapid transition and strong balance sheet

Since the major shift in macro-economic conditions in 2022, we have been decisive and proactive in our adaptation of the company to a world with high inflation and rising interest rates. The cost-savings and efficiency programme that we launched in 2022 has been successful and is estimated to have had a positive effect of approximately SEK 60 million on EBIT in 2023. Despite high inflation, we lowered our costs for property management approximately SEK 150 per square metre compared with the previous year and ended the year with a record high surplus ratio for the company of 72% and an interest coverage ratio of 1.6.

Through property sales with a total underlying property value of SEK 2.2 billion since June 2022 and a rights issue of SEK 1.25 billion during the year, we strengthened the balance sheet. We are grateful to our owners for enabling a financially stronger company. The company's loan-to-value ratio declined to 49.8% at the end of the year, even though we adjusted the yield requirement for our property values upward by an average of 50 basis points. By actively working to secure lower interest rates, we reduced the company's exposure to high market interest rates, and around 80% of John Mattson's net liabilities are hedged at attractive levels for the next three years.

Overall, we improved the company's ability to manage higher market interest rates.

### We deliver within sustainability

I am very proud of our success within sustainability. During the year, employee and customer satisfaction increased in parallel with the major efficiency measures we completed at the company. It is gratifying that our tenants also feel safer in and around their homes, even though in 2023 we had major challenges with escalating violence in society at large. Our positive performance in areas perceived as unsafe, which we focused on in particular, is even more noteworthy. The safety index in these areas increased an average of 3.6%. Safety is the basis for creat-

**We need to be prepared for a long, slow wait *for interest rates and inflation* to decrease further.**

ing attractive areas and it is very positive that our long-term, structured safety initiatives, individually as well as in collaboration with other actors, are having results.

During the year we increased our focus on the company's climate impact and improved the organisation in this area. We continued to work according to the overall plan established in 2022 to reach our science-based target of reducing GHG emissions within Scope 1 and Scope 2 40% by 2030, with a base year of 2021. We have now added a sub-target of reducing purchased energy 25% by 2026. A plan has been developed and its implementation has begun.

During the year, we integrated our sustainability agenda with the Group's financing by entering into sustainability-linked loans with two banks. The loan terms and conditions are linked to our efforts to create safe residential areas in combination with efforts to reduce our climate footprint. Lower interest rates are available in connection with these sustainability-linked loans, thereby creating further incentives to focus on working systematically with sustainability. The sustainability-linked loans account for approximately 30% of the company's interest-bearing liabilities.

## Positive outlook

The outlook for 2024 is positive. Inflation has declined and is now at a level close to the Riksbank's long-term goal. Long-term interest rates have also fallen to a level that is attractive for low-yield assets like housing. However, the operating environment remains uncertain and we need to be prepared for a long, slow wait for interest rates and inflation to decrease further.

John Mattson's properties are located in attractive areas in growth municipalities within the Stockholm region. We have satisfied customers with high demand for our housing. The willingness to pay for our housing exceeds our average rent by a significant margin, which means stable rental revenues with low risk for vacancies – a source of strength in a weak economy. Housing rent negotiations for 2023 resulted in historically high rent increases. Rent increases amounted to 5.1% for those residential properties where we have completed rent negotiations for 2024. Rent negotiations are ongoing for the remainder. Historically, annual rent negotiations have compensated residential properties for inflation even if it can take time before rents are adjusted.

Because we strengthened our balance sheet in 2023, we are now able to invest in generating long-term value. In 2024, we will focus on investing in our existing properties through energy efficiency measures and value-generating apartment upgrades. This will further improve our cash flow and have a positive effect on property values. In John Mattson's portfolio there are about 600 apartments that could receive base or total upgrades, and about 900 apartments that are base upgraded and could be given total upgrades. Our long-term target is to upgrade about 200 apartments annually. As our priority is to invest in long-term value creation, the Board of Directors proposes that no dividend be distributed for the 2023 financial year.

Even if the conditions are currently challenging for the new production of rental properties, new production remains an important strategy for the company's future growth. New production of housing will start when market conditions are favourable, which is expected to be no earlier than 2026. Until then, we are working with our development right portfolio with an eye on our long-term goal of starting production of 250 apartments per year. Work in early stages was successful during the year. We have made progress in our processes and also increased the number of development rights. Our project portfolio now totals 789 apartments.

We will also continue to make select divestments in order to optimise our use of capital and to increase the risk-adjusted yield in order to further improve the company's ability to manage higher interest rates.

## Thank you to employees

Finally, I would like to thank all of our employees for their fantastic commitment and hard work during the year! We have quickly adapted the company to new macro-economic conditions while increasing customer and employee satisfaction. We have also taken responsibility for coming generations through our climate initiatives. Together we are developing great neighbourhoods across generations.

Per Nilsson, CEO
JOHN MATTSON FASTIGHETSFÖRETAGEN AB

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# Value creation

## RESOURCES

### Financial capital
- Equity
- Interest-bearing liabilities

### Properties
- Buildings and land in connected areas with the potential for infill development and adding value
- Energy, water, material and equipment for the management and development of properties

### Customers
- Residential tenants
- Commercial tenants

### Employees and structural capital
- Process oriented organisation with in-house property management

### Brands and relationships
- Strong brand with a nearly 60-year history
- Sought-after areas
- Long-term relationships with customers, suppliers, the finance market, municipalities and other stakeholders

## OPERATIONS

### Vision
Great neighbourhoods across generations.

### Business idea
Own, manage and develop residential properties and attractive local communities in the long term in the Stockholm region.

### Values
A long-term perspective, professionalism and commitment permeate throughout operations. Our values guide our daily work and are the foundation for the company's corporate culture.

### Strategy


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

## VALUE FOR STAKEHOLDERS

### For the owners
- Value growth in the share
- Increased NAV per share

### For the tenants
- Attractive homes in safe neighbourhoods
- Shared meeting places and events
- Well-maintained outdoor environments with a focus on greenery and meeting places
- Long-term landlord, local property management

### For employees
- Skills development
- Attractive workplace and job satisfaction
- Opportunity to contribute to community development

### For society at large
- Attractive and sustainable housing environments where people are content and wish to call home
- Safe environments and activities in the surrounding areas
- Urban development with master builder quality

### For the environment
- Efficient use of resources
- Property management and material with long lifespans and low climate impact
- Recycled food waste converted to biogas

## PRIORITISED SUSTAINABILITY AREAS

### Dynamic and safe local communities
Commitment for social matters creates value for tenants and local communities.

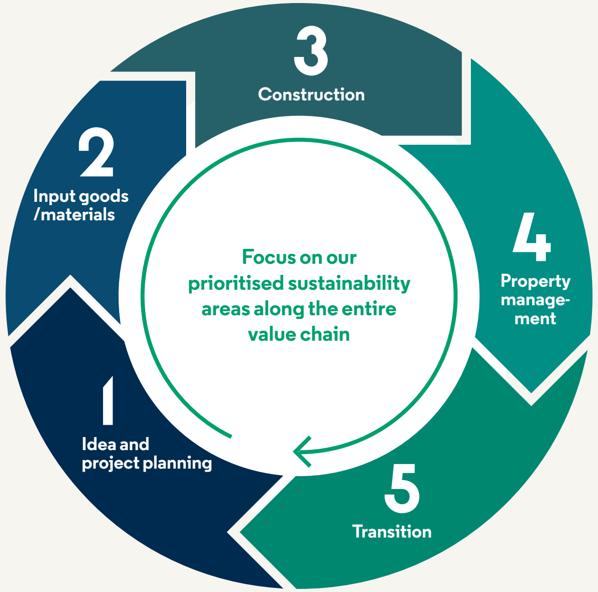
### Responsible material and waste management
Responsible material choices, reusing materials and efficient waste management reduce climate impact and increase the recycling rate.

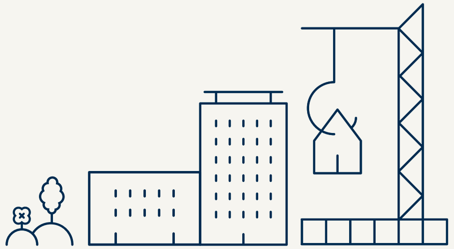
### Energy-efficient and fossil-free solutions
The energy consumption during the lifespan of a property is considerable. Energy classifications, choosing fossil-free energy types and efficient management of the properties reduce their climate impact.

### 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.

# Value chain and impact

John Mattson works actively to reduce the negative and increase the positive when it comes to the impact of the company's operations. Below are the most important sustainability matters during a property's lifecycle and how we as a company can impact them.

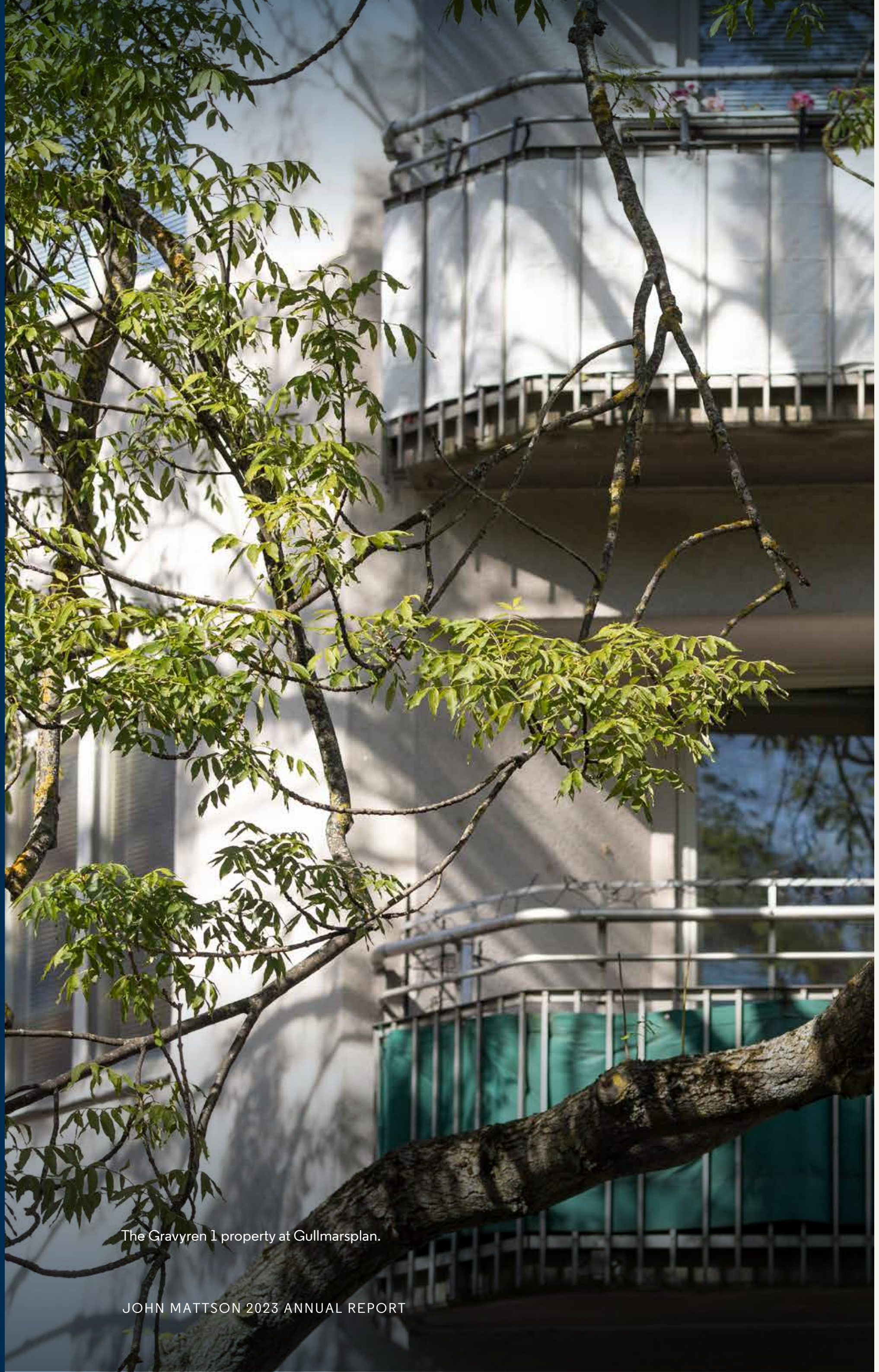


| | 1 Idea and project planning | 2 Input goods/materials | 3 Construction | 4 Property management | 5 Transition |
|---|---|---|---|---|---|
| **MOST IMPORTANT SUSTAINABILITY MATTERS:** | ■ GHG emissions<br>■ Energy consumption<br>■ Material consumption<br>■ Biodiversity<br>■ Work environment | ■ GHG emissions from production<br>■ Recyclable material<br>■ Human rights | ■ GHG emissions from transportation and construction<br>■ Waste sorting and reuse<br>■ Work environment<br>■ Anti-corruption | ■ GHG emissions in property management<br>■ Energy consumption<br>■ Waste sorting and reusing materials and interior fittings<br>■ Safe and attractive areas<br>■ Work environment | ■ GHG emissions from transportation and waste management<br>■ Waste sorting and reusing materials and interior fittings<br>■ Hazardous materials |
| **HOW WE HAVE AN IMPACT:** | ■ Partnerships with municipalities and suppliers at early stages<br>■ Instructions for resource efficiency in new builds and redevelopments<br>■ Emissions requirements for project planning<br>■ Follow-up through, e.g., climate declarations<br>■ Sustainable material choices with long useful lives<br>■ Environmental certification<br>■ New builds on already paved land | ■ Requirements and follow-up with contracted suppliers<br>■ Incorporation of the Code of Conduct for suppliers through contractors during construction | ■ Requirements and follow-up with contractors<br>■ Close collaboration between developer and contractor for sustainable solutions<br>■ Own staff trained in work environment issues and audits of construction sites.<br>■ Incorporation of the Code of Conduct for suppliers | ■ Energy efficiency<br>■ Choosing sustainable energy sources<br>■ Optimising property operations<br>■ Inspiring tenants and supporting a sustainable lifestyle<br>■ Developing safe and attractive areas in partnerships with other players<br>■ Striving for healthy and inspiring workplaces | ■ Contractor requirements for dismantling and waste management<br>■ Reuse of materials<br>■ Converting buildings to new functions |

Degree of influence: low moderate high

# Market review



The Gravyren 1 property at Gullmarsplan.



# Housing stands strong despite challenges

2023 was a challenging year for society at large, a year dominated by global inflation and interest rate hikes that hit the interest-rate-sensitive property market particularly hard. Despite the challenges, fundamentals are strong for the housing segment, driven by a housing shortage, continued positive demographic growth and an increased interest in sustainability.

**Macroeconomically – a difficult year that ended with some bright spots**

Global conflicts, together with news about interest rate and inflation levels, dominated the global economy in 2023. The year began pessimistically when inflation (CPIF) in December 2022 reached 10.2%. In 2023, inflation decreased gradually, which led to a more optimistic end to the year with inflation at 2.3% in December. The decrease during the last month of the year was due to substantially lower energy prices compared with the previous years.

Even though inflation in December landed at 2.3%, close to the Riksbank's target of 2.0%, it was higher than analysts' expectations of 2.1%. The last month of the year also saw signals of increased inflation in the US and Eurozone. Economists and analysts therefore remain cautious regarding whether the inflation problem is entirely over. Given the downward inflation trend during the year, the Riksbank chose to keep the policy rate unchanged at 4.0% in November. This decision has been interpreted as a possible indication that peak interest has been reached, leading to expectations of interest rate cuts as early as 2024.

Geopolitical tensions adversely impacted Sweden's economy, leading to reduced purchasing power and challenges within housing construction and exports. According to the Ministry of Finance, a decrease of 0.5% is expected in the GDP for 2023, but an increase of 0.6% in 2024, which signals potential economic stabilisation and optimism. Unemployment in Sweden increased in 2023 and Sweden experienced the highest level of bankruptcies since 1999, an increase of 31%. This situation impacted several sectors and unemployment reached 6.7% in December.

The Swedish credit market went through a period of austerity, primarily driven by rising interest rates and economic uncertainty. This led to more stringent credit assessments and higher requirements for loans, which affected companies as well as private individuals.

## The property market – ten-year low for stalled-out transaction market

In 2023, the property sector experienced a drastic slowdown in the transaction market, with high interest rates, a pause in housing construction and new trends that led to challenges in certain segments. The Swedish transaction market ended 2023 with a total transaction volume of just over SEK 104 billion spread across 328 transactions. This is the lowest level of measured volume since 2013, not adjusted for inflation. Property transactions through international investors comprised a relatively large portion, historically speaking, of 29%, compared with 22% in 2022.

Property transactions in the Stockholm region accounted for 45% of the total transaction volume. Transactions within logistics, industrial and warehouse properties comprised the largest share of the total at 27%, followed by housing at 22%.

Yields increased for all property segments, a result of uncertain times and high interest rates. The low transaction volume speaks to the difficulty that buyers and sellers have had in reaching agreement, which has locked up the property market to a certain extent.

Despite many challenges in the housing market, residential property transactions were completed for SEK 22.5 billion. The majority of housing transactions, 46% or SEK 7.6 billion, were conducted in the Stockholm area. Only two transactions exceeded SEK 1 billion in 2023, in contrast to eight such transactions in the previous year.

Following a downturn in 2021 when the policy rate was close to zero, yields in Stockholm's housing market have started to climb as a result higher interest rates and increased financing costs. Central areas, however, are less affected by interest rate hikes, in large part due to capital-strong investors who were not as impacted by less favourable loan conditions. Despite difficulties with compensating for inflation through rental increases, the property segment has shown signs of stabilising and recovering, and remains appealing for investors. Historically, annual rent negotiations have compensated residential property owners for inflation even if it can take time before rents are inflation adjusted.

New production, however, had a more difficult year due to higher construction and financing costs as well as uncertainty regarding the value trend, which resulted in higher yields compared with the already existing portfolio.

## Challenges for the housing market

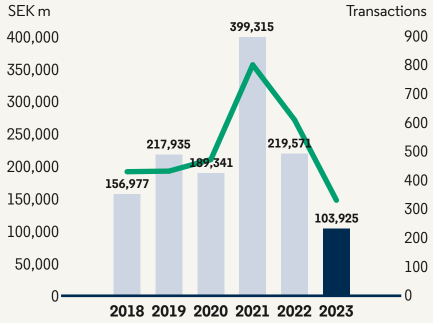
The housing sector in Sweden is characterised by strong and stable demand. Despite this, in the past year the sector has not achieved the necessary production levels to meet demand. Housing construction posted negative growth in 2023. Higher interest rates for mortgages, withdrawal of investment support and rising construction costs have created challenges for actors within the industry. The consequences have been a decrease in the number of new construction projects started – construction began on only approximately 25,000 new residential properties in 2023, a marked decrease from 56,700 in the previous year.

Boverket's (The National Board of Housing, Building and Planning) forecasts indicate that this downturn will continue with construction starting on only 17,500 new residential properties in 2024 and an uncertain number for 2025. The lower rate of development and muted interest in new projects could have profound effects on Sweden's housing market, since a significant housing shortage remains in the country. The majority of municipalities – 180 out of 290 – reported a housing deficit and Boverket estimates that the need for new housing in the country until 2030 is approximately 538,000, which means an annual need of around 67,300 homes. The discrepancy between demand and supply highlights the importance of initiatives from state and municipal authorities to support the housing market. There are also expectations for political measures.

During the year, the government began an investigation into presumption rents in order to stimulate housing construction and support the housing market. Changes were also proposed to the rules for private lettings, including raising the ceiling on tax-free income from letting and expanded opportunities to let several units in the same property.

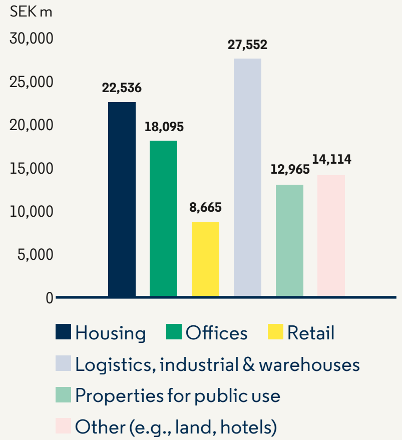
Market rents can be derived from prices of tenant-owner apartments. Since prices for tenant-owner apartments have declined between 2022 and 2023, the willingness to

### TOTAL TRANSACTION VOLUME, SEK M (TRANSACTIONS ≥ SEK 40 MILLION)




Source: Newsec

### SEGMENT DISTRIBUTION, SEK M (TRANSACTIONS ≥ SEK 40 MILLION)




Source: Newsec

pay for rentals has also decreased somewhat. The effect is largest in high-price environments, with central Stockholm in particular standing out. This means that it will be more difficult to let new housing, primarily in geographies with already low willingness to pay and in an environment where higher rent is needed to achieve economic feasibility in projects where yield requirements and construction costs have increased. John Mattson continues to use utility value rents that are substantially lower than the estimated willingness to pay, which is a result of the regulated rental market in Sweden, where the difference between utility value rent and market rent is greatest in attractive areas with a high demand for housing.

## Demographics

Over the last two decades, Sweden has experienced stable population growth averaging approximately 0.8% annually. The population increase in 2023 amounted to approximately 0.3%, compared with 2022. This growth is predicted to continue during the next few years, which highlight's the country's stable demographic growth in contrast to other European nations, where reports of slowing population growth are becoming increasingly common.

Of the municipalities where John Mattson has the majority of its operations, Nacka, Sollentuna and Upplands Väsby noted positive population growth in 2023. Lidingö was the exception, with a decline of 0.22%. Nacka and Sollentuna experienced positive growth of 1.05% and 0.73%, respectively. Upplands Väsby posted the country's second-highest population growth in 2022 and continued with an increase of 1.72% in 2023. This put the municipality in ninth place out of the municipalities in Sweden with the highest population growth in 2023.

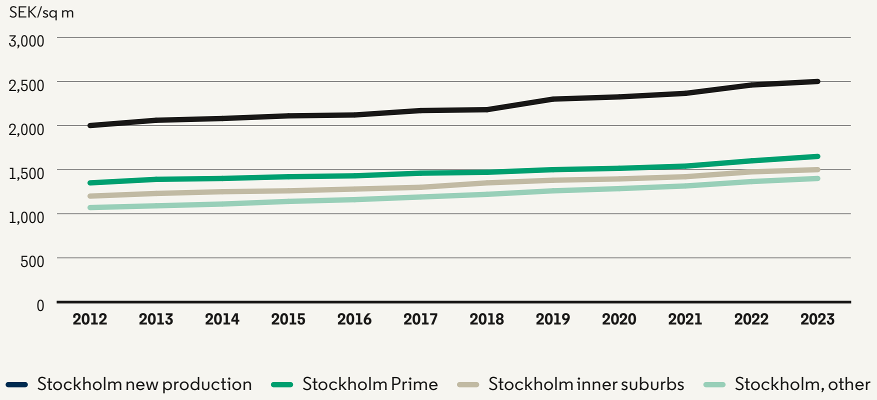
## Housing situation in areas where John Mattson has its portfolio

In the municipalities where John Mattson owns properties, except in Upplands Väsby, there is a documented housing shortage, which indicates a strong long-term demand for housing in the future. Unlike other municipalities, Upplands Väsby has a balanced housing market, which is unique in Stockholm County. In Sollentuna and Lidingö, the market has experienced the typical fluctuations with both price increases and decreases, reflecting the overall dynamic in the greater Stockholm area. Nacka, on the other hand, has seen a decrease in prices for tenant-owner apartments, primarily due to a pause in new production.

## Sustainability

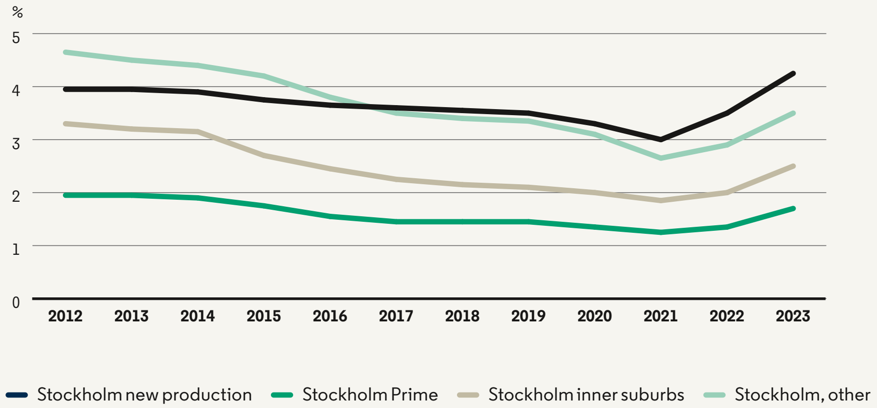
Sustainability has become a central issue in the property sector for housing, with a growing focus on environmentally friendly and energy-efficient construction and maintenance. This includes using sustainable materials, reduced energy consumption and integrating renewable energy sources as well as creating healthy and sustainable

**RENT TREND FOR SUB-AREAS 2012–2023, SEK/SQ M**




Source: Newsec

**YIELD REQUIREMENTS FOR SUB-AREAS 2012–2023, %**

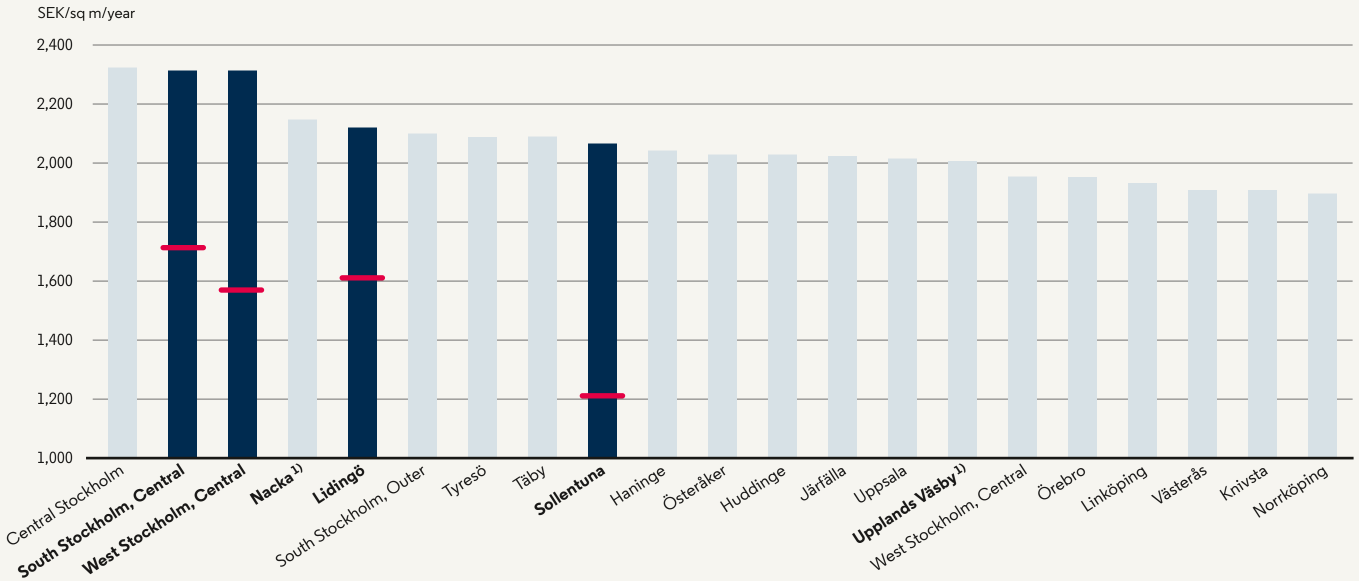



Source: Newsec

residential areas. Sustainability has also become an increasingly important criterion for financing properties, where the properties' sustainability conditions impact access to and terms for financing.

The EU Taxonomy is playing a growing role in guiding sustainable development in the property industry. By setting specific sustainability criteria for investments, the Taxonomy has a strong impact on how property projects are developed and financed. This trend towards sustainability is not only a response to environmental challenges – it is also becoming a financial and market-driven necessity. The property sector is thereby adapting to meet both regulatory requirements and increased expectations from investors and consumers, which marks an important shift towards more sustainable and environmentally friendly residential properties.

**WILLINGNESS TO PAY IN THE RESALE MARKET PER GEOGRAPHY COMPARED WITH THE AVERAGE RENT IN JOHN MATTSON'S PORTFOLIO OF EXISTING HOUSING**




1) Only presumption rents.

Source: Evidens and John Mattson

Standardised rent/sq. m./year
Municipality where John Mattson owns existing housing
Average standardised rent in John Mattson's portfolio (utility value)

**POPULATION AND POPULATION GROWTH 2022–2023**

| | Population | | | Population growth | |
|---|---|---|---|---|---|
| **Municipality** | **2022** | **2023** | **Trend 2022–2023** | **2022** | **2023** |
| Upplands Väsby | 49,262 | 50,110 | 1.72% | 1,442 | 848 |
| Sollentuna | 76,237 | 76,790 | 0.73% | 1,129 | 553 |
| Nacka | 109,486 | 110,633 | 1.05% | 1,252 | 1,147 |
| Lidingö | 48,432 | 48,324 | –0.22% | 270 | –108 |
| **Sweden** | **10,521,556** | **10,551,707** | **0.29%** | **69,230** | **30,151** |

Source: SCB, processed by Newsec.

# Long-term financial targets

In autumn 2023, John Mattson evaluated the company's financial targets. Given the changed macroeconomic conditions and their effect on John Mattson, the company's target for average annual growth in NAV per share was revised from not less than 10% to not less than 7% over a business cycle.

The target for average annual growth in income from property management per share remains unchanged.

## Financial targets

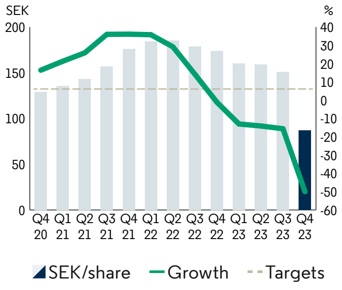
**An average annual growth in NAV per share** of not less than **7%,** including distributions to shareholders, over a business cycle.

**2023** | Growth in net asset value amounted to –50.0% per share.

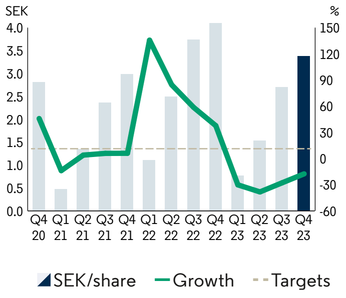
**An average annual growth in income from property management per share** of not less than **10%** over a business cycle.

**2023** | Growth in income from property management growth per share amounted to –17.9%.

**NAV PER SHARE**




**INCOME FROM PROPERTY MANAGEMENT PER SHARE**




### Financial risk mitigation

John Mattson aims for low financial risk.

- *The long-term net loan-to-value ratio* should not exceed 50%; and
- *the long-term interest coverage ratio* should not be less than a multiple of 1.5.

### Dividend policy

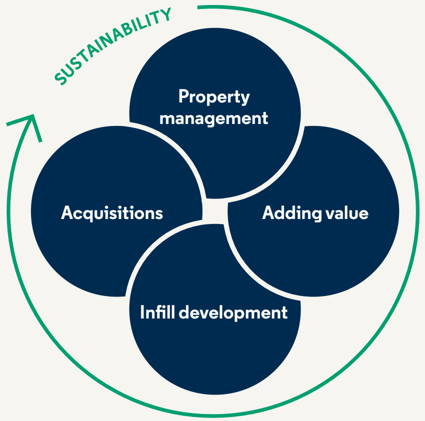
Over the long term, dividends are to amount to 50% of annual income from property management after taking into consideration the company's investment plans, consolidation needs, liquidity and overall financial position. Dividends may be less than the long-term goal or be fully absent.

# Sustainability targets and fulfilment

| Area | Sustainability targets | Outcome | Progress and comments |
|---|---|---|---|
| **Dynamic and safe local communities** | Safe neighbourhoods as assessed by residents: to outperform the sector average for comparable properties. | Target met **80.6%** (80.5%) | 80.6% of residents feel safe in our properties and neighbourhoods, up 0.5 percentage points from 2022 for comparable holdings. The increase was largest in the areas we have prioritised most and where the need to improve safety was greatest. The industry average for comparable areas in 2023 was 80.5%. |
| | Attractive areas according to the residents: above the sector average. | Target not met **85.0%** (85.9%) | 85.0% of tenants consider our neighbourhoods attractive, up 0.5 percentage points from 2022 for comparable holdings. The industry average for comparable areas in 2023 was 85.9%. Well-being in the area, whether tenants would recommend other people to move there and how favourably they discuss their neighbourhood are part of the Attractive areas measurement. |
| **Responsible material and waste management** | 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. | Target met **In line with the sector** | Starting in 2022, new buildings require climate declarations. This means that in the future there will be statistics for the impact of new builds on the climate. It is not currently possible to follow up our target through this statistic. We estimate that the climate impact of projects we finished in 2023 were aligned with those for the sector thanks to the systematic choices made in our projects. |
| **Energy-efficient and fossil-free solutions** | 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. | Target partially met **4.0%** (5.5%) | In 2023, we reduced our $CO_2e$ emissions 4.0% compared with 2022. The goal of 5.5% per year to achieve the target of a reduction of 40% by 2030 was not achieved. Compared with the base year 2021, however, the average reduction in 2022 and 2023 was 12.8% per year, which exceeds the target of an average reduction of 5.5% per year. |
| **Healthy and inspiring workplaces** | Engaged employees and an efficient organisation: above the average results of comparable companies. | Target met **7.9** (7.8) | Our weekly employee survey includes questions about leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit and commitment. The collective outcome for all of these areas was 7.9 out of 10 for Q4 2023, compared with the industry average of 7.8. |
| | 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. | Target met | Through our tool for measuring well-being in the organisation, we can continuously follow up employee experiences when it comes to being respected and included. We can detect and immediately follow up all indications of bullying or harassment. During the fourth quarter of 2023, all employees agreed strongly or somewhat with the statement that they felt respected and included.<br>A recruitment process free from discrimination ensures close dialogue with reliable recruiters. |
| | The proportion of women or men is not to exceed two thirds within the company, management and the Board of Directors. | Target met **Under 2/3** | At the end of 2023, the gender breakdown was 53/47 men/women at the company, with 50/50 in management and 57/43 on the Board of Directors. |
| | Absenteeism among John Mattson's employees: not exceeding 3%. | Target met **1.9%** (3%) | The collective absenteeism during the year (long- and short-term) amounted to 1.9%, an improvement compared to 4% for 2022. |
| | 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. | Target met **0** (0) | No accidents were reported for 2023. |

Target met  Target partially met  Target not met

# Four strategic cornerstones to achieve our targets




John Mattson's strategy to create value and achieve the financial targets and sustainability targets is based on four cornerstones – property management, adding value, infill development and acquisitions – 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.

The goal is to achieve a 45% reduction in energy use through the investment of approximately SEK 200 million.

READ MORE ON PAGES 16–17

## 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. 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 conducted when apartments are vacant or where tenants so wish. All upgrades take place in dialogue with the tenants and adjusted rent levels are negotiated with Hyresgästföreningen (Swedish Union of Tenants).

The goal is to upgrade some 200 apartments per year. Potential has been identified in the existing portfolio for some 600 apartments to receive base and total upgrades and for some 900 apartments that have already received base upgrades to be given total upgrades.

READ MORE ON PAGES 18–19

## Infill development

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. Infill development projects can start at the earliest in 2026. Initially, these will be in small volumes to then be scaled up in line with the goal of production starts for 250 apartments per year.

READ MORE ON PAGES 20–21

## 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 property management perspective, and areas with potential for adding value and development are particularly attractive. We also regularly evaluate the composition of the property portfolio through selective divestments.

READ MORE ON PAGE 22





# Safety-centric property management

We know our properties and understand our customers. John Mattson applies an overall approach, taking responsibility for the portfolio and activity in the outdoor areas, to create safe and attractive residential areas. We maintain our properties based on a long-term perspective, and we optimise the use of resources through efficient operations and maintenance.

John Mattson's property management is based on an overall approach where we take responsibility for more than our own properties and tenants and work with other actors to create attractive, safe neighbourhoods. We conduct in-house property management, with primarily our own employees who are present in our neighbourhoods.

## Safety is the foundation

Social responsibility, which prioritises safety, permeates our property management. John Mattson works with these issues in many ways, all based on ensuring that everything is clean and tidy in and around our residential properties. Graffiti, damage and littering are taken care of immediately to reduce the risk of escalating problems. Unsafe areas are prevented with better lighting, actively maintaining the outdoor environment, and making doors and locks secure.

We take a clear responsibility for the big picture, where order prevails from when tenants sign a contract to when they move out. We also work continuously to reduce the number of improper rental conditions such as prohibited subletting and rental contract exchange under false pretences. This is to prevent uncertain living conditions, disruptions, criminality and feeling unsafe.

Our social responsibility also includes creating meeting places and social coherence to strengthen relationships with and between tenants, increase comfort and promote positive development in our areas. That is why we work with other actors to arrange and participate in various activities in the areas where we operate. Read more on page 38.

## Collaboration for improved safety

Collaboration with other parties is extremely important for preventative safety measures. In areas where we are a major property owner, we work closely with the municipality and the police, and work with them as well as other property owners, organisations, local businesses, Hyresgästföreningen (Swedish Union of Tenants) and others.

We have a clear model for social sustainability, which is based on safety and security, and forms the basis for fostering well-being and increasing the attractiveness of our neighbourhoods. Read more about our model for social sustainability on pages 37–38.

### Tenant surveys

Ongoing dialogues with, and an understanding of, tenants are a prerequisite for developing and improving John Mattson's operations. Through annual tenant surveys, conducted through a partnership with the evaluation company AktivBo AB, we identify areas for improvement and measure the results of initiatives within each and every one of our property management areas. The results of tenant surveys are the basis for short-term as well as long-term action plans.

### Efficient operations and management

In the past few years, John Mattson has expanded both in size and geographically. The focus has been on achieving more efficient property management with more sustainable property operations as well as increasing customer satisfaction and net operating income. Our four property management areas comprise an important platform for growth with new properties to be integrated efficiently into property management.

In the coming years, John Mattson will be focusing on reducing the climate impact of our property management. In addition to the energy efficiency measures and efficient waste management, we are planning to invest in reducing energy consumption and energy costs at existing buildings. We are also planning for alternative energy sources such as geothermal energy and solar cells. Read more on page 40.

## Tenant survey results 2023

The tenant survey results for 2023 indicate that our tenants remain satisfied and have high levels of trust in John Mattson as a landlord. The collective service index – all tenants who are satisfied or very satisfied with our service – amounted to 78.5%, an increase of close to one percentage point compared with 2022 for the comparable property portfolio. The results vary between different residential areas.

It is gratifying that the issues we focused on during the year have led to results. Tenants were especially pleased with our customer service and our communication in 2023, as well as with our waste management and opportunities to sort recyclables and manage food waste.

John Mattson's areas are perceived to a high degree as safe, though this varies between our residential areas. In 2023, we had the largest positive development within safety in areas where we put the most focus and where the perception of being unsafe is highest. Perceived safety in these areas increased an average of 3.6 percentage points in 2023 from 2022. We are continuing our active and important safety measures since there is still room for improvement.

> **I'd like to commend our *property technician*, he was responsive and clear in his communication.**
>
> Tenant 2023

**Interactions with property technicians/repair personnel**

**91%**

Change since 2022
+0.8 percentage point

**Information from John Mattson**

**80%**

Change since 2022
+4.3 percentage points

**Personal safety in stairwells**

**88%**

Change since 2022
–1.3 percentage points

**Waste sorting**

**82%**

Change since 2022
+3.0 percentage points

Totally renovated apartment in Larsberg, Lidingö.



# Creating added value

John Mattson adds value to buildings by upgrading, extending and converting space to housing or commercial businesses. We have a well-established two-step model for our upgrades. Our long-term target is to upgrade about 200 apartments annually.

We develop our property portfolio by upgrading existing apartments and converting unused areas, such as laundry rooms and attics, to rental apartments or commercial premises. Upgrading apartments ensures the technical longevity of the buildings and provides tenants with an attractive home that meets modern requirements for safety, function and sustainability. Good technical status of the properties leads to more efficient property management, sustainability gains through energy optimisation and reduced operating expenses, which leads to increased rental revenues and therefore higher property values. Converting unused areas also makes more apartments or commercial premises available for tenants.

## Base and total upgrades

We refine our apartments through a two-step upgrade model. First, the initial base upgrade secures the building's technical status through replacing pipes, new electrical installations and renovated bathrooms – all while the tenant can remain in their apartment. The next step is the total upgrade, where the remaining aspects of the apartment are modernised, replacing kitchen interiors and renovating all surfaces. An apartment must be vacated for a total upgrade to be conducted. After a base and total upgrade have both been completed, the apartment has thus been completely renovated.

We offer some of our totally upgraded apartments on the Mina sidor communication platform, where existing tenants can apply to move to a totally upgraded apartment. In this way, we can increase the percentage of totally upgraded rental apartments and offer differentiated rent levels.

Totally upgraded apartments result in higher rental adjustments than base upgraded apartments. The adjusted rent levels that result from base and total upgrades are usually negotiated with the Hyresgästföreningen (Swedish Union of Tenants) in advance.

At the end of 2023, there were about 600 apartments in John Mattson's portfolio that could receive base or total upgrades, and about 900 apartments that are base upgraded and could be given total upgrades. Our long-term target is to upgrade about 200 apartments annually.

As a result of the prevailing uncertain market conditions, only 72 upgrades were completed in 2023. New major upgrade projects are expected to begin in 2024 at the earliest.

**600**
**apartments**
in the portfolio can be both base and totally upgraded.

**200**
**apartments/year**
Our long-term target is to upgrade about 200 apartments annually.

## Moved to totally upgraded apartment

Kenneth Rydkvist has lived in the same city block in Örby in southern Stockholm for close to 25 years, where he feels quite at home. When it was time for John Mattson to start work to upgrade Kenneth's apartment, he had the opportunity to move to an apartment in the same block that had already been totally upgraded.

"It was a great solution and it was nice to only need to move once, instead of moving to temporary housing and waiting for the renovation to be finished. It's about the same size as the old one and the new location works well for me. I have a higher rent now because the apartment is fully renovated, but it's worth it. I think I've made a great apartment swap."

**What do you appreciate most about your new home?**
"I like the spacious kitchen, the practical closet and balcony with outdoor lighting where I can have a table, chairs and an electric grill. I miss my separate laundry room a little, but on the other hand there's room now for a washer and a dryer in the bathroom."

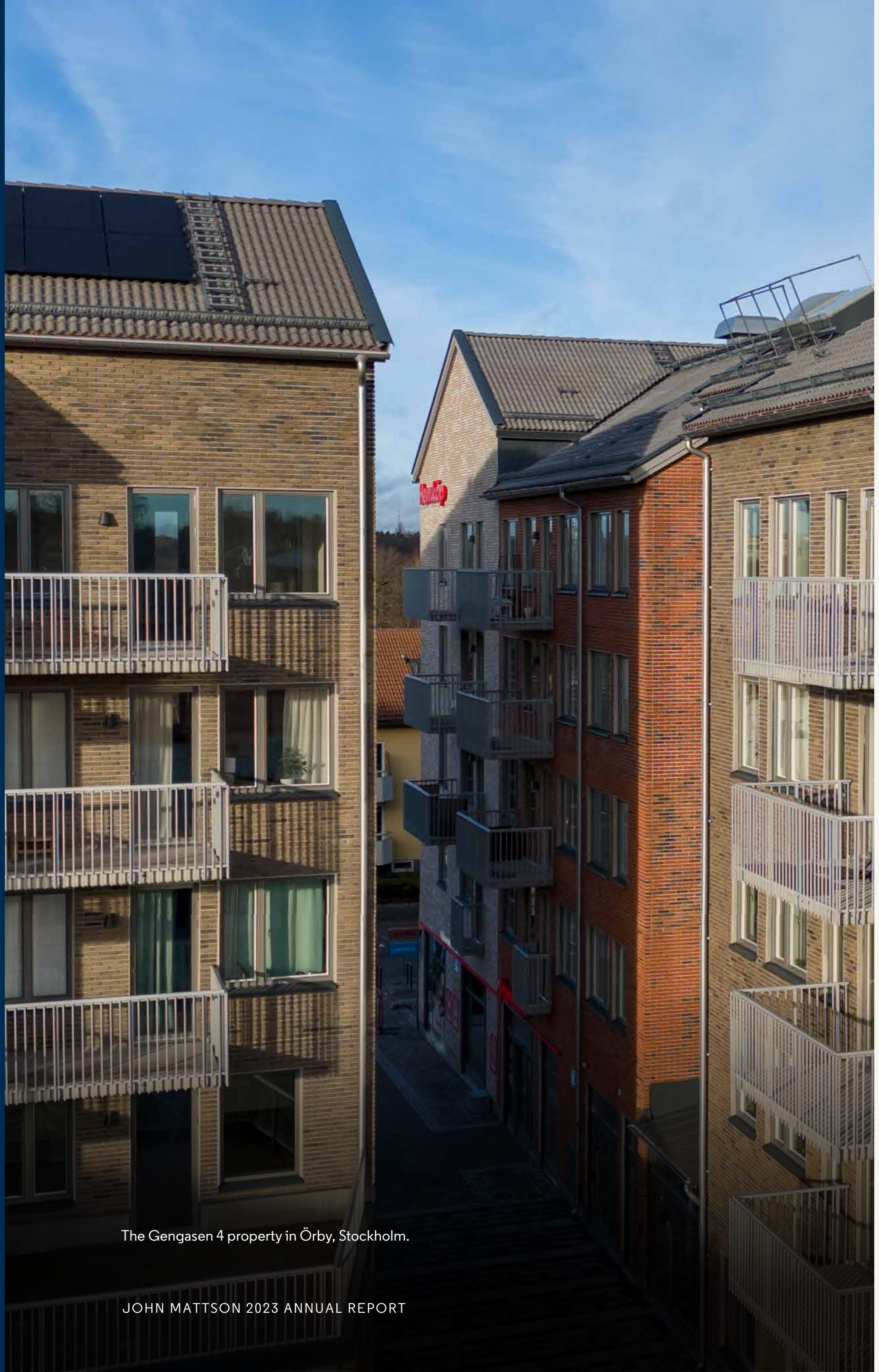
**What was move-in like?**
"I felt great from the start, it was like moving into a brand-new apartment. There were a few things that weren't ready when I moved in, but they were mostly small things so it didn't bother me too much. I asked them to finish the closet right away, though, because that was important for me. It was fixed quickly and I'm very happy with it now."

Kenneth is retired now, and even though he doesn't visit with his neighbours like he did when the children were small, he still knows many of his neighbours.

"If you're having a problem with something, you can always ask a neighbour for help. That's nice, it feels safe. Years ago we used to hold dinner parties in the courtyard. Who knows, maybe the new courtyard will be a place were us residents can meet and get to know each other."

**"I think I've made a *great* apartment swap."**

Kenneth Rydkvist, tenant in Örby



The Gengasen 4 property in Örby, Stockholm.





# Infill development to add new qualities

John Mattson works actively to identify land where infill development is possible and appropriate for the existing built-up area. This is how the housing offering and operations are expanded. The area is provided with new attributes, and diversity and variation increases.

John Mattson's development work both concerns identifying the potential for new builds on our own land and maintaining a dialogue with different municipalities in the Stockholm region for land allocation. The aim is to generate growth through value adding construction that concurrently makes the neighbourhoods more attractive. To create diversity and offer various price levels in our areas, new production can also include tenant-owner apartments.

Stores and services, in addition to building homes and public sector properties such as care homes, schools and preschools, are important for strengthening an area's appeal. As such, our new production also comprises premises for commercial use and societal benefit.

New builds strengthen the residential and commercial offering in an area, offer more people the opportunity to live in a rental property and satisfy the different needs of tenants. New production expands standards, as well as rent levels, and enables tenants to move to a new home within their neighbourhood when their living situation changes. Diversity in the property portfolio creates a more varied foundation for retail and service, which in turn attracts a varied service offering.

### Infill development with limited impact

Infill development takes place of our own land or adjacent to our existing properties, often on already paved land. For example, existing parking spaces that are less well used can instead become the site of new construction, without any major impact to the existing green areas. By preserving vegetation and planting new greenery, we strive to contribute to preserving biodiversity. As part of John Mattson's sustainability efforts, the ambition is for all new apartments that are developed from the start to be environmentally certified according to Svanen, the official environmental certification of the Nordic region.

Newly produced rental apartments have come with improved energy efficiency and a reduced climate footprint. By designing new residential areas with appropriate services, we can help foster a sustainable lifestyle for our tenants.

Our homes and premises are constructed to be sustainable, functional and attractive over time, which is what we call master builder quality.This means high-quality building and property management together with sustainable material that is easy to maintain without compromising aesthetically. The choice of material for new builds is based on environmental aspects using lifecycle analyses as well as on economic aspects, which creates advantages from a total cost and a sustainability perspective.

### Long-term targets for new construction

Since 2022, market conditions have deteriorated for new builds of rental apartments in part due to rising contractor costs, interest-rates and yield requirements. John Mattson therefore decided in 2022 to refrain from commencing any construction in 2022 and 2023. In light of the prevailing uncertain market conditions, we assess that new infill development projects can first commence in 2026.

Our long-term goal is to start production of 250 apartments per year. The ambition is to start production of 75 apartments in 2026 and to thereafter increase production over time.

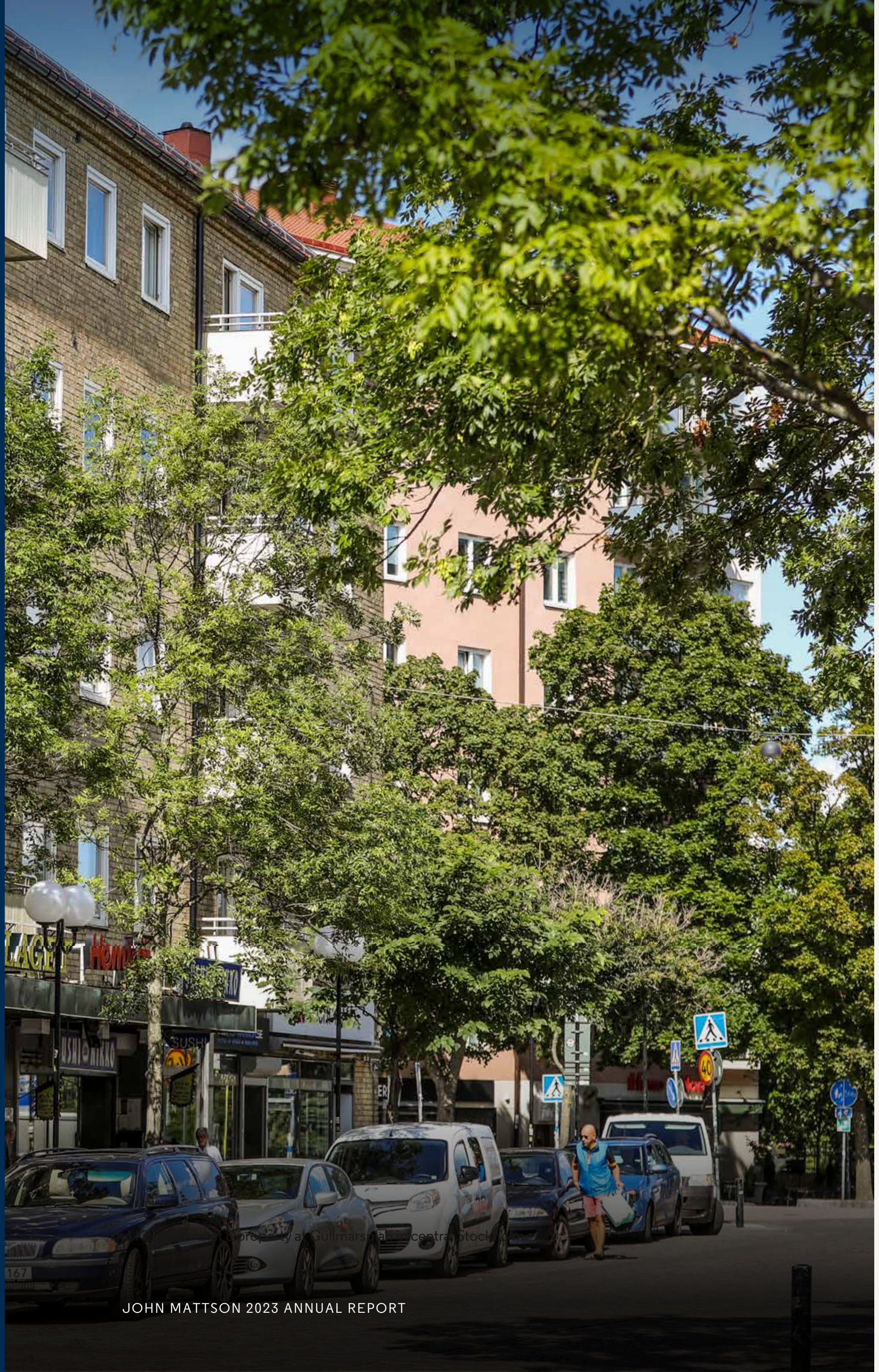

## Energy investment for the future

John Mattson's comprehensive new production and upgrade project in Örby in southern Stockholm was finished in 2024, a project encompassing approximately 20,000 square metres. The result was a entire block with energy-efficient buildings and climate-smart solutions.

A geothermal facility with seven geothermal pumps and a total of nearly five kilometres of bore holes provides the entire block with heating. Reclaimed heat from the refrigerating facilities at the new supermarket is fed back to the bore holes. The new buildings will be environmentally certified to Silver under Miljöbyggnad and will have an expected annual energy consumption of just over 46 kWh/m², including the safety margin. This can be compared with the requirement of 90 kWh/m², annually, from the National Board of Housing, Building and Planning.

To improve efficiency at older properties that have already been renovated, John Mattson has replaced windows, added insulation in lofts and installed a new ventilation system with heat recovery. The renovated buildings' energy classification is expected to improve from levels G or F to level C.

The surface of the roof has been utilised to install solar cells and the electricity they produce is expected to reduce John Mattson's purchased electricity by approximately 39,000 kWh/year. The surplus heat from the network station is also used to heat the new garages.



property at Gullmarsplan in central Stockholm.



# Acquisitions with a long-term approach

John Mattson strives to acquire properties and development rights in attractive market locations in the Stockholm region close to efficient infrastructure. We regularly evaluate the composition of the property portfolio through selective divestments.

Part of John Mattson's strategy is to grow through the acquisition of properties and development rights. The aim is to acquire properties in attractive locations in the Stockholm region as well as properties that complement our existing property portfolio.

All acquisitions are approached using a long-term ownership and property management perspective, and areas with potential for adding value and development are particularly attractive. We see the advantage of acquiring a coherent portfolio that gives us the prerequisites to drive high-quality, local property management and in time create attractive areas and great neighbourhoods interwoven with housing, workplaces, retail, local services and culture.

Properties that could in principle be divested are fully-developed properties or properties that are, for various reasons, not assessed as contributing to good property management efficiency.

## Acquisitions and divestments in recent years

In the past few years, John Mattson has grown both in size and geographically, and gone from only owning properties in Lidingö to establishing itself in five municipalities in the Stockholm region. In 2021, John Mattson acquired properties at a value of SEK 7 billion and doubled its property value. In 2022 and 2023, several properties in central Stockholm, Högdalen and Lidingö were divested. The goal was to refine the property portfolio to create preconditions for more efficient and value-creating property management as well as to strengthen John Mattson's financial position through a lower loan-to-value ratio.

## Responsible partner

Our long-term and sustainable operational model, in which we assume an overall social responsibility with a focus on safety and social sustainability, makes us a responsible partner for the development of housing and the neighbourhoods where we operate. An important success factor for John Mattson is healthy relationships with customers, municipalities, local businesses and other stakeholders, where we strive for close partnerships that lead to attractive areas.

**John Mattson's property portfolio has been divided into four property management areas: Lidingö, North Stockholm, City/Bromma and South Stockholm/Nacka.**






# Attractive areas in the Stockholm region

John Mattson's properties are situated in attractive areas in five municipalities in the Stockholm region – in Lidingö, Sollentuna, the City of Stockholm, Nacka and Upplands Väsby. On 31 December 2023, the property portfolio comprised a total lettable area of approximately 343,000 square metres and a property value of SEK 13.6 billion.

Our properties are located in growth municipalities, typically in central locations close to public transportation and green areas. Our residential properties are of high quality and are well-maintained. The majority of the properties were built in the 1950s to 1970s, and have good preconditions for adding value.

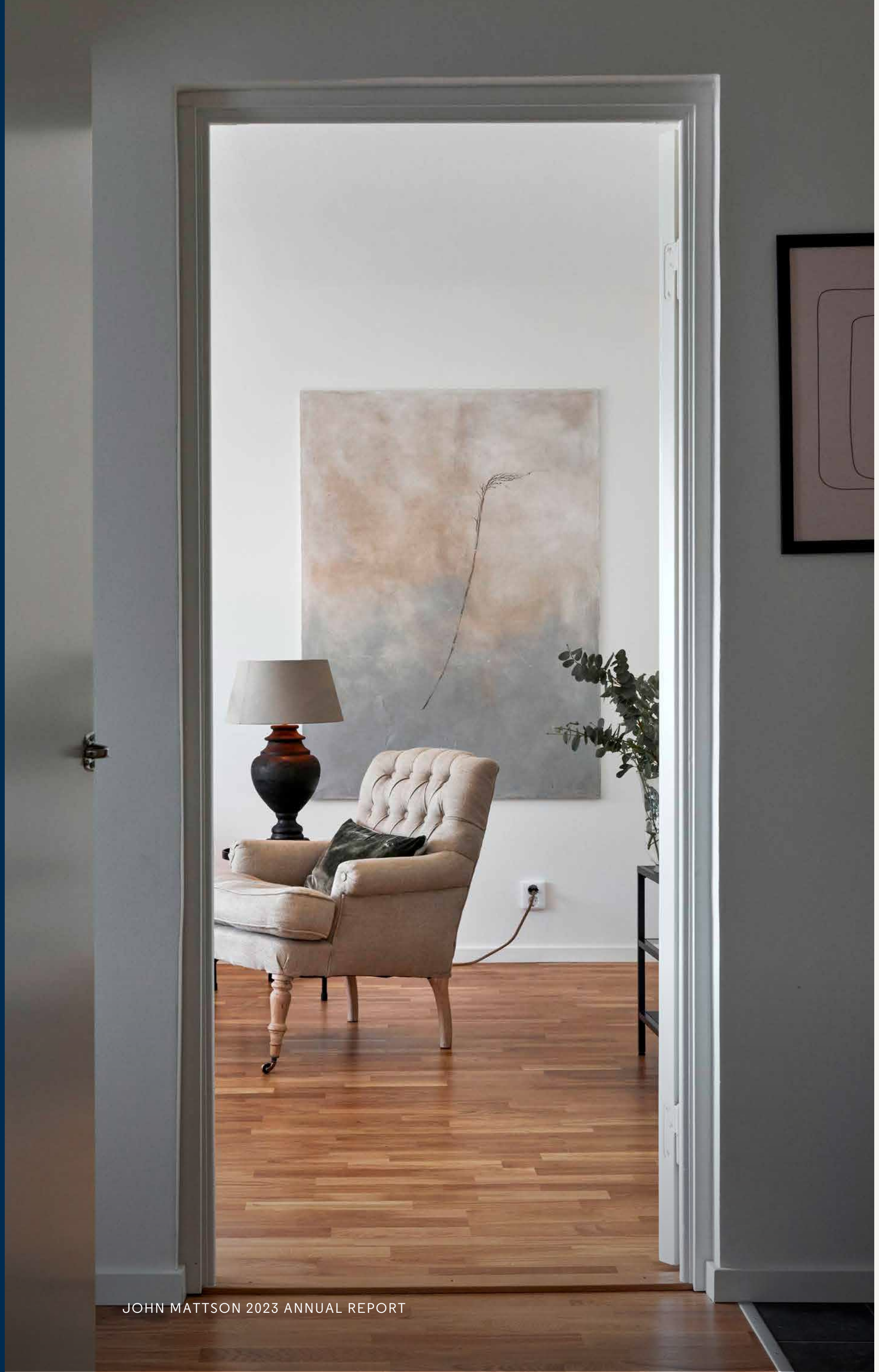
With a focus on high quality property management and social sustainability, we are actively working to create safe, attractive areas. Altogether, this creates satisfied customers, high demand for our housing and a high willingness to pay. This also leads to low levels of movement among tenants, which in turn keeps maintenance expenses and vacancy risks low. As a result of the properties' locations and a low vacancy rate, the revenue base for housing is assessed to remain stable in the years ahead.

Around 23% of John Mattson's annual rental revenues is generated from commercial tenants. The five largest tenants as of 31 December 2023 accounted for about 33% of the total annual contracted commercial rent. Contracts with these tenants expire between 2024 and 2030.

**5**
municipalities in the Stockholm region

**343**
thousand sq m lettable area

**82%**
of lettable area comprises residential properties

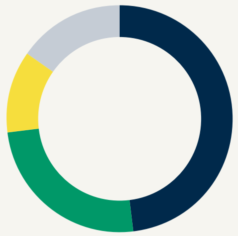






## PERCENTAGE OF HOUSING/COMMERCIAL PREMISES, AREA


## NUMBER OF APARTMENTS PER AREA




## PROPERTY HOLDINGS 31 DEC 2023

| | Apartments | Lettable area | Property value | | Rental value | |
|---|---|---|---|---|---|---|
| | **No.** | **thousand sq m** | **SEK m** | **SEK/sq m** | **SEK m** | **SEK/sq m** |
| Lidingö | 2,059 | 157 | 6,816 | 43,288 | 292 | 1,857 |
| North Stockholm | 1,068 | 80 | 1,758 | 22,046 | 109 | 1,369 |
| City/Bromma | 499 | 47 | 2,036 | 43,520 | 95 | 2,023 |
| South Stockholm/Nacka | 644 | 59 | 2,957 | 50,293 | 126 | 2,146 |
| **Total properties** | **4,270** | **343** | **13,568** | **39,581** | **622** | **1,816** |

Some of John Mattson's properties are in Larsberg on Lidingö.





# Lidingö

Lidingö is John Mattson's largest property management area, both in terms of number of apartments and in terms of property value. Our properties, with just over 2,000 apartments and commercial premises, are located in Larsberg and Käppala. The majority of the properties were constructed in the 1960s, but also include new buildings from the turn of the century. Since the entire portfolio has been base upgraded and around 65% has received total upgrades or is newly built, the housing is of a generally high standard. Total upgrades are regularly ongoing both in Larsberg as well as Käppala

All of the properties in Lidingö are close to the water, parks and green areas as well as to public transportation.

Master builder John Mattson built the company's first residential neighbourhood in Larsberg in the end of the 1960s based on his ideas about the Swedish welfare state. We still own the majority of the land in Larsberg today. The commercial premises house local services and educational premises. John Mattson's headquarters are in Larsberg.

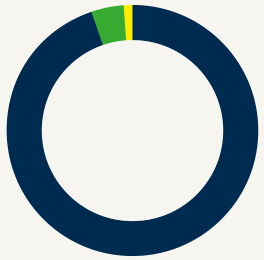
The portfolio in Lidingö also includes a development property in Larsberg, where the detailed development planning for new housing is ongoing. Read more about development projects on pages 29–32.

John Mattson divested three properties in Lidingö in 2023, of which two in the Baggeby area and one in the Dalénum area.

## KEY METRICS, LIDINGÖ

| Key metrics, Lidingö | 2023 |
|---|---|
| Area, residentials, thousand sq m | 149 |
| Rental value, residentials, SEK/sq m | 1,775 |
| Economic occupancy rate, residentials, % | 99.0 |
| Property value, residentials, SEK/sq m | 42,972 |
| Surplus ratio, residentials, % | 71 |

## SHARE OF LETTABLE AREA



Residential properties
Commercial properties
Development properties


Properties complete with 1950s charm in Rotsunda, Sollentuna municipality.



# North Stockholm

In the North Stockholm property management area, John Mattson's property portfolio primarily comprises housing in the areas of Rotebro, Rotsunda, Häggvik and Tureberg in the municipality of Sollentuna. The portfolio consists of approximately 1,000 apartments and commercial premises. All of the properties are a few minutes' walk, some even immediately adjoining, the commuter train station, retail, services and green areas.

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). Planning is ongoing to be able to commence upgrading the properties in Rotebro in 2024. Read more about the upgrade project on page 32.

The premises in Rotsunda, which were built in the late 1940s, were master builder John Mattson's first major project on behalf of Sollentunahem. In 2021, almost a century after master builder John Mattson finished construction, we acquired them from Sollentunahem as part of a larger transaction. In the coming years, when the upgrade projects in Rotebro are complete, we are also planning to upgrade the apartments in Rotsunda.

In Vilunda in Upplands Väsby, we completed an apartment block with 73 rental apartments and commercial operations on the ground floor in the end of 2022. The building is equipped with various mobility solutions instead of private parking spaces to enable sustainable living and travel for residents.

### KEY METRICS, NORTH STOCKHOLM

| Key metrics, North Stockholm | 2023 |
|---|---|
| Area, residentials, thousand sq m | 80 |
| Rental value, residentials, SEK/sq m | 1,369 |
| Economic occupancy rate, residentials, % | 91.7 |
| Property value, residentials, SEK/sq m | 22,047 |
| Surplus ratio, residentials, % | 48 |

### SHARE OF LETTABLE AREA

- Residential properties
- Commercial properties
- Development properties

Characterful yellow brick façades are an Abrahamsberg trademark.





# City/Bromma

In the City/Bromma property management area, John Mattson owns properties in Slakthusområdet, Hammarby Sjöstad, Johanneshov, Abrahamsberg and Gullmarsplan.

The property management area City/Bromma has the largest share of commercial premises – meaning premises for local services, offices and community services – in John Mattson's property portfolio, which accounts for 35% of the total lettable area.

The properties in Abrahamsberg were built in the 1940s and 1990s. According to the city plan from the end of the 1930s, buildings in Abrahamsberg were required to have 1½ brick walls to maintain a high standard of living and keep homes warm, something which still applies today. Abrahamsberg is sometimes called the "yellow city" since the city plan also requires most of the buildings to have yellow bricks, as opposed to the red bricks used in buildings in the sister city district of Åkeslund.

Our properties in Slakthusområdet, Hammarby Sjöstad, Johanneshov and Gullmarsplan were constructed from the end of the 1800s to 2017, with the majority dating back to the 1940s. All of them are in good condition.

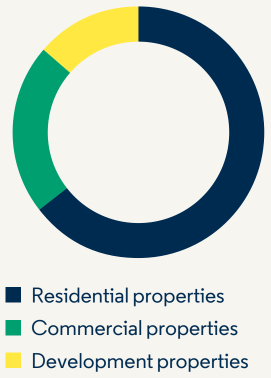
John Mattson also owns development properties in Abrahamsberg and in Slakthusområdet. Read more about these development projects on pages 29–32.

In the end of 2023, an office property at Lilla Bantorget, was divested, John Mattson's last property in central Stockholm.

**KEY METRICS, CITY/BROMMA**

| Key metrics, City/Bromma | 2023 |
|---|---|
| Area, residentials, thousand sq m | 31 |
| Rental value, residentials, SEK/sq m | 2,088 |
| Economic occupancy rate, residentials, % | 99.0 |
| Property value, residentials, SEK/sq m | 49,011 |
| Surplus ratio, residentials, % | 68 |

**SHARE OF LETTABLE AREA**



The property Blåklockan 2 in Hägersten.



# South Stockholm/Nacka

John Mattson's property portfolio in South Stockholm and Nacka is mainly located in Hägerstensåsen, Västberga and Örby. The portfolio also includes an office property in Finnboda kaj in Nacka Municipality.

Residential properties account for 63% of the total lettable area and mainly comprise properties built in the 1990s. The remainder consists of commercial properties, mainly offices, nursing and care homes, and local services.

The neighbourhood of Hägerstensåsen, where John Mattson currently owns nearly 500 apartments and commercial properties, was entirely undeveloped until a city plan for the area was created in the mid 1930s consisting of narrow blocks of flats and houses. Construction slowed in connection with World War II and the city plan was revised in 1943. With inspiration from other countries, all of the stores were collected in one location, known today as Riksdalertorget, which remains a dynamic square for residents in the area.

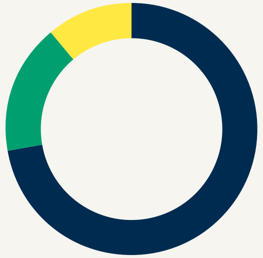
John Mattson completed several of a total of 129 new apartments, LSS housing and retail premises in Örby in 2023. All of the apartments are expected to be completed in the first quarter of 2024. In the same area, upgrades of some 70 apartments were completed in 2023. Occupancy for the upgraded apartments began in 2023 and will continue in 2024. Read more about our development projects on pages 29–32.

In the end of 2023, a property was divested in Högdalen.

## KEY METRICS, SOUTH STOCKHOLM/NACKA

| Key metrics, South Stockholm/Nacka | 2023 |
|---|---|
| Area, residentials, thousand sq m | 38 |
| Rental value, residentials, SEK/sq m | 1,991 |
| Economic occupancy rate, residentials, % | 99.4 |
| Property value, residentials, SEK/sq m | 44,579 |
| Surplus ratio, residentials, % | 69 |

## SHARE OF LETTABLE AREA



- Residential properties
- Commercial properties
- Development properties

# Development projects

John Mattson works actively with property development to identify undeveloped land where infill development of existing built-up areas and new production is possible and appropriate to enable long-term value growth. These efforts are conducted either on our own land or through land acquisition or allocation. Premises that were previously intended for purposes other than housing are converted to housing when this is financially favourable.

Two new projects have been ongoing in Örby in 2023 which include constructing nearly 130 new apartments and upgrading some 70 apartments and premises. These will be completed in 2024. New production of housing will start when market conditions are favourable, which is expected to be no earlier than 2024 for upgrade projects and no earlier than 2026 for infill development.

At the end of 2023, John Mattson had a project portfolio that enabled new production of close to 800 new apartments. John Mattson's portfolio also includes about 600 apartments that could receive base or total upgrades, and about 900 apartments that are base upgraded and could be given total upgrades. Our long-term goal is to upgrade around 200 apartments per year and to start production of 250 apartments per year. The ambition is to start production of 75 apartments in 2026 and to thereafter increase production over time. John Mattson's total project portfolio and the various phases are presented in the table below.

**51**
new apartments completed in 2023

**78**
new apartments in production

**789**
total apartments in the development portfolio

### DEVELOPMENT PROJECTS

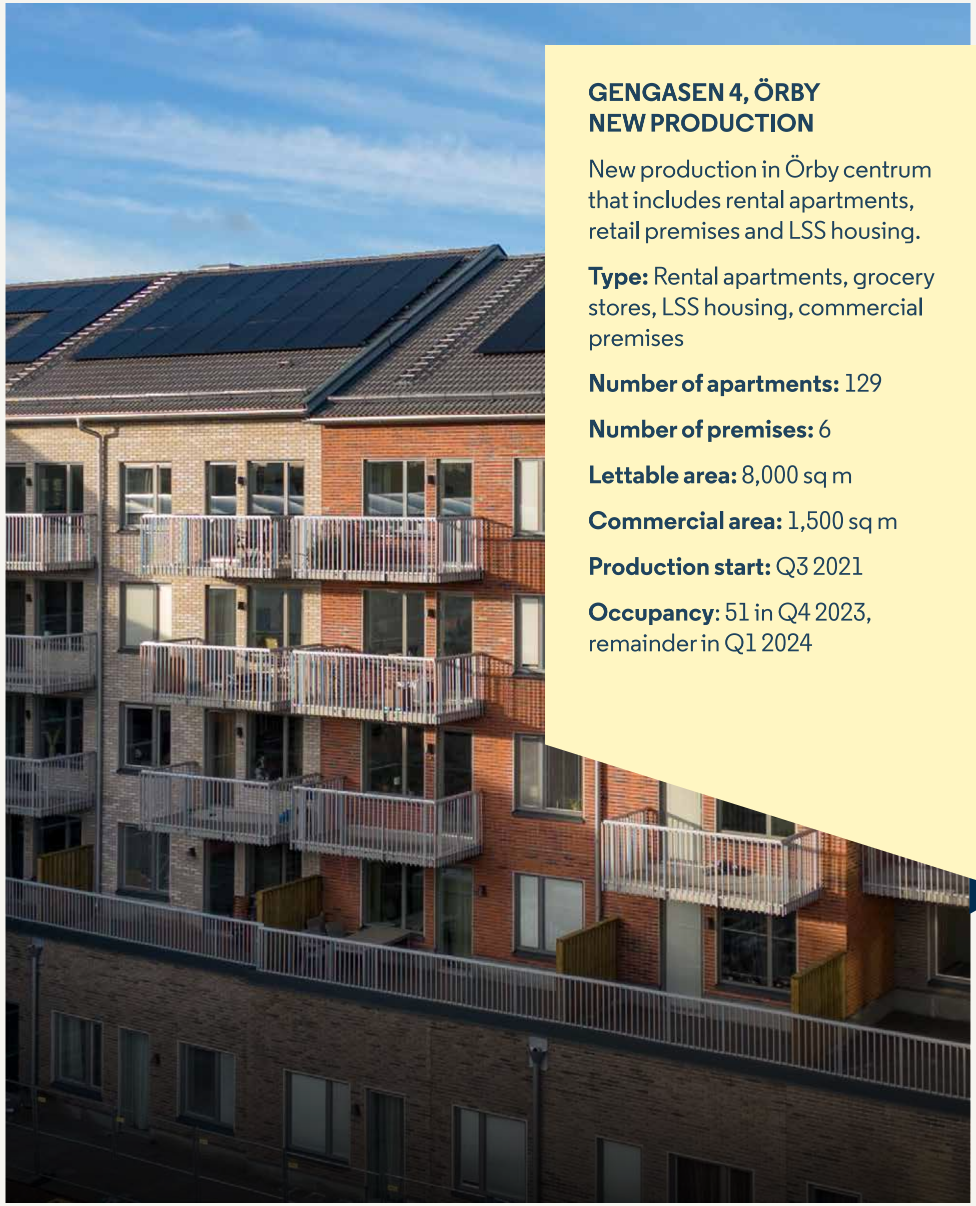
| Project | Area | Category | Type | No. of Apts.[1] | Additional lettable area[1] | Status | Estimated plan date[2] |
|---|---|---|---|---|---|---|---|
| Gengasen, Örby | South Stockholm/Nacka | Own management | Rental properties | 129 | 8,400 | Production ongoing | |
| Geografiboken, Abrahamsberg | City/Bromma | Own management | Nursing and care home | 80 | 5,900 | Detailed development plan entered force | |
| Finnboda, Nacka | South Stockholm/Nacka | Own management | Rental properties | 20 | 1,300 | Detailed development plan entered force | |
| Juno, Käppala | Lidingö | Own management | Rental properties | 50 | 1,750 | Detailed development plan entered force | |
| Pincetten, Örnsberg | South Stockholm/Nacka | Own management | Rental properties and housing | 210 | 13,000 | Detailed development plan in progress | 2025 |
| Ekporten, Larsberg/Dalénum | Lidingö | Own management | Housing | 90 | 6,000 | Detailed development plan in progress | 2026 |
| Hjälpslaktaren, Slakthusområdet | City/Bromma | Own management | Rental properties | 210 | 12,000 | Detailed development plan in progress | 2026 |
| **Total development portfolio** | | | | **789** | **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) Estimated plan date is the date when a detailed development plan enters force. An assessment is then made for when project planning can start for the development rights.


**From idea to move-in**
The timeline shows the different stages of the process from preliminary study o residents moving in.

Production – occupancy 2–3 years
Early stage – detailed development plan entering legal force 0–5 years

# Ongoing projects



**GENGASEN 4, ÖRBY NEW PRODUCTION**

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

**Type:** Rental apartments, grocery stores, LSS housing, commercial premises

**Number of apartments:** 129

**Number of premises:** 6

**Lettable area:** 8,000 sq m

**Commercial area:** 1,500 sq m

**Production start:** Q3 2021

**Occupancy:** 51 in Q4 2023, remainder in Q1 2024

# Ongoing projects

**GENGASEN 4, ÖRBY UPGRADES**

Upgrade project in Örby Centrum that includes rental apartments and commercial premises.

**Type:** Rental apartments, commercial premises

**Number of apartments:** 76

**Number of premises:** 4

**Lettable area:** 5,500 sq m

**Commercial area:** 400 sq m

**Production start:** Q2 2022

**Occupancy:** 23 in Q2 2023, remainder in 2024

# Coming projects

Slakthusområdet is one of Stockholm's largest urban development projects. The once-industrial area is undergoing a transition to a dynamic district that will house a variety of operations in a varied and small-scale environment. Culturally significant buildings are being preserved and developed, and thousands of new housing, workplaces, schools, stores, services and cultural buildings are being added.

## NEW CONSTRUCTION – SLAKTHUSOMRÅDET

John Mattson holds three leaseholds in Slakthusområdet: Hjälpslaktaren 2, Hjälpslaktaren 7 and Hjälpslaktaren 8. The leaseholds are in a prime location near the future metro station and park in the area. John Mattson will develop new rental apartments with stores and restaurants on the ground floors to create activity and safety in the location, and to contribute to the area's development into a mixed urban area with activity day and night. Work on the detailed development plan started in spring 2022. It will go out for consultation in spring 2024 and is expected to enter legal force in 2026, with a possible construction start thereafter.

### Easy living concept

We are developing our residential properties in Slakthusområdet to make it easier for our tenants to live a sustainable life. It should be easy to buy groceries, pick up packages, rent a car or wash your bike. Our Easy living concept builds on experience from our housing project in Upplands Väsby, where we created a mobility hub with a focus on the sharing economy and sustainable transportation solutions. Our residential properties in Slakthusområdet will therefore have parcel delivery lockers, cargo bikes, carpools and bike washes to make it possible to live a comfortable life without needing to own a car. With a metro station just 100 metres from housing and with the shopping centre at Globen only a five-minute walk away, it is even easier to live without a car.

### Lettings

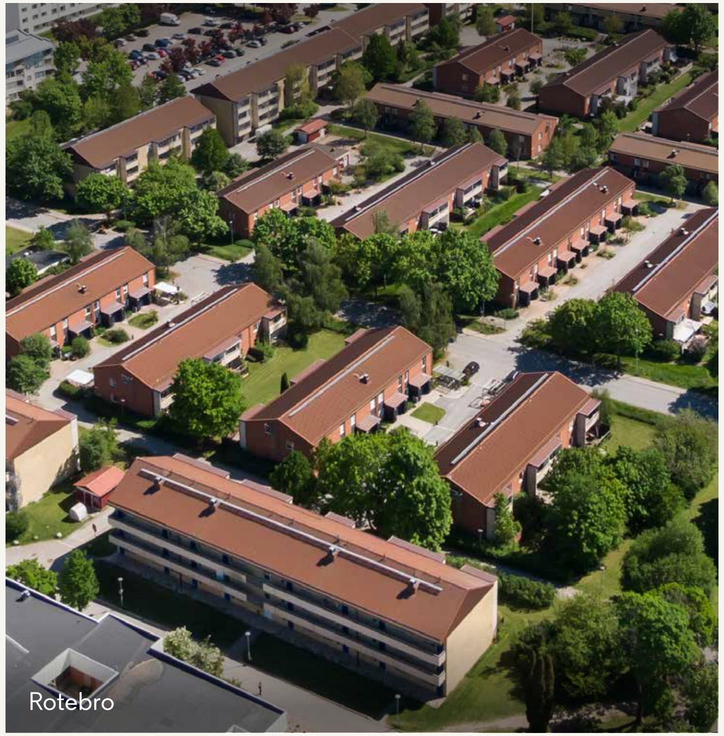
Even if it will be a few years before John Mattson can begin new construction, we are working actively with letting existing premises in the area to help develop the area according to our vision of a broad offering of food, culture and experiences. Some of these premises will eventually give way to new construction, while others will be maintained or restored to complement the new buildings.

In the latter part of 2023 and beginning of 2024 leases were signed for our existing premises with well-known tenants like Mr Cake, Pärlans Konfektyr, Sin Ramen and Chokladfabriken – which is an indication of the area's appeal and will enliven it during development.



**210**
new rental apartments and workplaces

Slakthusområdet is being developed with respect for its unique history and architecture. Now a mixed urban area is being created that builds on previous decades of architectural art and adds new parks and squares. Planning is underway to develop 210 new apartments and workplaces on John Mattson's leaseholds. The detailed development plan will go out for consultation in spring 2024 and is expected to enter legal force in 2026.



Rotebro

Rotsunda

## COMING UPGRADE PROJECTS

John Mattson's properties in Rotebro and Rotsunda in the municipality of Sollentuna were acquired in 2019 and taken possession of in 2020. The apartments, which were built in the 1970s and 1950s respectively, need renovation.

### Upgrade projects in Rotebro

Planning is ongoing to be able to commence a major upgrade project in Rotebro in 2024. The project includes base upgrades of around 280 apartments in 19 contiguous apartment blocks with immediate proximity to Rotebro's commuter train station, stores and services. The apartments have a range of sizes, though most are one- and two-bedroom apartments.

In connection with the base upgrade, vacant apartments will be totally upgraded.

### Upgrade project in Rotsunda

Upgrades of the apartments in Rotsunda, where John Mattson owns over 240 apartments across 12 apartment blocks, are planned for when the upgrades are completed in Rotebro with a preliminary start in 2026. Preparations in the form of project planning and the approval process is ongoing, which will be followed by meetings with tenants and rent negotiations with Hyresgästföreningen (Swedish Union of Tenants).

There are plans to upgrade 283 apartments in Rotebro. Work is expected to start in 2024.

Upgrades of the apartments in Rotsunda are planned for when the upgrades are completed in Rotebro.

**210**

rental and tenant-owner apartments

### Pincetten, Örnsberg

Work on a detailed development plan is ongoing in Örnsberg for the new construction of 210 rental and tenant-owner apartments, commercial premises and a preschool. The detailed development plan is expected to enter legal force in 2025. An assessment is then made for when the project planning can start.

**80**

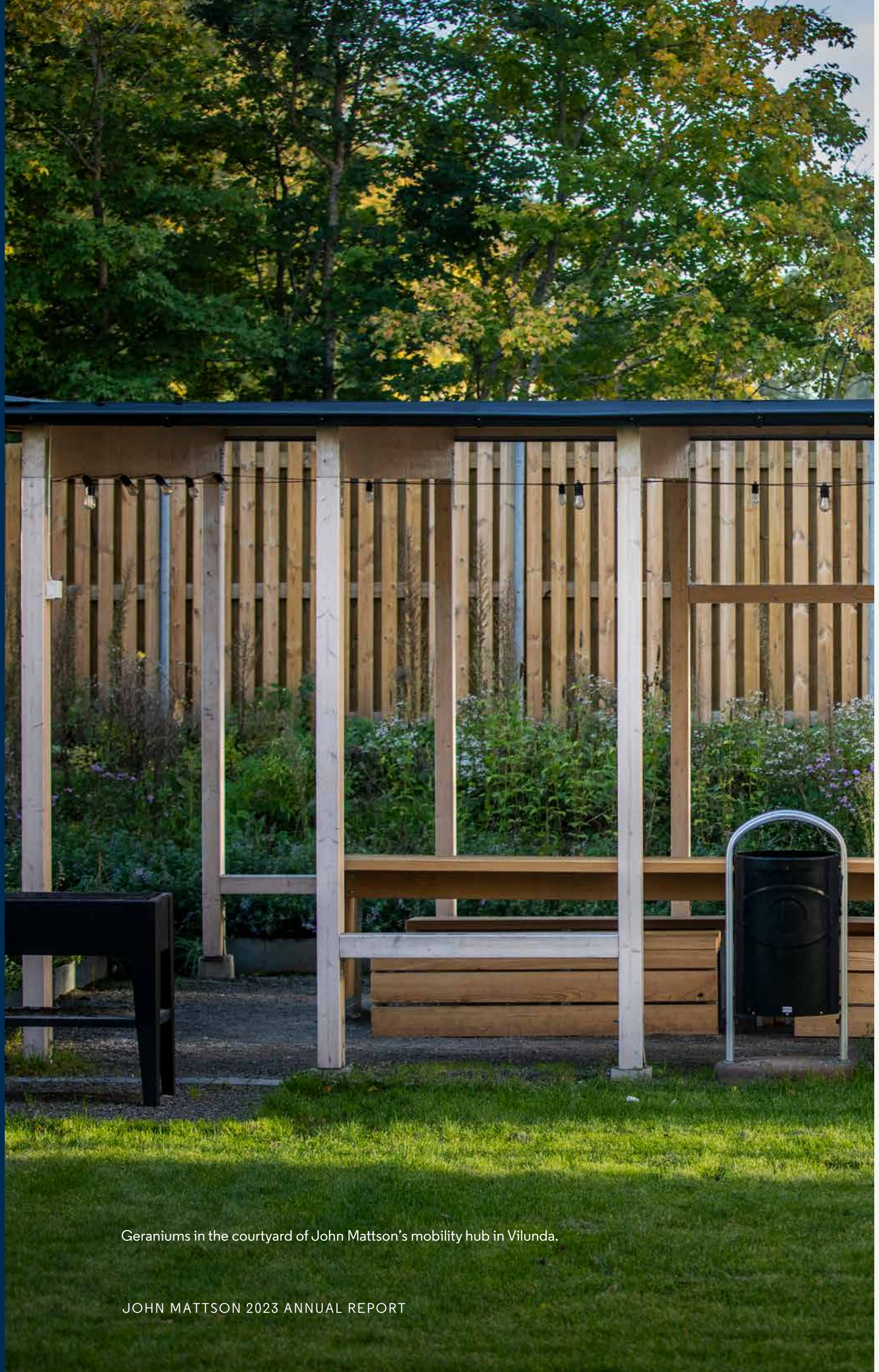
apartments for nursing and care home

### Geografiboken, Abrahamsberg

A detailed development plan has been adopted for the construction of a nursing and care home with 80 apartments at the Geografiboken 1 property in Bromma. Production will begin on the project when market conditions are deemed favourable.

# Sustainability as an integrated part of the business model

Sustainability is a central part of John Mattson's operations and an integrated component of John Mattson's business model. Our long-term sustainability targets, including our science-based climate targets, steer our operations toward more sustainable development and contribute to achieving the vision of "Great neighbourhoods across generations."



Geraniums in the courtyard of John Mattson's mobility hub in Vilunda.





**During the year we *increased our focus on the company's climate impact* and improved the organisation in this area.**

PER NILSSON, CEO

### Prioritised focus areas

John Mattson's four most material and prioritised sustainability matters are grouped in four focus areas: dynamic and safe local communities; responsible material and waste management; energy-efficient and fossil-free solutions; and healthy and inspiring workplace. These have been identified in dialogues with tenants, employees, lenders and major shareholders. We work actively with sustainability in all areas.

Our long-term sustainability targets for each and every focus area indicate the direction for coming years and further raise the ambition for sustainability work. The climate targets are approved by Science Based Targets Initiative (SBTi), which means that our goals are science-based and aligned with the Paris Agreement. Sustainability-linked loans enable us to integrate sustainability work with financing, which creates further incentives. The terms and conditions for sustainability-linked loans are connected to our performance within safety and energy efficiency.

Our vision for our operations is to create great neighbourhoods across generations. Our values – a long-term perspective, professionalism and commitment – are to permeate our corporate culture and all of our operations and, together with our policies, guide our daily operations. Read more on pages 36–42 about which policies govern each focus area.

In addition to our focus areas, we view respect for human rights, anti-corruption and compliance with rules and regulations as important issues to address. In the end of the year, work began to develop a supplier policy – code of conduct for suppliers – that requires our suppliers to comply with our code of conduct, to meet the requirements within their own organisations and to work actively to ensure compliance among their subcontractors.

Dialogues with our key stakeholders – tenants, employees, shareholders, municipalities, suppliers and contractors – are essential for how we will continue to prioritise our work. For more information about John Mattson's materiality assessment, stakeholder dialogues and the specific sustainability matters under the four focus areas, refer to page 45.

The entire organisation participates annually in developing tangible initiatives and measures in the form of action plans to help reach our established sustainability goals.

# Prioritised sustainability areas and sustainability targets

John Mattson's four most material and prioritised sustainability matters are grouped in the following four focus areas. Work within the framework of these four areas also contributes to several of the UN Sustainable Development Goals.

## 1 Dynamic and safe local communities

Commitment for social matters creates value for tenants and local communities. Read more on pages 36–38.

**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.

11 SUSTAINABLE CITIES AND COMMUNITIES

## 2 Responsible material and waste management

Responsible material choices, reusing materials and efficient waste management reduce climate impact and increase the recycling rate. Read more on page 39.

## 3 Energy-efficient and fossil-free solutions

The energy consumption during the lifespan of a property is considerable. Energy classifications, choosing fossil-free energy types and efficient management of the properties reduce their climate impact. Read more on page 40.

**Targets**

- 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.
- 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.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

## 4 Healthy and inspiring workplaces

Proactive efforts for a healthy, safe and stimulating work environment for employees and suppliers are a prerequisite for well-being and commitment. Read more on pages 41–42.

**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, the 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.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Sustainability outcomes on page 14

# Dynamic and safe local communities

As property owners, we have the ability to affect the areas where we operate, independently as well as through partnerships. The goal is to create safe and attractive places where people want to live, relax and work. Safe and attractive areas increase comfort for tenants and employees, as well as the value of the properties.

## Targets and governance

Social sustainability has been important for John Mattson from the start. To retain our position within sustainability, we have set a target for our areas to be safer and more attractive than the average for the industry, as compared to all landlords in the Stockholm region.

In the 2023 tenant survey conducted via the evaluation company AktivBo, 80.6% of our tenants said that they perceive our properties and residential areas as safe. The industry average was 80.5%. The increase from 2022 was largest in the areas we have prioritised most and where the need to improve safety was greatest. Perceived safety in these areas increased 2.0 to 5.5 percentage points in 2023 compared with 2022.

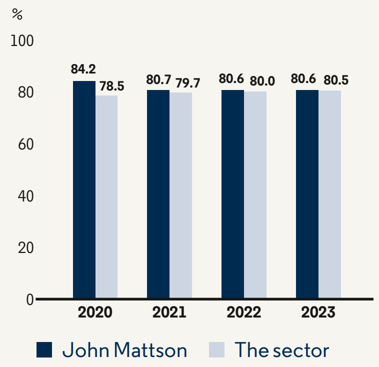
According to the 2023 survey, 85.0% of our tenants find their residential areas attractive. Well-being in the area, whether tenants would recommend other people to move there and how favourably they discuss their neighbourhood are part of the Attractive areas measurement. The industry average was 85.9%.

Our model for social sustainability governs work in this area. Through our letting policy for residential properties, we ensure a fair and wide-ranging lettings process, while clear internal procedures govern our work to prevent improper rental conditions.

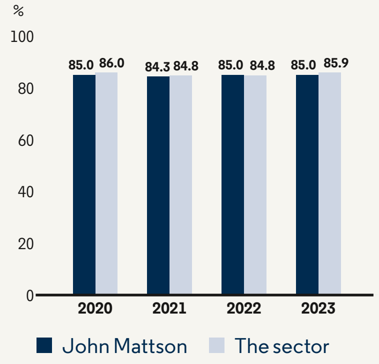
## Model for social sustainability

Since conditions vary across all of our areas, different initiatives are prioritised in different areas. Our social sustainability model helps us work even more systematically with social sustainability when it comes to the differences and development phases in our areas. Read more about our model for social sustainability on pages 37–38.

**SAFETY 2020–2023 INCL. INDUSTRY COMPARISONS (%)[1]**



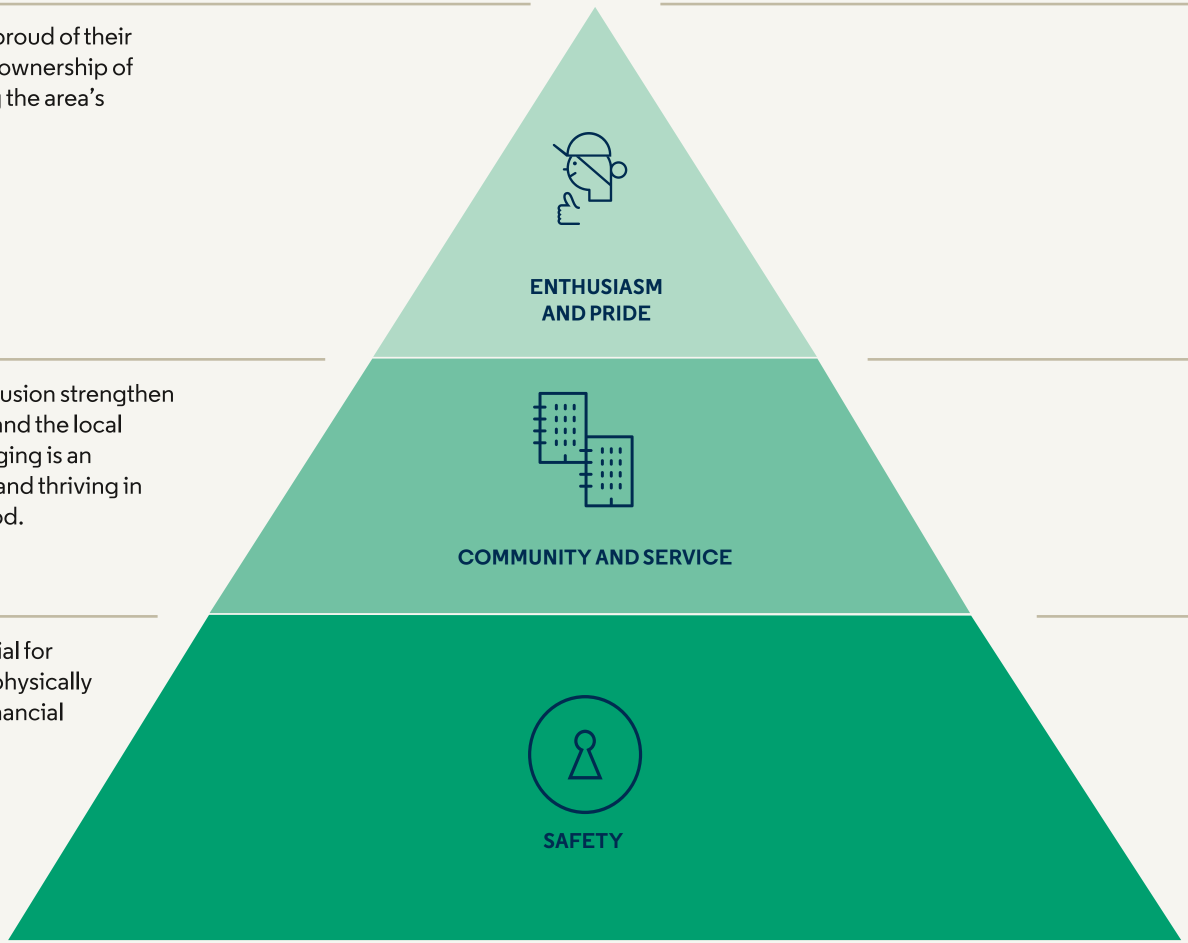

**ATTRACTIVENESS 2020–2023 INCL. INDUSTRY COMPARISONS (%)[1]**




1) Questionnaire through the company AktivBo, August–September 2023. Share of tenants who perceive their neighbourhood as safe and attractive. The industry average refers to private players and to the general public in the Stockholm area.

Download PDF (A4)

# Model for social sustainability




Enthusiastic tenants who are proud of their neighbourhood take positive ownership of it and contribute to improving the area's attractiveness.

**EXAMPLES OF ACTIVITIES:**

- Area development in collaboration with tenants and other stakeholders – dialogue, influence and co-creation
- Art and architecture to create identity
- Creating preconditions for a sustainable lifestyle for our tenants
- Events that develop the brand and identity of a place
- Social projects

Diversity, community and inclusion strengthen a residential neighbourhood and the local community. A sense of belonging is an important part of feeling well and thriving in your home and neighbourhood.

- Various prices, sizes, locations and ownership forms for homes
- Offering of additional local services
- Physical and digital meeting places
- Areas for exercise, play and recreation
- Acting as a catalyst for tenants' initiatives
- Creating accessible, inclusive and welcoming areas

Safety and security are essential for comfort. Feeling safe means physically safety as well as mental and financial security.

- Clean and tidy
- Prevent improper rental conditions
- Lighting of paths and meeting areas
- Creating navigable areas
- Activate ground floors and create flows of people in outdoor areas
- Information to tenants
- Rent negotiations with Hyresgästföreningen and upgrading apartments in two stages
- Dialogues and partnerships with municipalities and other actors

# How we work with social sustainability

## SAFETY

### Safety essential for comfort

Safety and security – physical, mental and financial – are essential for comfort. The foundation of our safety efforts entails keeping the buildings' surroundings clean and tidy, eliminating unsafe areas through measures such as better lighting, and ensuring that outdoor environments are well-maintained and easily navigable. Knowing who lives in our properties is also of the greatest importance.

To a large extent, John Mattson's own property technicians are the ones who work closely with tenants. We work continuously to prevent improper rental conditions – important work to prevent uncertain living conditions, disruptions and criminality.

### Collaboration for improved safety

In addition to our own preventative safety measures, collaboration with other parties is extremely important. For example, John Mattson participates in a local collaboration project (BID) for Tureberg and Rotebro, where we work together with the municipality of Sollentuna and various other players to increase safety and appeal in these areas. Together we conduct safety rounds and participate in the municipality's Citizens' Day event. John Mattson also participates in the municipality of Sollentuna's ECS project (Effective Coordination for Safety), which includes regular exchanges of information about events in the municipality. We also have a close collaboration with the municipality of Lidingö Stad and the police when it comes to safety issues in Lidingö.

### Financial security

The tenants' perception of safety also includes financial security. John Mattson normally negotiates annual rent levels for residential properties with Hyresgästföreningen ahead of time. Our two-step model for upgrading apartments also means that, to a certain extent, tenants can influence the scope of renovations conducted.

### Communication with tenants

Security is also created through good communication with tenants. John Mattson uses several digital communication channels, such as Mina sidor, the website, digital stairwell displays and social channels, to be available for questions and dialogue, and to provide important information. We are also available at our reception and by phone as well as tenant meetings as needed. Our annual tenant survey is an important tool for collecting tenants' viewpoints and identifying improvement measurements.

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

## COMMUNITY AND SERVICE

### Inclusive residential areas

Promoting inclusion and diversity strengthens residential neighbourhoods as well as the local community. We offer rental apartments in different price classes and various sizes and locations to provide more people with an attractive home. We list the vast majority of our housing through the Stockholm Housing Agency and offer everything from studios to four-bedroom apartments and shared living for young people.

### Conditions for community

Dynamic and safe areas are also created by establishing local services and environments for exercising, play and recreation as well as by creating meeting places and social coherence. We regularly arrange activities, such as outdoor movies in Larsberg, a multi-year partnership with the municipality of Lidingö Stad, and basketball tournaments, etc. During the year we also participated in the municipalities' Citizens' Days in order to meet tenants as well as other residents and in events like Slakthus Day in Slakthusområdet.

At our mobility hub in Upplands Väsby, we have created the conditions for sharing between tenants including by offering services within the sharing economy, such as a reuse hub and raised garden beds in the inner courtyard.

## ENTHUSIASM AND PRIDE

### Conditions for a sustainable lifestyle

We believe that a high level of commitment for residents and pride in their neighbourhood contributes to positive ownership and contributes to improving the area's attractiveness. We also believe that it is important to create conditions for our tenants to live sustainable lifestyles. One example of how we create conditions is our new apartment block in Vilunda, Upplands Väsby, which is built with a focus on renting, borrowing or sharing. The property offers tenants a variety of solutions, such as a car and bicycle pool, a reuse hub, a refrigerated area for food deliveries and parcel delivery lockers.

### Art in John Mattson's buildings

John Mattson has invested in public art in our neighbourhoods for many years. We believe that art fosters well-being, pride and a sense of community and contributes to positive value, for residents as well as for the company. In Larsberg in Lidingö, there are some twenty artworks on facades as well as in entrances and stairwells. We installed our most recent piece of art in our apartment block in Vilunda in Upplands Väsby.

### Social projects

We collaborate with the municipalities of Lidingö Stad and Sollentuna to let housing to the municipality and to offer summer jobs for young people living in Sollentuna.

# 2 Responsible material and waste management

The choice of materials is highly significant for the climate impact of a building. As such, John Mattson selects sustainable materials with long lifespans that are possible to maintain when properties are renovated or when we build new properties. We also take responsibility for responsibly processing materials and waste throughout the entire value chain.


## Science-based climate targets and governance

By 2030, 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.

We use project planning guidelines, set project requirements for climate-smart new builds and redevelopments and environmentally certify new production to govern and follow up on targets. We perform climate calculations in project planning and completion stages.

Our supplier policy is to help ensure that all of our suppliers are informed about their environmental impact and can exercise control over it. It also ensures that they have a system for correctly handling waste, that they support reuse and recycling and that they actively work to ensure compliance among their subcontractors.

## Reduced climate impact in new builds and redevelopments

From a lifecycle perspective, more than half of the carbon emissions from new buildings arise during material production and construction. Decisions in the early stages are therefore essential to reduce a building's climate impact. By choosing wooden frames instead of concrete in new production, greenhouse gas emissions can be limited.

New, revised project planning guidelines for resource efficiency in new builds and redevelopments, and templates for construction contracts were developed during the year.Requirements for emissions levels are part of project planning and contractor procurement to ensure that emissions from new builds and redevelopments are in line with, or lower than, the sector average. Follow-up is conducted through climate declarations.

When the properties are renovated or when we build new properties, we select materials with long lifespans and that are possible to maintain. The goal for all of the new residential properties that John Mattson develops from the start is for them to be certified according to Svanen, the official environmental certification of the Nordic region.

Material choices in projects are to be approved by Byggvarubedömningen, the building-materials assessment system. During upgrades we take the reuse of materials and interior fittings into consideration.

## Responsible waste management

Spillage and waste from the construction and property sector is significant. It is therefore important to reuse as much material as possible during renovations and to ensure that construction waste is handled correctly.

We strive to retain as much as possible when we renovate, but waste that arises in renovating as well as in new builds is to be sorted according to our requirements for waste categories.

Since 2023, all Swedish properties are to sort their food waste according to national goals. An important part of John Mattson's work is therefore to make it easier for our tenants to sort waste correctly. Continuous efforts are ongoing to simplify waste sorting through clear fraction signs and tenant communication. Most buildings in our portfolio have separate food waste sorting in underground containers and work is ongoing to provide all buildings with these.

# 3 Energy-efficient and fossil-free solutions

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

### Climate targets and governance

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. The company will reduce its GHG emissions from new builds and redevelopments on a per square metre basis to match or better the property sector average.

We already have a long-term plan that governs progress in this. In 2023, we also developed a three-year plan to reduce purchased energy 25% by 2026. The plan includes reducing energy consumption in buildings as well as creating sustainable energy sources.

Our supplier policy is to ensure that our suppliers are informed about their environmental impact and can exercise control over it. It also ensures that they take choice of material into consideration for redevelopment projects and extensions. A new car policy was introduced in 2023, which limits our purchases of new service vehicles to exclusively electric vehicles.

### Energy efficiency improvements

The terms of our sustainability-linked loans are connected to the company's ability to reduce energy consumption. Our energy plan includes significant measures, such as heating systems, renewable energy sources and heating recovery where it has yet to be implemented today, as well as smaller measures to reduce energy consumption.

The entire property management organisation is focused on energy issues and works continuously with effective follow up. In 2023, emphasis was placed on switching to the energy follow-up system that was launched in the beginning of 2024. Going forward, the new system will be a valuable tool for following up on energy consumption, carbon emissions, solar energy production, etc.

In 2024, focus was primarily on energy measures that support renewable energy sources such as geothermal and solar energy. We are planning to produce our own climate-friendly electricity through solar cells. For example, solar cells are planned for several properties in Larsberg with the goal of installing them by summer 2024.

### Help tenants make climate-smart choices

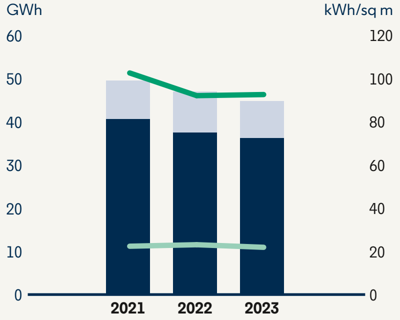
John Mattson wants to inspire our tenants to live a climate-smart lifestyle and make it easy for them to do so. Our housing project in Vilunda in Upplands Väsby is an example of an apartment building where private parking spots have been replaced by sustainable and shared mobility solutions to inspire tenants to make sustainable choices in travel and housing.

During the year, we continued to inform tenants about how they can reduce energy consumption in their own households and how to sort their food waste. We also installed several charging stations for electric vehicles and created expanded carpool solutions in our portfolio.

### Fossil-free vehicle fleet

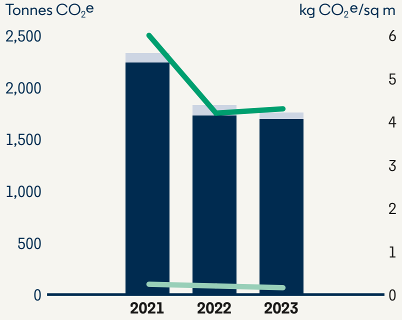
We are gradually phasing out fossil-driven company cars in favour of fossil-free alternatives with the ambition of achieving a fossil-free vehicle fleet by 2028. At the end of the year, 88% of our fleet consisted of vehicles fuelled either by electricity or biogas, including hybrid cars where work journeys per day do not exceed 50 kilometres.

**ENERGY CONSUMPTION** [1]




District heating, GWh
Electricity, GWh
District heating use, sq m per kWh
Electricity consumption, kWh per sq m

**GHG EMISSIONS, PURCHASED ENERGY** [2]




District heating, tonnes $CO_2e$
Electricity consumption, tonnes $CO_2e$
GHG emissions for electricity, kg $CO_2e$/sq m
GHG emissions for heating, kg $CO_2e$/sq m

[1] In 2023, degree-day corrected district heating usage decreased approximately 2%. Total electricity consumption decreased approximately 10%. The decrease was due in part to property divestments. Purchased district heating expressed in Atemp increased compared with 2022 due to conversion from oil-fired burners.

[2] Properties divested during the year are included only for the period they were John Mattson properties.

# 4 Healthy and inspiring workplaces

John Mattson strives to offer a workplace that is characterised by a healthy approach to work, where staff enjoy working and are highly committed, and where each employee has an ability to influence. Our workplaces also need to be safe and secure.


## Targets and governance

John Mattson's goal is to rank above the average rating for comparable companies in terms of organisational engagement and efficiency. We are to have an inclusive corporate culture and gender equality within the organisation, where the proportion of women or men does not exceed two thirds within the company, management and the Board of Directors. Aggregate absenteeism among employees and management is to be no higher than 3% and the number of accidents at our workplaces, including our construction sites, is to be zero.

The governing policies within these areas include our code of conduct, our work environment policy, our salary policy, our whistle-blower policy, our equality and equal treatment policy, and our substance abuse policy. We also have guidelines about victimisation, harassment and sexual harassment as well as guidelines for adaptation and rehabilitation.

## Commitment that grows

John Mattson conducts brief weekly surveys to measure current sentiment in the organisation. This enables us to proactively manage deviations. Questions in the survey address leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit and commitment. Despite major streamlining in the operations in 2023, employee satisfaction increased substantially compared with 2022. The collective outcome for all of these areas was 7.9 out of 10 for Q4 2023, compared with the industry average of 7.8.

For John Mattson, it is important to obtain several perspectives on issues, which is why employees are included in various ways in the company's development work. One example is the tenant surveys, where employees are involved in analysing the results and developing concrete action plans. In 2023, a conference was held for the entire organisation based on core values.

To steer the company toward its goals and strengthen the feeling of participation, John Mattson offers a bonus programme for all employees.

## Sustainable leadership

John Mattson's managers have an important role in the company's continued journey. In 2022, all managers started a leadership development programme, training that continued in 2023. The goal of the programme is to create a shared leadership platform based on a clearly formulated idea of leadership and to provide managers with the know-how and tools for delegated, goal-oriented and performance-raising leadership. Important components of this comprise feedback and motivating conversations with employees. Goals based on annual employee conversations are regularly followed up during the year to clearly guide individual and company work toward our goals.

## Diversity and equal treatment

John Mattson strives for an even gender balance in all personnel groups and requires recruitment processes to support a broad range of skills. Our gender equality target is for the proportion of women or men to not exceed two thirds within the company, management and the Board of Directors.

At the end of 2023, the gender breakdown was 53/47 men/women at the company, with 50/50 in management and 57/43 on the Board of Directors.

### Preventative health and wellness work

We work systematically with physical and psychosocial work environment issues with the goal of preventing accidents and work-related illness. All of John Mattson's employees are covered by collective bargaining agreements and are offered healthcare insurance. To strengthen health and well-being, all employees are offered a benefits package that includes a preventative healthcare hour, training compensation, massage and health check-ups.

The company's long-term goal is for absenteeism to not exceed 3%. The collective absenteeism during the year (long- and short-term) amounted to 1.9%, an improvement compared to 4% for 2022.

### Safe and secure workplaces

The construction industry is an accident-prone one and John Mattson's goal is to have zero accidents at our workplaces, at the office as well as on construction sites. Contracted personnel working for John Mattson are included in this target. No accidents were reported for the year.

We are a member of Håll Nollan, an initiative for zero accidents in the construction industry.

In 2023, an emergency and safety app was implemented for John Mattson's employees. It is one of several tools for a safer work environment and for effective crisis management.

### Whistle-blower system

In 2023, John Mattson prepared a whistle-blower system according to the EU directive and law on the protection of persons who report breaches of Union law. Suspicions of serious misconduct covered by the Act on the Protection of Persons Reporting Irregularities (Whistle-blowing Act) can be registered confidentially and securely through the whistle-blower system.

A whistle-blower case needs to be handled confidentially, independently, professionally and without unnecessary delay. Our whistle-blower system supports this process by converting anonymous reports into a document to support decisions, measures or further investigation. Assessments and decisions on measures are made by John Mattson's whistle-blower committee. If the matter requires deeper investigation, the report is forwarded to an external, independent party with expert knowledge.

John Mattson's whistle-blower channel is available on an external platform, which ensures secure management of the reporting under the GDPR and that access is denied to unauthorised individuals. Registering suspicions of misconduct are made in the whistle-blower system through a link on our website.

**Zero**

accidents at John Mattson's workplaces[1)]

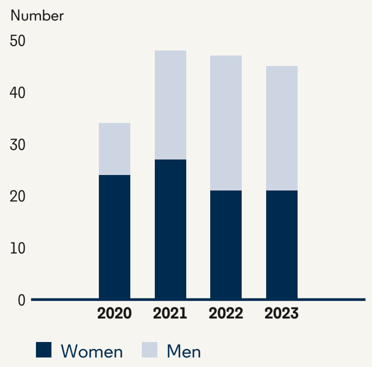
[1)] Pertains to accidents that led to more than one day of absenteeism.

**7.9**

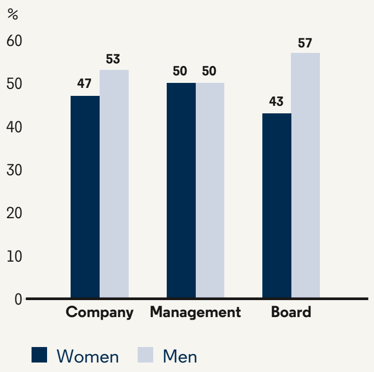
Engaged employees and an efficient organisation[1)]

[1)] Employee survey in the fourth quarter of 2023. Total values on a scale of ten in the areas of leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit and commitment.

**TOTAL NUMBER OF EMPLOYEES (ON 31 DECEMBER 2023)**




**PROPORTION OF WOMEN/MEN FOR THE COMPANY, MANAGEMENT AND BOARD 2023**



# Road map for science-based climate targets

John Mattson signed on to the Paris Agreement and established climate targets approved by the Science Based Targets initiative (SBTi), an initiative aimed at supporting companies in setting science-based climate targets aligned with the Paris Agreement.

We have undertaken to reduce our GHG emissions in Scope 1 (the company's own direct emissions) and Scope 2 (emissions from purchased energy) at least 40% by 2030 compared with the base year of 2021. To reduce our Scope 3 GHG emissions (other indirect emissions), we also have a target that GHG emissions from new builds and redevelopments on a per square metre basis are to match or better the property sector average.

## Road map to the targets

The climate mapping conducted as a basis for the climate targets comprises guidance for what we should focus on to act and contribute to transition in the entire value chain. It also helps us to more efficiently assess and manage climate-related opportunities and risks.

These initiatives and measures to reach our climate targets by 2030 are primarily focused on our prioritised sustainability areas "Energy-efficient and fossil-free solutions" and "Responsible material and waste management." Read more on pages 39–40.

### Science-based climate targets aligned with the Paris Agreement

**Joint target for Scopes 1 and 2:**

Reduce GHG emissions 40% by 2030


**Initiative to reduce Scope 1 GHG emissions**

- Fossil-free vehicle fleet
- Exchanging heating oil at properties where it is still used to other forms of heating

**Initiative to reduce Scope 2 GHG emissions**

- Gradually optimise energy consumption in buildings so that John Mattson's property portfolio becomes more energy efficient (reducing GHG emissions 20%).
- Adding sustainable energy sources such as a solar, geothermal, etc., and choosing energy suppliers with sustainable energy sources and the ability to climate compensate (reducing GHG emissions 20%).
- Reduce purchased energy 25% by 2026.

**Target for Scope 3:**

GHG emissions from new builds and redevelopments on a per square metre basis reduced to match or better the property sector average.

**Initiative to reduce Scope 3 GHG emissions**

- Project planning guidelines and requirements for climate-smart new builds and redevelopments.
- Performing climate calculations in project planning and completion stages.
- Optimised maintenance plans that reduce the need for renovations and replacements.
- Inspire tenants to reduce energy consumption.

Base year **2021** → year **2030**

**Scope 1**
Our direct GHG emissions **1%**

Transportation own service fleet

Company cars in service

**Scope 2**
Purchased energy **28%**

District heating

Property electricity

**Scope 3**
Own indirect emissions **71%**

construction material, transportation and waste management in connection with

Upgrades

New production

## Increased carbon footprint 2023

John Mattson's carbon footprint in 2023 totalled 6,335) tonnes $CO_2e$ (4,084. GHG emissions from new builds and renovations increased 111% to 4,770 tonnes $CO_2e$ (2,120) due to a greater number of completed apartments in new build and upgrade projects.

| | | Emissions $CO_2e$ (tonnes) | | |
|---|---|---|---|---|
| **Total GHG emissions** | | **2023** | **2022** | **2021** |
| **Scope 1** – Own direct emissions | Transportation [1] | 20 | 14 | 18 |
| | Company cars in service | 0.1 | 0.1 | 0.1 |
| | Own production of heat | 41 | 64 | 51 |
| **Scope 2** – Purchased energy | Heating [2] | 1,694 | 1,730 | 2,238 |
| | Electricity consumption [3] | 62 | 98 | 95 |
| **Scope 3** – Other indirect emissions | Construction material, transportation and waste management during upgrades | 454 | 344 | 975 |
| | Construction material, transportation and waste management during new production | 4,016 | 1,776 | 5,491 |
| | Purchases of goods and services | 25 | 28 | 25 |
| | Capital goods | 0 | 2 | 2 |
| | Waste management, offices and property management | 8 | 15 | 5 |
| | Employee commutes | 13 | 13 | 12 |
| | Transportation, consumable goods | 0.2 | 0.2 | 0.3 |
| | **Total** | **6,335** | **4,084** | **8,912** |

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

2) Heating for the entire property, incl. apartments. Includes all properties that John Mattson owned each year, excluding properties in ongoing projects that are instead included in Scope 3. If properties were divested or acquired during the year, only the consumption for the part of the year when the property was John Mattson property is included. Emissions for 2022 were revised since a measuring point for district heating was unavailable in the 2022 Annual Report and since properties with ongoing projects were excluded to instead be included in Scope 3.

3) Electricity consumption for John Mattson's offices, commercial spaces and shared spaces (not apartments). Includes all properties that John Mattson owned each year, excluding properties in ongoing projects that are instead included in Scope 3. Emissions for 2022 were revised since properties with ongoing projects were excluded to instead be included in Scope 3.

# Materiality assessment and stakeholder dialogue

Tools like stakeholder dialogues, continuous external world and industry monitoring, and consideration of the impact of operations on the economy, environment and people throughout the entire value chain form the basis of John Mattson's materiality assessment.

Our mapping of climate-related risks and opportunities in our value chain demonstrated that new production and upgrades account for a large portion of the climate-related emissions in the value chain.

The most material areas to focus on are those that contribute the most to John Mattson's long-term ability to compete strategically and financially. They are also the areas where John Mattson contributes the most to the UN Sustainable Development Goals. The four focus areas and their underlying sustainability matters have been discussed and their importance confirmed with the Board of John Mattson. Read more about our focus areas and targets and fulfilment on page 14 and pages 36–42. Anti-corruption and human rights are also material matters that need to be managed at a high level and are hygiene factors for everyone in the sector to manage.

Biodiversity and water are currently not included in the company's most material sustainability matters, even though John Mattson works actively with them. If the company initiated more projects where new land was used or if water access were to decrease in the areas where we operate, these issues would increase in importance and be reported at a more detailed level.

Suspicions of breaches of the Code of Conduct, policies and guidelines can be reported through a whistle-blower function starting in the end of 2023. During the year, no cases of corruption or human rights beaches were reported.

### Open dialogue and collaboration

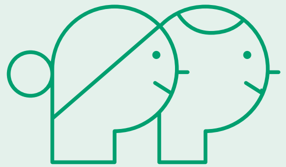
Dialogues with our key stakeholders – tenants, employees, shareholders, municipalities, suppliers and contractors – provide us with regular insight that is essential for our work prioritisation going forward. Ongoing dialogues are supplemented with employee and tenant surveys as well as strategic projects with partners like municipalities.

Over the years, separate stakeholder dialogues focused on sustainability have supplemented the company's recurring dialogues and contributed valuable input from shareholders, financiers, ESG analysts, management and employees. Continuously obtaining perspectives from stakeholders and reviewing the materiality assessment helps the company prioritise investments and initiatives.

In 2022, a select number of individuals from the capital market were involved in a stakeholder dialogue in order to obtain their perspective on the company's prioritised sustainability matters and criteria for sustainable financing. The dialogue confirmed the company's previously identified sustainability matters, to which anti-corruption and human rights were added.

**External initiatives and memberships that are primarily connected to our strategic sustainability agenda:**

- Håll Nollan
- Science Based Target initiative
- Fastighetsägarna
- BID Tureberg
- BID Rotebro
- Rikare Grannskap (Richer Neighbourhoods) research project
- Lidingö Näringsliv



**Our four sustainability focus areas:**

- Dynamic and safe local communities
- Responsible material and waste management
- Energy-efficient and fossil-free solutions
- Healthy and inspiring workplaces

**Underlying sustainability matters:**

- Emissions
- Energy
- Materials
- Waste
- Safety
- Local communities
- Work environment
- Anti-corruption
- Human rights

# The auditor's report on the statutory sustainability report

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

### Engagement and responsibility

The Board of Directors is responsible for that the statutory sustainability report on pages 6–7, 14, 33–45, 48–49 and 62 has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination of the statutory sustainability report has been conducted in accordance with FAR´s auditing standard RevR 12 The auditor´s report on the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### Opinion

A statutory sustainability report has been prepared.

Stockholm, 20 March 2024
Ernst & Young AB

Katrine Söderberg
Authorized Public Accountant

# Opportunities and risks

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

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

Risks are classified as strategic, operational and financial risks as well as risks linked to regulatory compliance and sustainability. The primary tools for managing risk are the strategies that the company follows, which are made tangible in processes integrated in daily operations. The work with values and on ensuring a high level of competence within the organisation are also key components in managing risks in daily operations. The prioritised areas for risk management based on John Mattson's operations are detailed on the following pages. More information regarding the financial risks is set out in the Administration report on page 57.

## Sensitivity analysis

John Mattson's earnings are impacted by a number of factors. The table below presents a calculation of the theoretical effect on income from property management with John Mattson's current earning capacity (current earning capacity should not be seen as a forecast) as per 31 December 2023 as the starting point, given a change occurring on the basis of four parameters. Actual earnings capacity can be found in John Mattson's year-end report for 2023.

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

## Physical climate-related risks

Ongoing global climate changes also entail challenges for the Stockholm region. In 2022, to obtain a concrete picture of physical climate risks at John Mattson's properties, climate screening was conducted of the property portfolio's exposure to climate-related risks such as flooding, rock falls/landslides/erosion and heavy snow loads. All of the company's properties were included in the analysis. Each building was checked using geographical positioning against data and statistics with geographical information on climate-related risks pertaining to the actual area. The initial analysis identified that the main risk for several properties comprised the risk of downpours. Some properties were also identified as being exposed to the risk of rock falls/landslides/erosion and high temperatures. Through this first climate screening, the possibilities for proactive efforts to future-proof John Mattson's properties have been improved.

| Full-year effect, next 12 months, SEK m | Change +/– | Impact on income from property management |
|---|---|---|
| Rent level | 5% | +/–31.1 |
| Economic occupancy rate | 1 percentage point | +/–6.2 |
| Property expenses | 5% | +/–8.8 |
| Underlying market interest rate | 1 percentage point | –35.8/+27.1 |

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

| Change in property value | –20% | –10% | 0% | 10% | 20% |
|---|---|---|---|---|---|
| Change in value, SEK m | –2,714 | –1,357 | | 1,357 | 2,714 |
| Loan-to-value (LTV) ratio, % | 62.3 | 55.4 | 49.8 | 45.3 | 41.5 |

### Risk overview

| Risk category | Risk | Likelihood | Impact |
|---|---|---|---|
| Strategic risks | Transaction risk | Moderate | High |
| | Planning risk | Moderate | Moderate |
| | Limited development right portfolio | Moderate | Moderate |
| Sustainability risks | *Negative environmental impact, Climate change, Social conditions, Employees, Code of conduct violations* | Moderate | Moderate |
| Operational risks | Project development | High | Moderate |
| | Property expenses | Moderate | Moderate |
| Financial risk | Changes in value | Moderate | High |
| | Changes in market interest rates | Moderate | Low |
| | Interest, refinancing and liquidity risks | Moderate | High |
| | Financing on acceptable terms and conditions | Moderate | Moderate |

Low Moderate High

## Strategic risks

| Risk description | Management/possibility | Likelihood/Impact |
|---|---|---|
| **Transaction risk**<br>Competition to acquire properties in attractive locations is normally intense. The largest strategic risk for John Mattson is the lack of acquisition objects at relevant prices, which could pose a hindrance to the desired growth rate.<br>Should John Mattson be forced to divest one or several of its properties, there is a risk that such a divestment would be impossible or that it would only be possible on terms that are less favourable for the company. | John Mattson has clear strategies for acquisitions. All acquisitions are approached using a long-term ownership and management perspective. Long-term partnerships and strategic procurements are prioritised, as is being present and actively working in the markets where the company has its properties and in municipalities with clear growth plans.<br>John Mattson has well-managed properties in attractive locations in the Stockholm region, which means the properties are sought after in the transaction market. | Likelihood<br>Impact |
| **Planning risk**<br>There is a risk that John Mattson is not granted the permits or does not receive the required decisions from municipalities or authorities that allow managing and developing properties in the desired manner. For example, if the decisions received do not encompass the volume of housing units and/or premises that John Mattson had expected. Moreover, there is a risk that decisions are appealed and there are significant delays to planned projects as a consequence. A further risk entails that decision-making practices or the political will or municipality's focus may change in a direction that is less favourable for John Mattson. | John Mattson maintains an ongoing dialogue with authorities and municipalities to be able to manage risks, such as planning risks, at an early stage. The primary tools for managing risk are the strategies that we follow and which are made tangible in processes. | Likelihood<br>Impact |
| **Limited development right portfolio**<br>A limited development right portfolio could comprise a risk since it could slow John Mattson's future growth. | John Mattson continuously evaluates the acquisition of new development rights, opportunities for infill development within the management portfolio and through land allocations from municipalities. | Likelihood<br>Impact |

## Sustainability risks

| Risk description | Management/possibility | Likelihood/Impact |
|---|---|---|
| A neglected and unclear sustainability agenda can have a negative impact on stakeholders' opinions<br>of John Mattson and thereby affect the company's ability to meet the goals set. Sustainability-related risks that are deemed the most material for the company's development are:<br><br>*Negative environmental impact:* In new builds, extensions and redevelopments there is a risk of damaging the environment, surroundings or people as a result of inappropriate handling or use of hazardous materials. Insufficient compliance with environmental legislation and regulations can result in corrective measures, fees or fines and, in some cases, restrictions on the Group's operations. The properties' energy classifications affect John Mattson's ability to obtain new bank financing as well as the terms of such financing. Failure by John Mattson to implement energy savings, or a slower implementation than planned, will adversely affect the company's property values as well as the interest margin on sustainability-linked loans.<br><br>*Climate change*: Rising sea levels, extreme weather with increased incidences of downpours, droughts and water shortages are some of the possible consequences of climate change. For property companies, climate change entails a risk of damage to properties and their surrounding environment. | A strategic and transparent approach to sustainability issues based on opportunities and challenges strengthens our long-term competitiveness and provides guidance on future investments and initiatives.<br><br>*Negative environmental impact and climate change:*<br>• Responsible material choices, reusing materials and interior fittings as well as efficient waste management<br>• The goal is to environmentally certify residential properties according to Svanen for new construction by the company from scratch<br>• Collaboration with suppliers and tenants to have an effect across the entire value chain<br>• Efficient management that reduces energy consumption and impact on the environment<br>• 100% environmentally certified electricity in property operations<br>• Phasing out service vehicles that use fossil fuels and installation of charging stations for tenants<br>• Science-based climate targets for 2030, with 2021 as the base year<br>• Climate screening of properties to enable proactive management of physical climate risks<br>• Mapping completed of climate-related emissions in the value chain<br>• We are following research and development and climate risk assessments and reports<br>• Building energy optimisation and creation of sustainable energy sources | Likelihood<br>Impact |

**Likelihood/Impact:** Low Moderate High

**Sustainability risks, Cont.**

| Risk description | Management/possibility | Likelihood/Impact |
|---|---|---|
| *Social conditions:* Unsafe, marginalised residential areas reduce well-being for our tenants as well as others in the area. A related risk is improper rental conditions, which can cause disruptions in the area and have a negative impact on safety. | *Social conditions:*<br>• Continuous communication with tenants and regular tenant surveys<br>• Premises management with close tenant contact<br>• Rental apartments in different price classes and various sizes and locations<br>• Systematic work to prevent improper rental conditions<br>• Working together with municipalities, the police, other property owners and organisations to increase safety and well-being.<br>• Safety measures and activities to promote well-being | |
| *Employees:* An employer's brand is essential for retaining and recruiting talented employees. The company risks losing access to expertise if it is not perceived as attractive. A work environment that does not promote physical as well as psychosocial well-being is at risk of workplace accidents and illnesses. | *Employees:*<br>• Performance appraisals and employee surveys<br>• Goal-oriented equality and equal treatment efforts<br>• Preventative health and wellness work<br>• Proactive work for safe and secure construction sites<br>• Continuous reinforcement of the company's core values in areas that involve all employees | |
| *Code of conduct violations:* If employees, consultants or partners violate human rights, are involved in corruption or do not otherwise act ethically and respectfully, then that constitutes a violation of the Code of conduct and risks significant damage to John Mattson's business and brand. | Code of conduct violations:<br>• Annual review of the code of conduct is for everyone. The purchaser is responsible for ensuring that external partners are up-to-date<br>• Specific policies to supplement the Code<br>• Continuous reinforcement of the company's core values in areas that involve all employees<br>• Whistle-blower function to follow up irregularities (work in progress) | |

## Operational risks

| Risk description | Management/possibility | Likelihood/Impact |
|---|---|---|
| **Project development**<br>The risks linked to John Mattson's project developments, such as apartment upgrades, extensions and conversions of unutilised spaces in residential properties, and new build projects pertain to developments in the rental market. Residential rents are set according to the utility value system, which means that rents do not necessarily correspond to what the market rent for the same apartment would have been. The norm for new housing production is to negotiate presumption rents with the Hyresgästföreningen (Swedish Union of Tenants). Where no agreement can be reached on presumption rents, John Mattson can set the rent level itself. Tenants can apply to the Regional Rent Tribunal to challenge the rent level. The risk is that set rent levels must be lowered, which could entail that John Mattson is not compensated for investment costs through raised rents. | John Mattson's property portfolio is situated in attractive locations in the Stockholm region. The risk of residential rent losses is assessed as very low over the next few years. Housing policy has high prominence in political debate and the rent setting system is one of the issues that is discussed intensely. One objective is that the rent level should reflect tenant demand in terms of service, standard and location to a much greater extent than today. A potential change in the utility value system is a possibility for John Mattson to eventually increase revenue and improve earnings with an unchanged low risk of losing rental revenue. John Mattson has set the rents for around 8% of its apartments. | Likelihood<br>Impact |
| Other project development risks encompass the product design and implementation, which can affect the project in terms of time and cost. A prerequisite for completion of the project is access to resources in the form of contractors, consultants and own personnel. | John Mattson's business partners are carefully selected and we work in close dialogue with internal and external parties. Well-functioning internal processes, including work environment and safety as well as a highly competent project organisation ensure efficient project implementation and that the end product maintains a high quality and is suitable for long-term property management. The handover from the project development organisation to John Mattson's property management organisation is conducted in an efficient manner.<br><br>To attract and retain our employees, we strive to offer a workplace with a healthy approach to work, where staff enjoy working and are highly committed, and where each employee has a key role and the ability to influence. The most recent employee survey showed very strong values for commitment and employee satisfaction, where 90% of the employees agreed that work was highly motivating. | Likelihood<br>Impact |

**Likelihood/Impact:** Low Moderate High

### Operational risks, Cont.

| Risk description | Management/possibility | Likelihood/Impact |
|---|---|---|
| **Property expenses**<br>John Mattson is exposed to risks pertaining to property expenses. These expenses entail purchases from suppliers, some of which have a monopoly position. The company's property value, earnings and cash flow may be negatively affected to the extent that cost increases with suppliers cannot be compensated through raised rents. | John Mattson is highly focused on streamlining property operations to mitigate the impact of increased Property expenses.<br>Prices for some purchases are hedged over a shorter period to create predictability in the company's property expenses development. | Likelihood<br>Impact |

## Financial risk

| Risk description | Management/possibility | Likelihood/Impact |
|---|---|---|
| **Changes in value**<br>John Mattson initially recognises its properties at fair value with changes in value recognised in profit or loss. This can entail volatility in earnings. The market value of properties is determined by market supply and demand, and is also based on the property's assessed net operating income. Ultimately, any decline in property values may result in breaches of the agreed terms and conditions and commitments in the company's credit agreement, which in turn may lead to more expensive borrowing, or in the worst case, to cancellation of the loan by the lender. | Of John Mattson's rental value, 75% is attributable to residential properties in the Stockholm region, which generate stable cash flows with low vacancies. Some 25% of the Group's properties are subject to external valuation each quarter by Cushman & Wakefield. The remaining 75% are valued in-house on a quarterly basis. As a result, all properties are externally valued by Cushman & Wakefield at least once each year. | Likelihood<br>Impact |
| Changes in market interest rates impact market values of the company's derivative portfolio. The value of the derivatives and the company's earnings generally decrease if market interest rates for the corresponding maturities of the contracted interest-rate swaps decrease and vice versa. | John Mattson's financial policy sets limits for the use of hedging instruments, including interest-rate swaps, with the aim of reducing the risk that these entail for the company. | Likelihood<br>Impact |
| **Interest, refinancing and liquidity risks**<br>Risk is posed by the impact of changes in the level of interest rates and/or margin adjustments to the company's cost of financing. There is also a risk that it is not possible to refinance existing borrowings on reasonable terms. Moreover, liquidity risk could entail the company experiencing difficulty in discharging its undertakings pursuant to financial liabilities. | John Mattson's financial policy sets out how financial operations should be conducted, how the associated risks should be limited and defines the risks that the company is permitted to take. The financial policy is followed up continuously by management, the Audit and Finance Committee and the Board. The company's overall financial risk limitation is that the loan-to-value ratio should not persistently exceed 50%. The company believes that having a positive cash flow in the business is important for achieving the company's long-term objectives. Accordingly, the company has set a target that the interest coverage ratio should not persistently be below 1.5.<br><br>In order to limit the interest-rate risk, derivative agreements are entered into in the form of interest-rate swaps. In order to limit refinancing risk, John Mattson endeavours to have an average remaining maturity for its interest-bearing liabilities in excess of two years as well as having several lenders. Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 543.6 million (202.7) at the end of the period. Moreover, an unutilised construction credit of SEK 78.1 million is in place for future financing needs. | Likelihood<br>Impact |
| For value-creating investments, the company is dependent on, inter alia, financing on acceptable terms and conditions for John Mattson, and on being able to compete effectively in the Stockholm region's rental and property market. | John Mattson ensures access to financing by maintaining business relationships with a number of banks and by ensuring that the company is attractive to finance by maintaining key financial metrics in accordance with the company's financial policy. | Likelihood<br>Impact |

**Likelihood/Impact:** Low Moderate High

# The John Mattson share

John Mattson's share is listed on Nasdaq Stockholm, Mid Cap and is traded under the symbol (ticker) "JOMA." John Mattson had a market capitalisation of SEK 4.3 billion at the end of the year.

## Class of shares

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

## Share capital

On 18 October 2023, John Mattson's Extraordinary General Meeting resolved to issue new shares with preferential rights for existing shareholders. The rights issue raised proceeds of SEK 1,250 million for John Mattson, after deduction of issue expenses, resulting in an increase in share capital of SEK 12,632,321.69 and an increase in the total number of shares outstanding of 37,896,965. On 31 December 2023, John Mattson's share capital amounted to SEK 25,264,643 and the total number of shares outstanding in John Mattson amounted to 75,793,930.

## Share price performance

On 5 June 2019, the share was listed on Nasdaq Stockholm, Mid Cap. The issue price for the listing of John Mattson was SEK 90 per share. On 31 December 2023, the price stood at SEK 56.90. After adjustment for the rights issue, the year's highest price for the John Mattson share was SEK 76.49 on 13 January and the year's lowest price was SEK 39.80 on 1 November.

## Trading and turnover

In 2023, stock turnover amounted to 6.9 million shares with a total value of SEK 374.7 million. Of these, 87.7% were traded on Nasdaq Stockholm and the rest in other marketplaces.

### SHARE-RELATED KEY METRICS

| | 2023 | 2022 |
|---|---|---|
| Income from property management, SEK/share | 3.37 | 4.10 |
| Growth in income from property management, SEK/share, % | –17.9 | 37.6 |
| Profit after tax attributable to Parent Company shareholders, SEK/share | –31.75 | 3.30 |
| NAV, SEK/share | 87.09 | 174.02 |
| Growth in NAV, SEK/share, % | –50.0 | –1.1 |
| NNNAV, SEK/share | 79.99 | 162.08 |
| Equity attributable to Parent Company shareholders, SEK/share | 72.77 | 146.09 |
| Market capitalisation at the end of the period, SEK/share | 56.90 | 83.10 |
| Market capitalisation (SEK/share)/NAV, SEK/share at the end of the period | 0.65 | 0.48 |
| **Average No. of shares during the period** | **39,556,335** | **37,537,496** |
| **No. of shares outstanding at the end of period** | **75,793,930** | **37,896,965** |

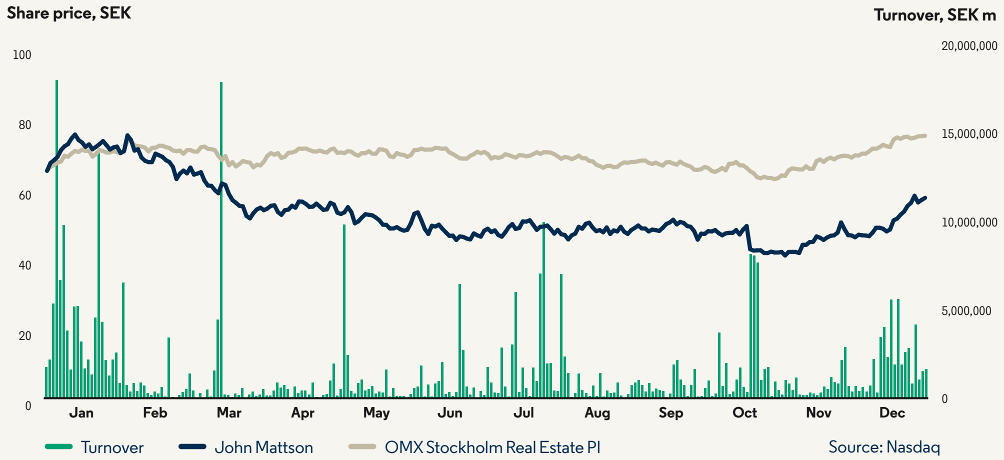
### DEVELOPMENT OF SHARE CAPITAL

| Year | Event | Changes in No. of shares[1] | Total | Change in share capital (SEK) | Total | Quotient value (SEK)[2] |
|---|---|---|---|---|---|---|
| 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 |
| 2023 | New share issue | 37,896,965 | 75,793,930 | 12,632,321 | 25,264,642 | 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 2022. In December 2023, a rights issue was completed for a total of 37,896,965 shares. which were registered on 15 December (37,783,415) and 21 December (113,550). The number of shares on 31 December 2023 was 75,793,930.

[2] As of 31 December 2023, the quotient value of the shares was SEK 0.33 per share (0.33).

### SHARE PRICE PERFORMANCE 3 JANUARY–30 DECEMBER 2023



## Shareholder structure

At the end of the year, there were 2,298 known shareholders of John Mattson. The three largest shareholders are AB Borudan Ett, Tagehus Holding AB and Carnegie Fonder, who collectively own 59.76% of the John Mattson shares. Foreign ownership of John Mattson shares amounted to 10.25% at the end of the year.

### SHAREHOLDER STRUCTURE 31 DEC 2023

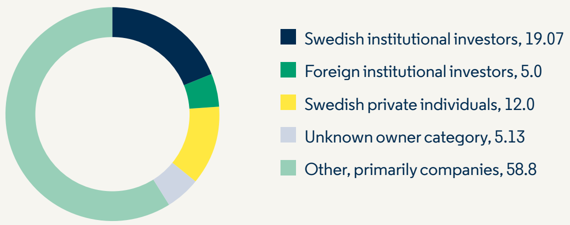
| Size class | No. of shares | Capital/ votes | No. of known shareholders | Share of known shareholders |
|---|---|---|---|---|
| 1–100 | 54,433 | 0.07% | 1191 | 51.83% |
| 101–200 | 43,071 | 0.06% | 274 | 11.92% |
| 201–300 | 26,858 | 0.04% | 105 | 4.57% |
| 301–400 | 35,989 | 0.05% | 94 | 4.09% |
| 401–500 | 26,310 | 0.03% | 56 | 2.44% |
| 501–1,000 | 155,195 | 0.21% | 198 | 8.62% |
| 1,001–2,000 | 181,423 | 0.25% | 116 | 5.05% |
| 2,001–5,000 | 328,312 | 0.45% | 96 | 4.18% |
| 5,001–10,000 | 369,795 | 0.50% | 47 | 2.05% |
| 10,001–20,000 | 540,684 | 0.73% | 38 | 1.65% |
| 20,001–50,000 | 972,587 | 1.36% | 31 | 1.35% |
| 50,001–100,000 | 1,321,615 | 1.91% | 19 | 0.83% |
| 100,001–500,000 | 3,410,334 | 4.82% | 17 | 0.74% |
| 500,001–1,000,000 | 4,469,639 | 5.90% | 7 | 0.30% |
| 1,000,001–5,000,000 | 12,488,447 | 18.75% | 6 | 0.26% |
| 5,000,001–10,000,000 | 16,593,564 | 21.89% | 2 | 0.09% |
| 10,000,001–50,000,000 | 28,702,110 | 37.87% | 1 | 0.04% |
| 50,000,001– | 0 | 0.00% | 0 | 0.00% |
| Unknown holding | 6,073,564 | 5.13% | 0 | 0.00% |
| **Total** | **75,793,930** | **100.00%** | **2,298** | **100.00%** |

### SHAREHOLDERS 31 DEC 2023

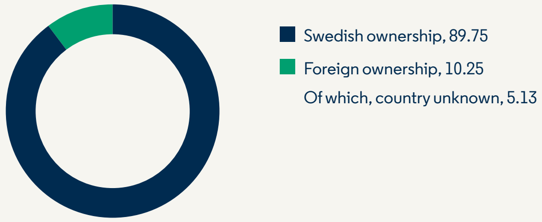
| | No. of shares | Percentage |
|---|---|---|
| AB Borudan Ett | 28,702,110 | 37.9% |
| Tagehus Holding AB | 9,873,564 | 13.0% |
| Carnegie Fonder | 6,720,000 | 8.9% |
| PriorNilsson Fonder | 3,242,678 | 4.3% |
| Bergamotträdet 9 Holding AB | 3,064,276 | 4.0% |
| Other shareholders | 24,191,302 | 31.9% |
| **Total** | **75,793,930** | **100.00%** |
| Of which, foreign shareholders | 7,768,878 | 10.25% |

Source: Consolidated and compiled data from Euroclear/Modular Finance.

### SHAREHOLDER CATEGORIES, 31 DEC 2023, %




### SHAREHOLDING BY COUNTRY, 31 DEC 2023, %



## Net asset value

By the end of the year, NAV amounted to SEK 87.09 per share (174.02). NAV decreased 50.0% compared with 31 December 2022. NNNAV amounted to SEK 6,062.9 million (6,142.3) or SEK 80.0 per share (162.08) at the end of the year, following deductions for the estimated actual deferred tax liability.

## Dividend policy

Over the long term, dividends are to amount to 50% of annual income from property management 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.

## Information for the stock market

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

### ANALYSTS THAT MONITOR JOHN MATTSON

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

### NET ASSET VALUE

| | 31 Dec 2023 | | 31 Dec 2022 | |
|---|---|---|---|---|
| | SEK m | SEK/share | SEK m | SEK/share |
| Equity attributable to Parent Company shareholders, according to balance sheet | 5,515.6 | 72.77 | 5,536.2 | 146.09 |
| **Add back:** | | | | |
| Derivatives according to balance sheet | –69.0 | –0.91 | –239.4 | –6.32 |
| Deferred tax liability in balance sheet | 1,154.2 | 15.2 | 1,298.0 | 34.25 |
| **NAV** | **6,600.8** | **87.09** | **6,594.8** | **174.02** |
| **Less:** | | | | |
| Derivatives according to balance sheet | 69.0 | 0.91 | 239.4 | 6.32 |
| Estimated actual deferred tax liability | –607.0 | –8.01 | –691.9 | –18.26 |
| **NNNAV** | **6,062.9** | **80.0** | **6,142.3** | **162.08** |

# Financial information

Art has a long-standing place in John Mattson's neighbourhoods. Art contributes to well-being, pride and a sense of community. Here we have an example of the artist Hans Lannér's mosaic art in Larsberg on Lidingö.

# Challenging year with a capital injection needed from the owners

After taking over as the new Chairman of the Board in April 2023, these are my first Comments as Chairman for John Mattson. During my relatively short tenure on the Board, the work has largely focused on parrying the consequences entailed by the new market conditions with high inflation, increasing interest rates and rising yield requirements on the company's key financial metrics. The loan-to-value ratio and the interest coverage ratio were the key metrics in focus. During the year, lenders and investors both adopted a negative outlook on the property market in general and residential property companies in particular.

John Mattson entered the changed market conditions in 2022 following a period of robust growth and with a loan-to-value ratio above the company's financial risk limit of 50%, which came under further pressure in 2023 due to falling property values. In parallel, the Riksbank implemented rapid hikes in the policy rate, which applied additional pressure on the company's interest coverage ratio. In the autumn, in addition to operational improvements and property sales, we decided to conduct a capital injection into the company from the owners in the form of a rights issue. All of these measures were implemented both for short-term financial reasons on the liability side and for long-term reasons focused on value-creating investments going forward on the asset side.

**Lower inflation and a recovery in sight, but geopolitical concerns remain**

Russia's continued invasion of Ukraine, the attack by Hamas in Israel with the subsequent retaliation by Israel, China's verbal threats towards Taiwan and the 2024 election in the US have influenced and continue to influence geopolitical conditions in our world. Looking ahead, it is difficult to assess the extent of the consequences of the above for global markets and inflation.

As a property company, John Mattson is most affected by the inflation trend and its link to policy rate changes. In 2023, CPI inflation fell from 12.3% in December 2022 to 4.4% in December 2023, in parallel with the policy rate being raised from 2.5% to 4.0%. If geopolitical conditions do not take a dramatic turn for the worse, we are likely to experience a recovery in 2024 with the Riksbank gradually lowering the policy rate.

**Operational improvements**

In 2022, we started extensive work on the operational restructure of the company to meet the new market conditions. Work continued in 2023 with the same intensity. Management and employees have done a thorough job of reducing the company's costs at all levels without impacting employee and customer satisfaction, something that we have noted and been highly gratified to see on the Board in repeated reconciliations both in terms of key financial metrics such as the surplus ratio and in terms of the follow-up of customer and employee surveys.

**Strongly supported rights issue by shareholders**

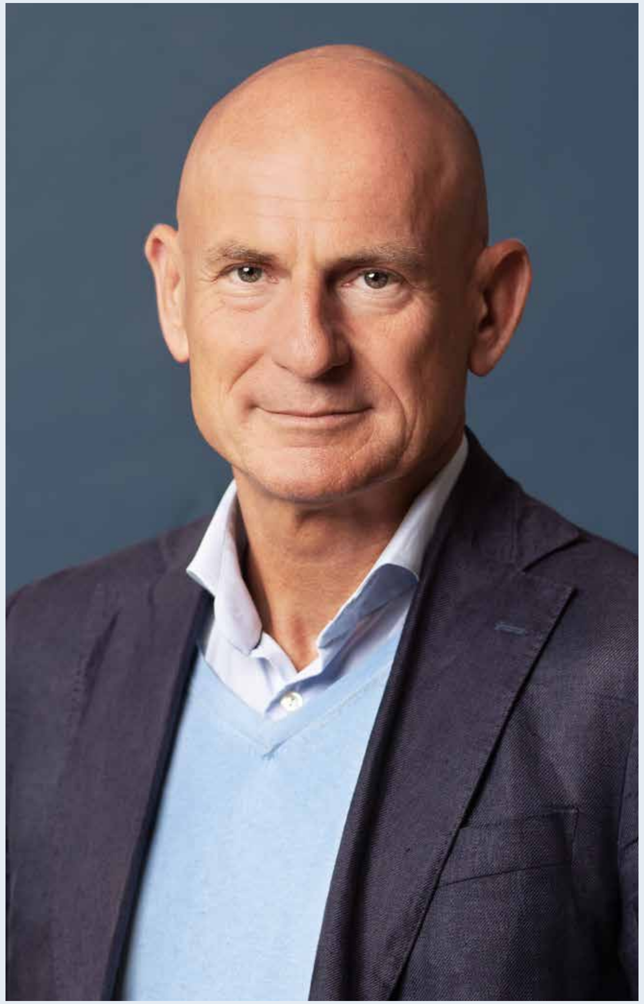
After the summer, the Board and management decided to conduct a capital injection into the company in the form of a rights issue The strength and commitment of John Mattson's principal owners was clearly demonstrated by fully underwriting the issue, which, together with the work of the management and good advisors, was key to the issue being more than 30% oversubscribed and to its successful completion before the end of the year.

**Work by the Board, management and employees**

Given the changed market conditions with a high pace of financial and operational measures, the work of the Board, management and employees has entailed numerous meetings and decisions in various constellations both physically, digitally and per Capsulam. Everyone involved has approached their tasks with considerable energy. The Board held 27 meetings during the year and, moreover, the Board's Audit and Finance Committee provided decision support to management during the rights issue process.

As Chairman of John Mattson, I am gratified, proud and impressed by the competence and breadth of the Board and management. I look forward to taking the company forward in 2024 with our combined energy and an intensified focus on developing the property portfolio.

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



# Administration Report

The Board of Directors of John Mattson Fastighetsföretagen AB (publ) (556802-2858) hereby presents the Annual Report for the Group and Parent Company for the 1 Jan 2023–31 Dec 2023 financial year. The registered office of the company is in the municipality of Lidingö Stad, Stockholm, Sweden. The Annual Report is presented in Swedish krona (SEK). The comparative year is 2022.

**Information about the operations**
John Mattson has been active in property management and property development for more than 55 years. The Group's business idea is to own, manage and develop residential and commercial properties. The commercial premises should complement the residential portfolio and provide services to the residential tenants.

**Property portfolio**
John Mattson owns rental apartments in Lidingö, Sollentuna, Stockholm, Nacka and Upplands Väsby, and also conducts development projects in Stockholm. The property portfolio mainly comprises residential properties. At the end of the financial year, the portfolio comprised 4,270 rental apartments with a lettable area of 342,800 sq m (359,700), broken down as 82% residential and 18% commercial premises. At the end of 2023, a development project was ongoing at the Gengasen property in Örby.

As of 31 December 2023, the breakdown of lettable area between property management areas was as follows: Lidingö 46%, City/Bromma 14%, North Stockholm 23%, and South Stockholm/Nacka 17%.

An agreement was signed in 2023 for the sale of three properties: on Lidingö, in Högdalen and in central Stockholm with an underlying property value of SEK 888 million. Five properties located on Lidingö, in Högdalen and in central Stockholm were divested with an underlying property value of SEK 1,150 million. No properties have been acquired.

**Financial targets**
During the year, the Board of Directors of John Mattson updated the financial targets to encompass:

- An average annual growth in NAV per share of not less than 7%, 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 target for NAV growth was changed from 10% to 7% in light of the prevailing macroeconomic conditions and after taking into account the rights issue completed in the fourth quarter.

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

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

**Investments**
The main investments during the year were in our new production and upgrade project Gengasen in Örby.

Over the year, 72 apartments have undergone extensive upgrades to ensure their technical viability and to generate a higher net operating income primarily through higher rent levels. Upgrades are implemented in two steps using the Larsberg model: base upgrades and total upgrades. Base upgrades that secure the building's technical status through the replacement of electrical and plumbing systems as well as bathrooms are mainly carried out with the existing tenants in place. The following step, total upgrades, focuses on the remaining aspects of the apartment and the installation of new kitchen interiors and renovation of all surfaces. Total upgrades are carried out when tenants have vacated or requested it.

**Organisation**
John Mattson's organisation consists of 46 (52) employees, of whom 21 (27) are women. As of 31 December 2023, the company's management group consisted of the Chief Executive Officer, Chief Financial Officer, Head of Business and Project Development, Head of Property Management, and Head of Communications.

The organisation's primary area of operations is property management and project development, with accounting and communication as central support functions. Property managers, property technicians and customer service agents work within the property management department. Property management is primarily conducted by John Mattson's own personnel. Further information on employees, salaries and benefits is provided in Note 7 to the consolidated financial statements.

**Property valuation**
Some 25% of the Group's properties are valued externally each quarter, which means that all properties are externally valued by Cushman & Wakefield at least once each year. More information about John Mattson's investment properties can be found in Note 12.

**Significant events during the year**

- Two residential properties in Lidingö were divested with an underlying property value of SEK 262 million in the first quarter.
- A sustainability-linked credit agreement of SEK 949 million was contracted.
- The company's CFO Mattias Lundström stepped down.
- One residential property in Lidingö was divested with an underlying property value of SEK 525 million in the second quarter.
- Ebba Pilo Karth was appointed new CFO and assumed the role 26 March 2024.
- John Mattson's Extraordinary General Meeting resolved to issue new shares with preferential rights for existing shareholders for approximately SEK 1.25 billion. The rights issue was fully subscribed without utilising the underwriting commitments.

- It was decided to revise the average annual growth target for NAV per share to not less than 7% over a business cycle.
- A residential property in Högdalen in Stockholm and an office property in central Stockholm were divested with a total underlying property value of approximately SEK 363 million in the fourth quarter.
- All bank credits that would have matured by December 2024 were extended from one to seven years.
- Some 50 apartments were completed in the first part of a new build project in Örby in Stockholm.

**Financial strategy and risk management**

John Mattson's reputation, earnings and cash flow are affected by changes in the external world and by the company's own actions. Risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects.

The primary tools in managing risk are the strategies that the company follows, which are made tangible in processes integrated in daily operations. Values are also an important part of managing risks in daily operations and in ensuring a high level of competence in the organisation.

John Mattson's risk sections can be found on pages 47–50 and include financial risks, which comprise a key component of the company's total risks. A more detailed description of financial risks and John Mattson's financing strategy follows below.

Financing strategy

Trends in financial markets are of considerable significance to John Mattson's business operations and earnings. For this reason, it is important to define financial risks, put them in relation to other business risks, assess the risks and secure appropriate management that supports the overall business objectives.

John Mattson takes a long-term approach to its ownership of properties, which requires access to capital to be able to develop the property portfolio. The financial operations should be conducted in such a way that the need for long-term and current financing is secured at as low a cost as possible given the risk mandate, and so that they safeguard the company's interest payment capacity over time.

Financing risk

The company's financial policy specifies guidelines and regulations for how John Mattson's finance operations should be conducted. The financial policy is adopted annually by the Board of Directors and states how the various risks associated with finance operations should be limited and defines the risks that the company is permitted to take. The Board of Directors has also established a separate Audit and Finance Committee which, together with executive management, focuses on, inter alia, preparing financing matters before they are addressed by the Board of Directors.

The company's overall financial risk limitation is that the loan-to-value ratio should not persistently exceed 50% and the interest coverage ratio should not persistently be below 1.5. At the end of 2023, the loan-to-value ratio was 49.8% (56.6) and the interest coverage ratio was 1.6 (1.9).

Interest-rate risk is defined as the risk that changes in the level of interest rates will impact the company's cost of financing. Interest-rate risk is attributable to the way current market interest rates develop. In order to limit the interest-rate risk, derivative agreements are entered into in the form of interest-rate swaps. To limit fluctuations in net interest expense, the company should have a mix of fixed-interest tenors for its loans and derivatives, while ensuring that the average fixed-interest tenor is in the range of one to five years and that a maximum of 50% is in the range of zero to one year. The volume-weighted average fixed-interest tenor was 2.9 years (2.6) at the end of 2023.

The company's financing primarily consists of equity and interest-bearing liabilities. In order to limit refinancing risk, defined as the risk that refinancing of existing liabilities will not be possible on market terms, John Mattson endeavours to have a longer average remaining tenor for its interest-bearing liabilities spread over several lenders. To ensure a reasonable loan-to-maturity, the company strives to have an even loan maturity structure and that total borrowings should have an average loan-to-maturity (volume-weighted average remaining maturity) that exceeds two years. The volume-weighted average loan-to-maturity was 3.0 years (2.8) at the end of 2023.

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling its obligations when settling financial liabilities. This risk is managed through overdraft facilities totalling SEK 110 million (160), of which SEK 0.0 million (0.0) had been utilised at the end of 2023. In addition, there is one construction credit of SEK 400 million, of which SEK 322 million had been utilised at the end of 2023.

**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**

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, John Mattson has chosen to prepare its statutory Sustainability Report separately from its Administration Report. The statutory sustainability report can be found on pages 6–7, 14, 33–45, 47–50 and 63. John Mattson has high ambitions and actively works with its long-term sustainability agenda in all areas of operation. Refer to pages 33–45 for more information about the company's sustainability agenda.

**Guidelines for remuneration of senior executives**

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

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

The Board prepares proposed guidelines for resolution by the AGM, at least every fourth year. Remuneration of senior executives is market-based and competitive as well as proportionate to responsibilities and authorities. Remuneration comprises fixed salaries, any variable remuneration, pension benefits and other benefits. Salaries, benefits and pension premiums for 2023 are disclosed in Note 7. Variable cash remuneration for the CEO may not exceed six months' salary (calculated on the fixed monthly salary).

Variable remuneration for the other senior executives may not exceed three months' salary (calculated on the fixed monthly salary) and is based on the outcomes relative to pre-set targets. Pension benefits to senior executives are either defined-contribution or defined-benefit unless the individual in question is encompassed by a defined-benefit pension in accordance with the provisions of a collective bargaining agreement. Variable remuneration is only pensionable to the extent it is required pursuant to the applicable provisions of collective bargaining agreements. For each senior executive, pension premiums may not exceed 50% of the fixed base salary unless a higher provision is applicable according to the relevant collectively agreed pension plan. Premiums and other benefits, such as health insurance and company car, may not total more than 10% of the total fixed annual salary of the respective senior executive. In accordance with Chapter 8 Section 53 of the Swedish Companies Act, the Board of Directors has the right to depart from these guidelines in an individual case if there are particular reasons to do so.

For the complete proposal regarding the proposed guidelines for senior executives, refer to John Mattson's website corporate. johnmattson.se/en/. Refer to the Corporate Governance Report on pages 64–65 for more information on the guidelines for remuneration of senior executives.

## FINANCIAL OUTCOME

### Income statement

Revenue

The Group's revenue for the year amounted to SEK 610.4 million (620.9), corresponding to SEK 1,750 per sq m (1,726). The decrease in rental revenues amounted to SEK 10.5 million and mainly pertained to divestments of properties during the year.

Rental revenues for residential properties totalled SEK 472.7 million (463.9), corresponding to SEK 1,618 per sq m (1,563). The general annual housing rent negotiations for 2023 resulted in increases of 2.3–4.75%.

Property expenses

Property expenses totalled SEK 173.1 million (223.1), corresponding to SEK 454 per sq m (620), which is a cost reduction of SEK 166 per sq m.During the year, we lowered our property expenses as a result of the implemented efficiency and cost-savings programme.

Operating expenses amounted to SEK 123.9 million (141.2), due to lower costs for energy and property upkeep.

Maintenance expenses amounted to SEK 15.3 million (35.2).

Property administration expenses decreased to SEK 20.2 million (33.1). Again, the change was attributable to the effects from the implemented efficiency and cost-savings programme.

Central administration costs

Central administration costs comprise costs for company management, business development and central support functions. During the period, expenses amounted to SEK 51.0 million (58.8) and included costs affecting comparability of SEK 3.0 million, of which SEK 2.0 million arose in conjunction with the conclusion of the former CFO's employment. Total cost reductions, excluding non-recurring costs, amounted to SEK 10.8 million and were attributable to the implemented efficiency and cost-savings programme.

### Changes in value

Properties

Changes in property values amounted to a loss of SEK 1,357.4 million (loss: 225.1). Realised changes in the value of divested properties in the year amounted to a loss of SEK 34.6 million (loss: 13.9). Unrealised changes in property values amounted to a loss of SEK 1,322.8 million (loss: 211.1). The unrealised value changes were attributable to raised yield requirements, though they were mitigated by improved net operating income linked to implemented efficiency enhancements and investments. The average valuation yield for the Group was 3.4% (2.9).

Derivatives

In total, the company has contracted interest-rate swaps to a nominal value of SEK 5,932.6 million (4,788.6), corresponding to 85.2% (61.7) of interest-bearing liabilities with a floating Stibor interest rate. The contracted interest-rate swaps mature from 2025 to 2033. These interest-rate derivatives are marked to market on a quarterly basis pursuant to the applicable accounting rules. The market value of interest-rate derivatives at the end of the period was SEK 69.0 million (239.4). Unrealised changes in the value of interest-rate derivatives in the period amounted to a loss of SEK 170.4 million (gain: 264.6). The change was mainly due to movements in the underlying market interest rates during the period.

### Net financial items

Net financial items amounted to an expense of SEK 253.1 million (expense: 185.2). The year-on-year decrease in net financial items was attributable to higher market interest rates. Capitalised financial expenses for ongoing projects amounted to SEK 29.2 million (2.0). At year end, the average interest rate, including the effects of interest-rate derivatives, was 3.43% (2.54). The interest coverage ratio was a multiple of 1.6 (1.9) at the end of the year.

**Tax for the year**

Current tax for the year amounted to an income of SEK 0.1 million (expense: 0.2). Deferred tax amounted to income of SEK 139.3 million (expense: 70.5) and was impacted by unrealised changes in property and derivative values of SEK 307.6 million. Realised value changes and unrecognised deferred tax pertaining to declines in value for historic asset acquisitions resulted in net fiscal adjustments of SEK 106.7 million. Furthermore, non-deductible interest had an impact on deferred tax of SEK 42.2 million. The Group's loss carryforwards are estimated at SEK 45.4 million (359.3), and comprise the basis for the Group's deferred tax assets.

**Balance sheet**

At the end of the year, property value totalled SEK 13,567.6 million (15,695.5 on 31 December 2022). The property value has decreased SEK 2,128.0 million year-on- year, which was primarily due to divestments and unrealised changes in value.

Investments

During the period, total investments amounted to SEK 348.7 million (1,001.2), of which SEK 0.0 million (643.2) pertained to acquisitions. Investments in new builds amounted to SEK 169.0 million (276.0), and mainly pertained to the new build project in Örby centrum. Investments in completed and ongoing upgrades amounted to SEK 131.2 million (27.9). During the period, 72 (86) apartments were upgraded. Other investments includes items such as window replacements.

Right-of-use assets, leaseholds

The values of leaseholds are recognised as right-of-use assets together with a corresponding financial liability. As of 31 December 2023, the total estimated value of the right-of-use assets and liabilities was SEK 375.7 million (345.2).

Equity

On the balance-sheet date, equity totalled SEK 5,596.2 million (5,641.5), which corresponds to SEK 72.77 (146.09) per share. During the year, equity declined due to the loss for the year of SEK 1,255.3 Million (profit: 122.7) and increased through a new share issue of SEK 1,232.9 million (268.4). At year end, the equity/assets ratio amounted to 38.4% (34.4).

Interest-bearing liabilities

The credit volumes utilised at year end amounted to SEK 7,192.6 million (8,923.8), of which SEK 6,083.9 million (6,363.9) was a non-current liability and SEK 1,108.8 million (2,559.9) was a current liability. External borrowing during the period amounted to SEK 1,696.2 million (2,161.8). Loan repayments during the period amounted to SEK 3,427.7 million (2,584.5).

Derivatives

The market value of interest-rate derivatives at the end of the year was SEK 69.0 million (239.4). The unrealised decrease in value of SEK 170.4 million (increase: 264.6) was mainly attributable to shorter end dates for the derivatives and changes in market interest rates. Derivatives are used to adjust interest-rate risk in the loan portfolio.

Deferred tax

On 31 December 2023, deferred tax totalled SEK 1,154.2 million (1,298.0). The deferred tax liability mainly pertained to the temporary difference on investment properties. The change in the tax liability was due to the unrealised depreciation of investment properties during the year.

**Parent Company**

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

Parent Company revenue amounted to SEK 11.5 million (13.9). Central administration and marketing costs amounted to SEK 28.4 million (cost: 43.5). The loss before appropriations and tax amounted SEK 253.4 million (loss: 90.3).

**Outlook for 2024**

The outlook for 2024 is positive. Inflation has declined to a level close to the Riksbank's long-term goal. Long-term interest rates have also fallen to a level that is attractive for low-yield assets like housing. However, developments in our operating environment remain uncertain and we need to be prepared for it to take time for interest rates and inflation to decrease further.

John Mattson's properties are located in attractive areas in growth municipalities within the Stockholm region. We have satisfied customers with high demand for our housing. The willingness to pay for our housing is significantly higher than our average rent, which means stable rental revenues with low risk for vacancies.

We expect the company to be negatively affected by continued price increases in 2024, including an increase in tariff-based costs such as district heating. The focus will remain on existing cash flows as well as investments in energy efficiency improvements and value-creating apartment upgrades. Selective divestments may also be considered with the aim of optimising our use of capital.

**Events after the balance-sheet date**

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

# Multi-year review

| Group, SEK million | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **Property-related key metrics** | | | | | |
| Surplus ratio, % | 71.6 | 64.1 | 61.3 | 66.7 | 60.4 |
| Rental value at the end of the period, SEK m | 622.4 | 626.6 | 609.7 | 336.5 | 275.1 |
| Rental value, apartments, at the end of the period, SEK/sq m | 1,664 | 1,610 | 1,557 | 1,485 | 1,485 |
| Economic occupancy rate at the end of the period, % | 96.1 | 95.9 | 95.6 | 94.5 | 94.9 |
| Lettable area at the end of the period, thousand sq m | 342.8 | 359.7 | 355.5 | 215.9 | 171.5 |
| Investments in new builds, extensions and redevelopments, SEK m | 348.7 | 358.0 | 254.6 | 217.4 | 160.1 |
| Property value, at the end of the period, SEK/sq m | 39,581 | 43,638 | 44,710 | 36,861 | 37,124 |
| Total number of apartments | 4,270 | 4,515 | 4,414 | 2,829 | 2,251 |
| No. of upgraded apartments during the period | 72 | 86 | 339 | 368 | 65 |
| **Key financial metrics** | | | | | |
| Rental revenues, SEK m | 610.4 | 620.9 | 407.9 | 294.0 | 253.0 |
| Net operating income, SEK m | 437.3 | 397.8 | 249.8 | 196.0 | 152.8 |
| Income from property management, SEK m | 133.2 | 153.9 | 103.1 | 94.7 | 64.9 |
| EBT, SEK m | –1,394.6 | 193.0 | 1,692.3 | 608.1 | 235.2 |
| Profit for the year, SEK m | –1,255.3 | 122.7 | 1,332.5 | 478.8 | 178.8 |
| Cash flow from operating activities, SEK m | 145.7 | –4.6 | 121.1 | 115.9 | 46.2 |
| Equity, SEK m | 5,596.2 | 5,641.5 | 5,250.2 | 3,413.7 | 2,934.8 |
| Balance-sheet total | 14,562.4 | 16,415.8 | 16,545.7 | 8,059.2 | 6,398.9 |
| Equity/assets ratio, % | 38.4 | 34.4 | 31.7 | 42.4 | 45.9 |
| No. of employees | 46 | 52 | 45 | 30 | 25 |
| LTV ratio at the end of the period, % | 49.8 | 56.6 | 58.0 | 44.7 | 40.72 |
| Average interest rate at the end of the period, % | 3.4 | 2.5 | 1.4 | 1.5 | 1.9 |
| Interest coverage ratio during the period, multiple | 1.6 | 1.9 | 2.2 | 2.6 | 2.3 |
| Fixed-interest tenor, at the end of the period, years | 2.9 | 2.6 | 2.0 | 2.2 | 3.2 |
| Loan-to-maturity at the end of the period, years | 3.0 | 2.8 | 2.1 | 2.3 | 2.4 |
| NAV, SEK m | 6,600.8 | 6,594.8 | 6,396.6 | 4,352.0 | 3,739.6 |
| NNNAV, SEK m | 6,062.9 | 6,142.3 | 5,765.1 | 4,007.2 | 3,480.2 |

| Group, SEK million | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **Share-related key metrics (in SEK)**[1] | | | | | |
| Average number of shares | 39,556,335 | 37,537,496 | 34,600,537 | 33,670,032 | 33,670,032 |
| No. of shares outstanding at the end of period | 75,593,930 | 37,896,965 | 36,364,827 | 33,670,032 | 33,670,032 |
| Income from property management, SEK/share | 3.37 | 4.10 | 2.98 | 2.81 | 1.93 |
| Growth in income from property management, SEK/share, % | –17.9 | 37.6 | 6.0 | 45.8 | 159.0 |
| Adjusted income from property management, SEK/share, growth, %[2] | –17.9 | 37.6 | 13.9 | 26.5 | 63.6 |
| Profit for the year, SEK/share | –31.75 | 3.30 | 38.21 | 14.22 | 5.31 |
| NAV, SEK/share | 87.09 | 174.02 | 175.90 | 129.25 | 111.07 |
| Growth in NAV, SEK/share, % | –50.0 | –1.1 | 36.1 | 16.4 | 6.6 |
| NNNAV, SEK/share | 79.99 | 162.08 | 158.54 | 119.01 | 103.36 |
| Equity, SEK/share | 72.77 | 146.09 | 141.45 | 101.39 | 87.16 |

| Parent Company | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Net sales, SEK m | 11.5 | 13.9 | 20.2 | 13.5 | 8.4 |
| Equity, SEK m | 2,878.9 | 1,845.7 | 1,637.5 | 1,231.7 | 1,245.3 |
| Balance-sheet total, SEK m | 7,224.2 | 5,664.2 | 5,725.5 | 1,993.5 | 1,807.2 |
| Equity/assets ratio, % | 39.9 | 30.6 | 28.6 | 61.8 | 68.9 |
| No. of employees | 5 | 6 | 6 | 6 | 5 |

[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 2022. In December 2023, a rights issue was completed for a total of 37,896,965 shares, which were registered on 15 December (37,783,415) and 21 December (113,550). The number of shares on 31 December 2023 was 75,793,930.

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

# Proposed appropriation of profits

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

| | |
|---|---|
| Share premium reserve | 2,258,196,840 |
| Retained earnings | 795,117,732 |
| Profit for the year | –199,635,103 |
| **Total** | **2,853,679,469** |
| **The Board of Directors and the Chief Executive Officer propose that the profits be appropriated as follows:** | |
| To be carried forward | 2,853,679,469 |
| **Total** | **2,853,679,469** |

# Corporate Governance Report 2023

## Introduction

The corporate governance of John Mattson refers to ensuring that rights and responsibilities are distributed between the company's governance bodies in accordance with applicable laws, rules and processes. Efficient and transparent corporate governance provides the owners with the ability to uphold their interests concerning company management while clarifying the division of responsibility between management and the Board of Directors, but also throughout the company. This also leads to efficient decision making which makes it possible for John Mattson to act quickly when new business opportunities arise.

John Mattson is a Swedish public limited liability company that was listed on Nasdaq Stockholm, Mid Cap as of 5 June 2019. The company's corporate governance is based on Swedish law, in particular the Swedish Companies Act (2005:551), the Swedish Corporate Governance Code (the "Code"), the company's Articles of Association, internal regulations (instructions and policies) as well as Nasdaq Stockholm's Rule Book for Issuers. Additional information about John Mattson's corporate governance is available on the company website.

The Code applies to all Swedish companies whose shares are listed in a regulated market in Sweden. Companies are not required to comply with all of the regulations in the Code, companies can instead choose alternative solutions that they believe to be more appropriate for the company's specific circumstances under the condition that the company reports the deviation/s, describes the alternative solution and explains the reasons behind the deviation/s in the corporate governance report (the so-called "comply or explain approach"). John Mattson applied the Code with no deviations in 2023.

## Shareholders

For information about the ownership structure, see pages 51–53 of this Annual Report.

## Voting rights

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

## General meeting

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

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

## Right to participate

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

## Shareholder initiatives

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

## 2023 Annual General Meeting

At John Mattson's 2023 AGM, a resolution was passed authorising the Board to decide on the new issue of shares. Christer Olofsson, Håkan Blixt, Johan Ljungberg and Ingela Lind were re-elected as Board members and Åsa Bergström, Per-Gunnar (P-G) Persson and Katarina Wallin were elected as new Board members. Per-Gunnar (P-G) Persson was elected as the new Chairman of the Board and Johan Ljungberg as Vice Chairman. Ernst & Young AB was re-elected with Katrine Söderberg as the company's Auditor-in-Charge. A decision was also made to not distribute any dividend for the 2022 financial year. The minutes from the AGM are available on John Mattson's website.

## 2024 Annual General Meeting

John Mattson's AGM on 18 April 2024 will be held at 2:00 p.m. in the Malmstensalen at Campus Lidingö (Malmstenskolan), Larsbergsvägen 8, Lidingö. Instructions regarding application to attend the AGM will be available on the company's website.

## Nomination Committee

The Nomination Committee is appointed ahead of the AGM and comprises representatives for the three largest shareholders in terms of voting rights in the company as per August each year, and the Chairman of the Board, who is also to convene the Nomination Committee to its first meeting. The Nomination Committee must perform its assignment in accordance with the instructions decided on at the AGM, the Code and other applicable rules.

The assignment includes submitting proposals for the Chairman of the meeting, the number of Board members, the election of the Chairman and other elected members of the Board, fees and other remuneration of each of the AGM-elected Board members and members of the Board's committees, election of auditors and auditors' fees. In as far as it is considered necessary, the Nomination Committee is to submit proposals for changes to the applicable rules for the Nomination Committee.

The Nomination Committee must pay particular attention to the requirements of the Code regarding diversity and breadth on the Board of Directors and to strive for equal gender distribution. In 2023, the Board of Directors comprised a total of seven persons, of whom three were women (43%) and four men (57%). No fees are to be paid to the members of the Nomination Committee. However, the company will defray reasonable costs associated with the work of the Nomination Committee.

## The Nomination Committee ahead of the 2024 AGM

The Nomination Committee held four minuted meetings in 2023 and 2024. John Mattson's Nomination Committee meets the requirements for independence in relation to the company. The Board members on the Nomination Committee and which owners appointed them is displayed in the table below. John Mattson's Nomination Committee can be contacted by email at valberedningen@johnmattson.se.

The Nomination Committee ahead of the 2024 AGM

- Ulrika Magnusson, appointed by AB Borudan Ett (Chairman of the Nomination Committee)
- Johan Ljungberg, appointed by Tagehus Holding AB
- Simon Blecher, appointed by Carnegie Fonder
- Tino Goetze, appointed by Bergamotträdet 9 Holding AB

**Board of Directors**

The Board of Directors is the company's next highest decision-making body after the general meeting. John Mattson's Board of Directors is to, in accordance with the Articles of Association, consist of no less than three and no more than seven members, with no deputy members. At the AGM on 21 April 2023, it was decided to re-elect Johan Ljungberg, Håkan Blixt, Christer Olofsson and Ingela Lindh as Board members and to elect Åsa Bergström, Katarina Wallin and Per-Gunnar Persson as new members of the Board. Per-Gunnar Persson was elected Chairman of the Board. For more information on the Board members and their assignments outside the Group as well as their shareholding in John Mattson, see the section "The Board of Directors" on page 66–67.

**Responsibility and work**

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

The Board of Directors is responsible for John Mattson's organisation and the administration of the company's affairs. This entails, inter alia, preparing overarching and long-term strategies, goals, budgets and business plans as well as establishing guidelines to ensure the John Mattson's operations will create long-term value. The Board's responsibilities also encompass examination and adoption of the interim reports and annual report as well as deciding on issues related to investments, sales, capital structure and dividend policy. The Board also annually adopts the company's material policies and ensures that control systems are in place to ensure compliance therewith and, in addition, ensures that systems are in place for the control and follow up of the company's operations, risks and material changes in the company's organisation and operations. The Board appoints the company's CEO and establish salaries and other remuneration for the CEO and other senior executives in accordance with the guidelines for remuneration of senior executives adopted by the general meeting.

Sustainability

The Board of Directors has overriding responsibility for ensuring sustainability is a central and integrated element of the company's overriding governance. Sustainability comprises an integrated component of John Mattson's business strategy. In 2022, the Board decided on a number of strategic sustainability goals. Refer to page 35 for more information. Operational responsibility for the sustainability agenda is delegated to the CEO and all managers are tasked with ensuring that the material sustainability matters are integrated into daily operations. Moreover, all employees and managers are responsible for adhering to the company's code of conduct and other policies.

John Mattson's values – a long-term perspective, professionalism and commitment – form the foundation for the company's operations. The Global Compact's ten principles for corporate sustainability form the basis of the company's code of conduct and the responsibility it takes. The code of conduct is supplemented by specific policies in various areas, for example diversity, equality and work environment. The company's core values, code of conduct and policies guide the company's Board, management, employees and business partners in daily operations. Since the end of 2023, John Mattson has established a whistle-blower function with a separate whistle-blower channel through which employees and external parties can securely and anonymously report misconduct and irregularities. In 2023, work started on separate supplier policy to clarify John Mattson's requirements for the company's suppliers and to enable increased collaboration on sustainability matters.

John Mattson's strategic sustainability initiatives are conducted in four focus areas as well as within anti-corruption and human rights. Read more on pages 35–42.

The Chairman of the Board is responsible for, inter alia, ensuring that Board members receive all the necessary documents and the information that they require to monitor John Mattson's position, performance, liquidity, financial planning and other development. It is the duty of the Chairman to complete assignments given by the AGM concerning the establishment of the Nomination Committee and to participate in these efforts. The Chairman of the Board must, in close collaboration with the CEO, monitor the company's financial performance and prepare Board meetings and act as Chairman at said meetings. The Chairman of the Board is also responsible for making sure that the Board evaluates its work and the work of the CEO on a yearly basis. The Board of Directors meets in accordance with an annually prepared timetable. Asides from these meetings, Board members can be called to extraordinary Board meetings to manage issues that cannot be postponed until the next scheduled Board meeting.

**Work of the Board in 2023**

In 2023, John Mattson's Board of Directors held 27 meetings, of which one was statutory.

**Evaluation of the work of the Board**

The Chairman of the Board initiates an evaluation of the work of the Board once per year in accordance with the Board's rules of procedure. The 2023 evaluation has been carried out with each Board member giving responses to a questionnaire. In addition, the Chairman of the Board has had some individual contact with particular Board members. The purpose of the evaluation is to gain an insight into the opinions of the Board members concerning how the work of the Board is run and which measures that can be implemented to make the work of the Board more efficient. The aim is also to gain an insight into what type of issues that the Board believe should be given more attention, and in which areas there may be a requirement for additional experience and competence on the Board. The results of the evaluation have been reported within the Board and have been submitted to the Nomination Committee by the Board of Directors.

**Remuneration Committee**

In accordance with the Code, the Chairman of the Board can also act as the Chairman of the Committee. Other members elected at the general meeting should be independent in relation to the company and company management. The Board's Remuneration

| | | Meeting participation | | | |
|---|---|---|---|---|---|
| Board Member | Fee (SEK thousand) | Board | Audit and Finance Committee | Remuneration Committee | Independent |
| Per-Gunnar Persson[2] | 435 | 22/27 | 4/6 | 3/3 | Yes |
| Johan Ljungberg | 230 | 27/27 | 6/6 | 3/3 | No[1] |
| Åsa Bergström[2] | 240 | 22/27 | 4/6 | – | Yes |
| Håkan Blixt | 190 | 27/27 | 2/6 | – | Yes |
| Christer Olofsson | 190 | 27/27 | – | – | Yes |
| Ingela Lindh | 190 | 27/27 | – | – | Yes |
| Katarina Wallin[2] | 205 | 21/27 | – | 3/3 | Yes |

[1] Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.
[2] Elected as a board member at the Annual General Meeting on 21 April 2023.

Committee continually evaluates the remuneration conditions of leading executives against the background of applicable market conditions. The Committee prepares items within these areas to be decided on by the Board. The Remuneration Committee currently consists of three Board members: Per-Gunnar Persson (Chairman), Johan Ljungberg and Katarina Wallin, who are all considered independent in relation to the company and its senior executives. The Committee's members are appointed by the Board once per year. The Remuneration Committee's primary tasks are to, inter alia, prepare the Board's decisions on matters pertaining to remuneration principles, remuneration and other terms of employment for the company management. Additionally, the Committee is tasked with monitoring and evaluating ongoing and concluded variable remuneration programmes for the company's management and following and evaluating the application of the guidelines for remuneration of senior executives that the AGM is legally obliged to resolve on, as well as the current remuneration structures and levels in the company.

The Remuneration Committee is to meet at least twice a year. In 2023, the Remuneration Committee held three meetings. The members of the Committee were present at all of the meetings. Issues addressed at the meetings included the company's guidelines for remuneration of senior executives and remuneration levels to the CEO and other senior executives as well as the company's incentive programmes for all employees.

**Audit and Finance Committee**

In accordance with the Swedish Companies Act, the Board will have an Audit Committee that consists of at least two members. The Committee's members may not be employed by John Mattson, and at least one of the members must possess accounting or auditing competence. The Audit and Finance Committee currently consists of three Board members: Åsa Bergström (Chairman), who is considered to meet the requirement for accounting or auditing competence, Johan Ljungberg and Per-Gunnar Persson. The Committee's members and their Chairman are appointed by the Board once per year.

The Audit and Finance Committee is tasked with, inter alia, supervising John Mattson's financial reporting and submitting recommendations and proposals to ensure the reliability of the reporting. The Committee monitors compliance with John Mattson's financial policy and ensures access to capital. The Audit and Finance Committee also monitor the effectiveness of the company's internal controls and risk management. The Committee is also tasked with keeping informed regarding the audit of the annual report and the consolidated financial statements as well as the conclusions of the Swedish Inspectorate of Auditors' quality control. The results of the audit, and how the audit contributed to the reliability of the financial reporting as well as the function that the Committee has had, reviewing and monitoring the statutory auditor's impartiality and autonomy, particularly if the statutory auditor provides other services for the company than auditing is also included in the Committee's tasks. Moreover, the Committee is also tasked assisting the Nomination Committee with the preparation of proposals for resolution by the general meeting regarding the choice of auditors.

The Audit and Finance Committee meets at least four times a year. In 2023, the Audit and Finance Committee held six scheduled meetings. The members of the Committee were present at all of the meetings. Issues addressed at the meetings included compliance with the company's financial policy, the interim reports, the focus of the external audit and the company's internal controls concerning financial reporting.

**Remuneration of Board members and the Board's committees**

On 21 April 2023, the AGM set Board fees at SEK 395,000 for the Chairman of the Board and SEK 190,000 to each of the other members for the period up to the close of the 2024 AGM, allocated according to the table on the previous page. At the same AGM, it was resolved to set fees at SEK 50,000 to the Chairman and SEK 25,000 to other members of the Board's Audit and Finance Committee. Fees to members of the Board's Remuneration Committee were set at SEK 15,000 per member.

**The CEO and other senior executives**

The CEO is subordinate to the Board of Directors and responsible for John Mattson's ongoing administration and the daily operations of the company. The distribution of work between the Board of Directors and the CEO can be seen in the rules of procedure for the Board of Directors and the instruction for the CEO.
The CEO is responsible for leading operations in accordance with the Board of Directors' guidelines and instructions and ensuring that the Board of Directors is supplied with the necessary information and decision-data.

The CEO leads the work in Group management and makes decisions based on consultation with its members. Additionally, the CEO presents items at the Board's meetings, and ensures that Board members are continually provided with the necessary information in order to monitor the financial position, performance, liquidity and development of the company and the Group. The CEO and other senior executives are more closely presented on page 68.

**Guidelines for remuneration of the CEO and other senior executives**

The AGM on 21 April 2022 resolved to apply the following guidelines for remuneration of senior executives in the company for the period until the 2023 AGM.

The company offers remuneration and other terms of employment that enable John Mattson to recruit, motivate and retain senior executives with the skills John Mattson needs to implement its strategy and achieve the goals of its operations. Conformity to market conditions and competitiveness are general principles for remuneration of senior executives of the company. Remuneration paid to senior executives can comprise a fixed base salary, variable cash remuneration, pension and other benefits. In addition, the general meeting can resolve on share-based incentive programmes. Senior executives means the CEO and executives who report direct to the CEO and who are part of the Group management. At present, the company's senior executives are the CEO, the CFO, the Head of Business and Project Development, the Head of Communications and the Head of Property Management.

**Principles for fixed remuneration**

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

**Principles for variable remuneration**

Variable cash remuneration is based on predetermined and measurable criteria, which may or may not be financial. The financial criteria are linked to growth in the Group's net asset value and to growth in the company's income from property management. The non-financial criteria are linked to business targets, such as customer satisfaction and sustainability initiatives. The criteria for variable remuneration are prepared by the Remuneration Committee and established by the Board, with the intent that they will align with the company's business strategy, long-term interests and sustainability. Variable cash remuneration for the CEO may not exceed six months' salary, in other words, 50% of fixed base salary. Variable remuneration for other senior executives may not exceed four and a half months' salary, in other words, 37.5% of the fixed base salary. According to the Company's policy, variable remuneration for other employees (that is employees who are not covered by these guidelines) may not exceed one and a half months' salary, in other words, 12.5% of the fixed base salary.

During the 2023 financial year, remuneration for the CEO and other senior executives has been distributed in accordance with the table in Note 7.

**Pension**

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

**Other benefits**
Other customary benefits, for example a company car and healthcare insurance, must be in line with market rates and the cost of such benefits for the respective senior executive may not exceed an amount corresponding to 10% of the fixed base salary.

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

**Departures from the guidelines**
The Board of Directors has the right to depart from these guidelines if in a specific case there is special cause for the departure and the departure is necessary to serve the company's long-term interests. Should such a departure be made, information about and the reason for the departure will be reported at the next AGM.

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

**Audit**
The auditor will examine the company's annual report and reporting as well as the administration of the Board and the CEO. Auditing of the company's financial reports and accounts as well as the administration of the Board and the CEO is carried out in accordance with Swedish accepted auditing standards. According to John Mattson's Articles of Association, the company is to appoint one or two auditors with or without deputies or one or two registered auditing companies. At the AGM on 21 April 2023, Ernst & Young were elected as auditors with Authorised Public Accountant Katrine Söderberg as Auditor-in-Charge for the period until the 2024 AGM. After every financial year, the auditor is to submit an auditor's report on the accounts and the consolidated financial statements to the AGM. During one of the meetings of the Board and the auditor, no members of executive management should be present. The Audit and Finance Committee review and supervise the auditor's impartiality and autonomy. The auditors receive remuneration for their work in accordance with the resolution of the AGM. For the 2023 financial year, total remuneration to the company's auditor amounted to SEK 2.9 million.

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

Follow-ups of earnings and balances are made monthly. Clear documentation via policies and instructions together with recurrent follow-ups and regular discussions with the auditors ensure continuous efforts to improve these processes. The company's auditor reviews and reports its review observations as well as its assessment of internal control at least twice each year. The reports are submitted to the Audit and Finance Committee as well as the Board of Directors and Group Management. The internal control is assessed as reliable and appropriate, and the Board of Directors and management deem there to be no need for a separate internal audit function.

**Control environment**
The internal control is based on divisions of responsibility and work through the Board's rules of procedure, instructions for the committees, the CEO and the financial reporting and policies. Compliance with these is followed up on and evaluated continuously by the individual responsible. The overall control environment also means that a Group-wide risk assessment is carried out where risks are identified and examined. The management team is responsible for managing risks in a satisfactory manner.

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

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

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

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

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

John Mattson applied the Code with no deviations in the 2023 financial year.

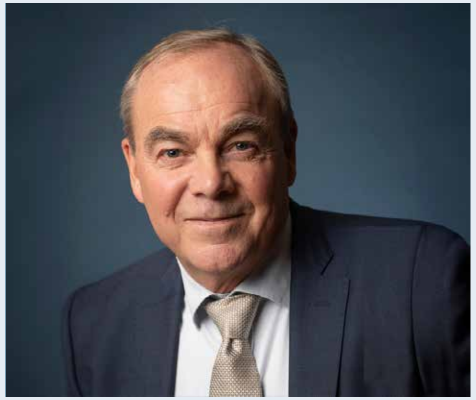
# Board of Directors



**PER-GUNNAR (P-G) PERSSON**
Chairman of the Board: Member of the Board since 2023. Member of the Audit and Finance Committee and Chairman of the Remuneration Committee.
**Born**: 1965.
**Education:** Master of Science in Civil Engineering, Chalmers University of Technology.
**Relevant experience:** Extensive experience from various management roles in the property sector, including as CEO for Platzer Fastigheter Holding AB and at Skanska and Coor Service Management.
**Other significant assignments:** Board member of Arise AB, Rikshem AB, Svenska Sportpublikationer AB, BRIS, Diös Fastigheter AB and AB Borudan Ett. Board member and CEO of Safjället Holding AB.
**Shareholding in the company**[1)]
(including any shareholding of related parties): –
**Independence status:** Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.

**JOHAN LJUNGBERG**
Vice Chairman of the Board. Member of the Board since 2018, Chairman of the Board 2020–2023. Member of the Audit and Finance Committee and of the Remuneration Committee.
**Born:** 1972.
**Education:** Civil Engineering at KTH Royal Institute of Technology and Tufts University.
**Relevant experience:** Many years of experience in the property and capital markets.
**Other significant assignments:** Chief Executive Officer and Chairman of Tagehus Holding AB, Chairman and Board member of companies in the Tagehus group, Chairman of Atrium Ljungberg AB and Board member of K2A Knaust & Andersson Fastigheter AB.
**Shareholding in the company**[1)]
(including any shareholding of related parties): 9,873,564 shares through majority shareholding in Tagehus Holding AB.
**Independence status:** Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.

**ÅSA BERGSTRÖM**
Member of the Board since 2023. Chairman of the Audit and Finance Committee.
**Born:** 1964.
**Education:** Master of Science in Economics and Business, Uppsala University.
**Relevant experience:** Extensive experience in CFO positions at several property companies, including Granit & Beton and Oskarsborg. Previously Senior Manager at KPMG.
**Other significant assignments:** Vice President and CFO of Fabege AB. Chairman of Svenska Fastighetsfinansiering AB. Board member of NP3 Fastigheter AB.
**Shareholding in the company**[1)]
(including any shareholding of related parties): 8,000 shares.
**Independence status:** Independent in relation to the company and its senior executives. Independent in relation to the company's major shareholders.



**HÅKAN BLIXT**
Member of the Board since 2012.
**Born:** 1957.
**Education:** Master of Science in Civil Engineering, KTH Royal Institute of Technology.
**Relevant experience:** Extensive experience with leading international real estate funds focused on investments in Nordic countries. The funds are based on acquiring, financing and developing properties across several property sectors. The last ten years, focus has been on developing properties within retail, offices, logistics and housing.
**Other significant assignments:** Board member of Håkan Blixt Ensemble AB.
**Shareholding in the company**[1)]
(including any shareholding of related parties): 8,000 shares.
**Independence status:** Independent in relation to the company, its senior executives and major shareholders.

[1)] As of 31 December 2023.

**INGELA LINDH**
Member of the Board since 2021.
**Born:** 1959.
**Education:** Master of Science in Architecture, KTH Royal Institute of Technology.
**Relevant experience:** Ingela Lindh has extensive experience of the property sector and urban development. CEO of the City of Stockholm from 2016 to 2018 and has also acted as Director of Urban Planning for Stockholm's Urban Planning Department, Managing Director of Stockholms Stadshus AB and CEO of Stockholmshem.
**Other significant assignments:** Chairman of Fastighetsägarna Sverige AB. Board member of Anders Bodin Fastigheter AB and Stockholm University.
**Shareholding in the company**[1] (including any shareholding of related parties): –
**Independence status:** Independent in relation to the company, its senior executives and major shareholders.

**CHRISTER OLOFSSON**
Member of the Board since 2015.
**Born:** 1951.
**Education:** Master of Science in Civil Engineering, KTH Royal Institute of Technology.
**Relevant experience:** Many years of experience from contracting and property operations at Siab and NCC. Previously CEO of NIAM. Self-employed within project development through Stockholm Waterfront and Senior Consultant at Urban Escape.
**Other significant assignments:** –
**Shareholding in the company**[1] (including any shareholding of related parties): 10,000 shares.
**Independence status:** Independent in relation to the company, its senior executives and major shareholders.

**KATARINA WALLIN**
Member of the Board since 2023. Member of the Remuneration Committee.
**Born:** 1970.
**Education:** Master of Science in Civil Engineering, KTH Royal Institute of Technology.
**Relevant experience:** Extensive and broad experience in the property and urban planning sectors, including as a strategy and business development consultant and co-owner of Evidensgruppen.
**Other significant assignments:** Chairman of the Board of Belatchew Arkitekter AB, Evimetrix AB and Bernow Lindqvist Wallin AB. Board member of Catena AB, Kavaljer AB, Evidens BLW AB and AB Borudan Ett. Deputy Board member of Silhouettes AB.
**Shareholding in the company**[1] (including any shareholding of related parties): 2,200 shares.
**Independence status:** Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.

[1] As of 31 December 2023.

# Management

**PER NILSSON**
Chief Executive Officer.
Employed since 2022, CEO since 2022.
**Born:** 1978.
**Education:** Master of Science in Industrial Economics from KTH Royal Institute of Technology.
**Other significant assignments:** Board member of companies within the John Mattson Group.
**Shareholding in the Company:**[2] 4,943 shares.

**EBBA PILO KARTH**
Chief Financial Officer from 26 March 2024.[1]
Senior executive since 2024.
**Born:** 1979.
**Education:** Master of Science in Industrial Economics from KTH Royal Institute of Technology.
**Other significant assignments:** Chairman of Get This Globe AB
**Shareholding in the Company:**[2] –

**MARI EDBERG**
Head of Communications.
Senior executive since 2020.
**Born:** 1964.
**Education:** Master of Science Business Administration, Uppsala University.
**Other significant assignments:** –
**Shareholding in the Company:**[2] 1,100 shares.

**DANIEL FORNBRANDT**
Head of Business and Project Development.
Senior executive since 2020.
**Born:** 1979.
**Education:** Master of Science in Business Administration and Economics, Uppsala University.
**Other significant assignments:** Board member of Levon Holding AB and Lidingö Näringsliv. Assignments at several companies within the John Mattson Group.
**Shareholding in the Company:**[2] 10,185 shares.

**MARIA WIRÉN**
Head of Property Management.
Senior executive since 2023.
**Born:** 1981.
**Education:** Bachelor of Science in Economics and Real Estate Technology, University of Gävle.
**Other significant assignments:** Assignments at several companies within the John Mattson Group.
**Shareholding in the Company:**[2] –

[1] Succeeds acting CFO Eva Wiklund.
[2] As of 31 December 2023.

JohnMattson





# Financial statements and notes

# Consolidated income statement

| Amounts in SEK m | Note | 2023 | 2022 |
|---|---|---|---|
| Rental revenues | 4 | 610.4 | 620.9 |
| Operating expenses | 5, 12 | –123.9 | –141.2 |
| Maintenance | 5, 12 | –15.3 | –35.2 |
| Property tax | | –13.7 | –13.6 |
| Property administration | 5, 7, 12 | –20.2 | –33.1 |
| **Net operating income** | | **437.3** | **397.8** |
| | | | |
| Central administration costs | 5, 6, 7 | –51.0 | –58.8 |
| Interest income | | 1.8 | 1.6 |
| Interest expense lease liability | 9 | –10.8 | –10.6 |
| Interest expense | 9 | –244.1 | –176.1 |
| **Income from property management** | | **133.2** | **153.9** |
| | | | |
| Change in value of investment properties | 12 | –1,357.4 | –225.1 |
| Change in the value of interest-rate derivatives | 13 | –170.4 | 264.6 |
| **EBT** | | **–1,394.6** | **193.4** |
| | | | |
| Current tax | 10 | 0.1 | –0.2 |
| Deferred tax | 10 | 139.2 | –70.5 |
| **Profit for the year** | | **–1,255.3** | **122.7** |
| | | | |
| Profit for the year attributable to: | | | |
| Parent Company shareholders | | –1,255.9 | 123.7 |
| Non-controlling interests | | 0.6 | –1.0 |
| | | | |
| Average No. of shares, thousand | | 39,559 | 37,538 |
| Profit for the year attributable to Parent Company shareholders before and after dilution, per share (SEK) | 17 | –31.75 | 3.30 |

# Consolidated statement of comprehensive income

| Amounts in SEK m | Note | 2023 | 2022 |
|---|---|---|---|
| Profit for the year | | –1,255.3 | 122.7 |
| Other comprehensive income | | – | – |
| **Comprehensive income for the year** | | **–1,255.3** | **122.7** |
| Comprehensive income for the year attributable to: | | | |
| Parent Company shareholders | | –1,255.9 | 123.7 |
| Non-controlling interests | | 0.6 | –1.0 |

Profit for the year and comprehensive income for the year were allocated between the Parent Company's shareholders and non-controlling interests as set out above.

# Consolidated balance sheet

| Amounts in SEK m | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| *Property, plant and equipment* | | | |
| Investment properties | 12 | 13,567.6 | 15,695.5 |
| Right-of-use assets, leaseholds | 8 | 375.7 | 345.2 |
| Derivatives | 13, 19 | 69.0 | 226.5 |
| Plant and equipment | 11 | 11.8 | 9.7 |
| *Financial assets* | | | |
| Other non-current securities holdings | 13 | – | 2.3 |
| **Total non-current assets** | | **14,024.1** | **16,279.4** |
| **Current assets** | | | |
| Rent receivables and accounts receivable | 13, 19 | 4.4 | 1.9 |
| Derivatives | 13, 19 | – | 12.9 |
| Other receivables | | 34.8 | 55.9 |
| Prepaid expenses and accrued income | | 65.4 | 18.0 |
| Cash and cash equivalents | 14 | 433.7 | 47.6 |
| **Total current assets** | | **538.3** | **136.4** |
| **TOTAL ASSETS** | | **14,562.4** | **16,415.8** |

| Amounts in SEK m | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 17 | | |
| Share capital | | 25.3 | 12.6 |
| Other contributed capital | | 2,258.3 | 1,038.0 |
| Retained earnings, including net profit for the year | | 3,232.1 | 4,485.5 |
| **Total equity attributable to Parent Company shareholders** | | **5,515.6** | **5,536.1** |
| Non-controlling interests | | 80.5 | 105.3 |
| **Total equity** | | **5,596.2** | **5,641.5** |
| **Non-current liabilities** | | | |
| Interest-bearing liabilities | 13, 18, 19 | 6,083.9 | 6,363.9 |
| Provisions for pensions | 7 | 1.0 | 1.4 |
| Lease liability | 8 | 375.7 | 345.3 |
| Other non-current liabilities | | 7.0 | 7.0 |
| Deferred tax liability | 10 | 1,154.2 | 1,298.0 |
| **Total non-current liabilities** | | **7,621.8** | **8,015.6** |
| **Current liabilities** | | | |
| Interest-bearing liabilities | 18, 19 | 1,108.8 | 2,559.9 |
| Accounts payable | 13, 19 | 107.3 | 82.5 |
| Other current liabilities | 20 | 28.1 | 19.3 |
| Accrued expenses and deferred income | 13, 19, 21 | 100.2 | 97.1 |
| **Total current liabilities** | | **1,344.4** | **2,758.8** |
| **TOTAL EQUITY AND LIABILITIES** | | **14,562.4** | **16,415.8** |

# Consolidated statement of changes in equity

| Amounts in SEK m | Share capital[1, 2] | Other contributed capital | Retained earnings incl. net profit for the year | Equity attributable to Parent Company shareholders | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| **Opening equity, 1 Jan 2022** | **12.1** | **770.1** | **4,361.8** | **5,143.9** | **106.2** | **5,250.2** |
| Profit for the year | – | – | 123.7 | 123.7 | –1.0 | 122.7 |
| Other comprehensive income for the year | – | – | – | – | – | – |
| **Comprehensive income for the year** | **–** | **–** | **123.7** | **123.7** | **–1.0** | **122.7** |
| Non-cash issue | 0.5 | 267.9 | | 268.4 | –1.0 | 268.4 |
| Acquired non-controlling interest | – | – | – | – | – | 0.0 |
| Transactions with non-controlling interests | – | – | – | – | – | 0.0 |
| **Closing equity, 31 Dec 2022** | **12.6** | **1,038.0** | **4,485.5** | **5,536.1** | **105.3** | **5,641.5** |
| **Opening equity, 1 Jan 2023** | **12.6** | **1,038.0** | **4,485.5** | **5,536.1** | **105.3** | **5,641.5** |
| Profit for the year | – | – | –1,255.9 | –1,255.9 | 0.6 | –1,255.3 |
| Other comprehensive income for the year | – | – | – | – | – | – |
| **Comprehensive income for the year** | **–** | **–** | **–1,255.9** | **–1,255.9** | **0.6** | **–1,255.3** |
| New share issue | 12.6 | 1,238.1 | – | 1,250.7 | – | 1,250.7 |
| Issue expense | – | –22.3 | – | –22.3 | – | –22.3 |
| Tax on issue expense | – | 4.6 | – | 4.6 | – | 4.6 |
| Acquired non-controlling interest | – | – | 2.4 | 2.4 | –25.3 | –22.9 |
| Transactions with non-controlling interests | – | – | – | – | – | – |
| Dividend | – | – | – | – | – | – |
| **Closing equity, 31 Dec 2023** | **25.3** | **2,258.3** | **3,232.1** | **5,515.6** | **80.5** | **5,596.2** |

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 2022. In December 2023, a rights issue was completed for a total of 37,896,965 shares, which were registered on 15 December (37,783,415) and 21 December (113,550). The number of shares on 31 December 2023 was 75,793,930.

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

# Consolidated cash-flow statement

| Amounts in SEK m | Note | 2023 | 2022 |
|---|---|---|---|
| **Operating activities** | | | |
| EBT | | –1,394.6 | 193.4 |
| *Adjustment for non-cash items* | 22 | | |
| Change in value of investment properties | | 1,357.4 | 225.1 |
| Changes in derivative values | | 170.4 | –264.6 |
| Depreciation and disposals | | 3.5 | 3.9 |
| Other non-cash items, etc. | | –1.3 | 1.5 |
| Taxes paid | 10 | 0.1 | –0.2 |
| **Cash flow from operating activities before changes in working capital** | | **135.5** | **159.1** |
| **Cash flow from changes in working capital** | | | |
| Change in operating receivables | | –25.9 | 8.9 |
| Change in operating liabilities | | 36.1 | –172.6 |
| **Cash flow from operating activities** | | **145.7** | **–4.6** |
| **Investing activities** | | | |
| Acquisition of investment properties, asset acquisitions[1] | | – | –263.9 |
| Investments in equipment | | –4.5 | –5.4 |
| Investments in investment properties | | –348.6 | –358.0 |
| Divestment of investment properties. | | 1,119.4 | 874.9 |
| **Cash flow from investing activities** | | **766.3** | **247.6** |

| [1] Specification of acquisitions of investment properties, asset acquisitions | 2023 | 2022 |
|---|---|---|
| Investment properties | – | 643.2 |
| Operating receivables | – | 5.7 |
| Cash and cash equivalents | – | 6.8 |
| Deferred tax in accrual reserves | – | 0.0 |
| Liabilities assumed | – | –116.6 |
| Assumed interest-bearing liabilities | – | 0.0 |
| Less: Previously recognised participation in profits of associates | – | 0.0 |
| **Net assets acquired** | **–** | **539.0** |
| New share issue | – | –268.4 |
| Acquired non-controlling interest | – | 0.0 |
| **Purchase price paid** | **–** | **270.7** |
| Less: Cash and cash equivalents in acquired operations | – | –6.8 |
| **Net impact on cash and cash equivalents (positive = decrease)** | **–** | **263.9** |

| Amounts in SEK m | Note | 2023 | 2022 |
|---|---|---|---|
| **Financing activities** | | | |
| New share issue | | 1,228.3 | – |
| Acquisition of minority holdings | | –22.9 | – |
| Borrowings | | 1,696.2 | 2,161.8 |
| Repayments of borrowings | | –3,427.7 | –2,584.5 |
| Change – Long-term loan from owner companies | | – | – |
| **Cash flow from financing activities** | | **–526.0** | **–422.8** |
| **Cash flow for the year** | | **386.0** | **–179.8** |
| Opening balance, cash and cash equivalents | | 47.6 | 227.5 |
| **Closing balance, cash and cash equivalents** | 14 | **433.7** | **47.6** |
| **Additional cash-flow statement disclosures** | | | |
| Interest received | | 1.8 | 1.6 |
| Interest paid | | –244.1 | –173.8 |

# Notes to the consolidated financial statements

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

## Note 1. Material accounting policy information

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

The Group's main activity is to own, manage and develop residential and commercial properties. John Mattson's property portfolio is concentrated to Lidingö and mainly consists of residential properties.

The Parent Company is a limited liability company that is registered and has its headquarters in Lidingö Municipality, Sweden. The address to the Head Office is Larsbergsvägen 10, SE-181 10 Lidingö, Sweden.

The Board of Directors approved this annual report and these consolidated financial statements on 19 March 2024 and they will be presented for adoption by the Annual General Meeting on 18 April 2024.

### Applied rules and regulations

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

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

### Currency

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

### Classification

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

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

### Consolidation

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

### Acquisitions

All of John Mattson's acquisitions of subsidiaries have been classified as asset acquisitions since the acquisition pertains to investment properties.

### Segment reporting

Operating segments are recognised in a manner that complies with the internal reporting submitted to the chief operating decision maker (CODM). The CODM is the function that is responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the Chief Executive Officer. John Mattson monitors the business as a single unit whose earnings in their entirety are reported to and evaluated by the CODM. Accordingly, the Group only reports one segment.

### Revenue

Rental revenues

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

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

### Leases

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

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

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

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

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

**Financial income and expenses**
Financial income encompasses interest income on bank balances, receivables, financial investments and dividend income. Expenses include interest expense and other costs incurred in connection with borrowing, such as arrangement and administrative fees. Financial income and expenses are recognised in profit or loss in the period to which the amounts pertain. Financial expenses pertaining to major new builds, extensions or redevelopments are capitalised as part of the investment during the production period in the consolidated accounts.

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

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

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

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

For more information about the valuation of John Mattson's investment properties, see Note 12 Investment properties.

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

Additional expenditure is capitalised when it is probable that the Group will receive future financial benefits associated with the expenditure, which means that it is value enhancing, and the expenditure can be reliably determined. Other maintenance expenses and repair costs are expensed when incurred. In the case of major new builds, extensions or redevelopments, interest expense during the production period is capitalised.
The Group reclassifies a property from being an investment property only when its assigned use is changed. A change in assigned use occurs when the property fulfils or ceases to fulfil the definition of an investment property and there is evidence for the change in the assigned use.

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

Borrowing costs
In the consolidated financial statements, John Mattson capitalises borrowing costs connected to major conversions or extensions insofar as they have arisen during the construction period. In other cases, borrowing costs are expensed in the period in which they are incurred with the exception of financing costs, which are accrued over the term of the loan.

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

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

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

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

| | |
|---|---|
| Plant and equipment | 3–5 years |

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

**Impairment of non-financial assets**
An impairment loss is determined in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable

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

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

**Financial instruments**

Financial instruments comprise any form of agreement or contract that gives rise to a financial asset or liability. Financial assets in the balance sheet comprise accounts receivable, cash and cash equivalents, and derivatives. Financial liabilities comprise accounts payable, loans payable and derivatives. Financial assets and liabilities in the Group are classified in the following categories pursuant to IFRS 9:

- Derivatives measured at fair value through profit or loss (FVPL); and
- Accounts receivable, cash and cash equivalents, accounts payable and loans payable are measured at cost.

**Recognition and derecognition**

Financial assets and liabilities are recognised when the Group becomes a party under the contractual terms and conditions for the instrument. Transactions involving financial assets are recognised on the trade date, which is the date on which the Group undertakes to acquire or divest the assets. Accounts receivable are recognised when invoices have been sent and the company has discharged its undertaking. Liabilities are recognised when the counterparty has executed its part of the agreement and there is a contractual obligation to pay. A financial asset is derecognised from the balance sheet (fully or partly) when the rights in the agreement have been realised or expire or when the company no longer has control over it. A financial liability is derecognised from the balance sheet (fully or partly) when the obligation in the contract is met or extinguished in another manner. A financial asset and a financial liability are recognised net in the balance sheet when a legal right exists to offset the recognised amounts and the intention is either to settle the item in a net amount or simultaneously realise the asset and settle the liability. Gains and losses resulting from derecognition from the balance sheet, as well as modification, are recognised in profit or loss.

**Classification and measurement**

Financial assets

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

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

Financial liabilities

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

Derivatives

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

**Impairment of financial assets**

Financial assets, apart from those classified at fair value through profit or loss, are subject to impairment for expected credit losses. The impairment also encompasses lease receivables and contract assets that are not measured at fair value through profit or loss. Impairment of loan losses according to IFRS 9 is forward looking and a reserve for losses is posted when there is exposure to credit risk, normally on initial recognition of an asset or receivable. Expected credit losses reflect the present value of all deficits in cash flow attributable to default either for the forthcoming 12 months or for the expected remaining maturity of the financial instrument, depending on asset class and on credit deterioration since initial recognition. Expected credit losses reflect an objective, probability-weighted outcome taking several scenarios into account and based on reasonable and verifiable forecasts.

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

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

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

**Cash and cash equivalents**

Cash and cash equivalents consist of cash and immediately available balances at banks and equivalent institutions, as well as short-term liquid investments with a term of less than three months from the time of acquisition.

**Provisions**

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

**Deferred tax**

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

### Cash flow

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

## Note 2. Disclosures on forthcoming standards

The new or amended standards that take effect on 1 January 2024 or later are assessed as having no impact on John Mattson's financial statements. It should be noted that in January 2020, the IASB published amendments to IAS 1 regarding the classification of liabilities as current or non-current, especially in the presence of covenants. The IASB amendments are applied retroactively for financial years beginning on or after 1 January 2024. The Group's credit facility agreements contain financial covenants and the Group actively monitors the scope of these covenants. The Group currently meets these covenants. Accordingly, the amendment is not expected to have any impact on the consolidated financial statements in the period of initial application.

## Note 3. Significant estimates and assessments

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

### Investment properties

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

Investment properties comprise a particularly important area where estimates and assessments can entail a risk of adjusted values in future financial years. The assessments may have a material impact on the property valuations and thus on the Group's earnings and financial position.

For more information about the input data and assessments made in the valuation of investment properties, see Note 12 Investment properties.

### Credit losses

The Group measures expected credit losses for financial assets classified at amortised cost, including accounts receivable, lease receivables and contract assets. Expected credit losses comprise an assessment reflecting an objective, probability-weighted outcome based on reasonable and verifiable projections.

During the year, the Group conducted an analysis of loss allowances for cash and cash equivalents. In view of the short maturity and the counterparties' high credit ratings, the loss allowance for cash and cash equivalents has been considered to represent an immaterial portion. The Group continuously monitors changed market conditions that would change the current assessment.

More information is available in the section "Credit risk" in Note 19.

### Acquisitions

In connection with company acquisitions, an assessment is made of whether the acquisition should be classified as an asset acquisition or a business combination. A transaction qualifies as an asset acquisition if it pertains to properties, but excludes an organisation and the administrative processes required for property management. Other acquisitions are business combinations. When property transactions are conducted, an assessment is made of when the transfer of risks and benefits will occur. This assessment is used as guidance when the transaction is to be recognised. For every single acquisition or sale, executive management makes an assessment of whether the transaction should be recognised as a business combination or an asset acquisition, and when it should be recognised.

### Deferred tax

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

### Sustainability and environmental risks

John Mattson performs climate risk analyses to minimise the risk of certain properties in the future becoming unusable or high costs for repairing damage. In terms of the climate risks identified for the business, John Mattson's assessment is that they will have no material financial impact in the short term.

# Note 4. Rental revenues

All rental contracts are classified as operating leases.

| Rental revenues | 2023 | 2022 |
|---|---|---|
| Housing | 472.2 | 470.3 |
| Premises, garages | 134.1 | 146.9 |
| Other revenue | 4.0 | 3.8 |
| **Rental revenues as per income statement** | **610.4** | **620.9** |

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

| Contractual future rental revenues from commercial premises | 1 Jan 2023–31 Dec 2023 | 1 Jan 2022–31 Dec 2022 |
|---|---|---|
| Contractual rental revenues within 1 year | 97.5 | 114.0 |
| Contractual rental revenues between 1 and 5 years | 225.9 | 223.0 |
| Contractual rental revenues later than 5 years | 96.8 | 116.0 |
| **Total premises** | **420.2** | **453.0** |

| Contractual future rental revenues from housing and parking [1)] | 2023 | 2022 |
|---|---|---|
| Housing | 118.1 | 117.6 |
| Parking | 33.5 | 24.8 |
| **Total housing and parking** | **151.6** | **142.4** |

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

| Rental revenues, SEK m | 2023 | 2022 |
|---|---|---|
| Lidingö | 297.4 | 311.9 |
| North Stockholm | 101.1 | 96.2 |
| City/Bromma | 96.1 | 95.7 |
| South Stockholm/Nacka | 115.8 | 117.1 |
| **Total rental revenues** | **610.4** | **620.9** |

| SEK/sq m [1)] | 2023 | 2022 |
|---|---|---|
| Lidingö | 1,825 | 1,809 |
| North Stockholm | 1,256 | 1,206 |
| City/Bromma | 1,954 | 1,973 |
| South Stockholm/Nacka | 2,054 | 1,982 |
| **Total** | **1,750** | **1,726** |

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

# Note 5. Expenses by type of cost and property management area

| Operating expenses | 2023 | 2022 |
|---|---|---|
| Tariff-based operating expenses | 69.4 | 74.6 |
| Property upkeep | 15.8 | 19.8 |
| Other | 38.7 | 46.8 |
| **Total** | **123.9** | **141.2** |
| **Property administration** | | |
| Personnel costs | 9.2 | 18.1 |
| Office-related expenses | 4.1 | 6.2 |
| Other | 6.9 | 8.8 |
| **Total** | **20.2** | **33.1** |
| **Central administration costs** | | |
| Personnel costs | 26.3 | 23.6 |
| Advisory services | 3.9 | 4.4 |
| Audit costs | 2.9 | 2.5 |
| Other expenses | 17.9 | 28.3 |
| **Total** | **51.0** | **58.8** |

| Property expenses, SEK m | 2023 | 2022 |
|---|---|---|
| Lidingö | 70.9 | 104.6 |
| North Stockholm | 43.0 | 55.0 |
| City/Bromma | 29.3 | 29.1 |
| South Stockholm/Nacka | 29.8 | 34.4 |
| **Total property expenses** | **173.1** | **223.1** |

| | Lidingö | | North Stockholm | | City/Bromma | | South Stockholm/Nacka | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| SEK/sq m [1)] | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Operating expenses | 296 | 398 | 373 | 444 | 338 | 351 | 284 | 343 | 317 | 393 |
| Maintenance | 35 | 80 | 48 | 123 | 64 | 111 | 24 | 107 | 40 | 98 |
| Property tax | 33 | 33 | 31 | 34 | 52 | 53 | 49 | 44 | 38 | 38 |
| Property administration | 58 | 97 | 57 | 89 | 59 | 84 | 59 | 88 | 57 | 92 |
| **Total** | **423** | **607** | **510** | **690** | **514** | **599** | **417** | **582** | **454** | **620** |

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

# Note 6. Auditors' fees

| Ernst & Young AB | 2023 | 2022 |
|---|---|---|
| Auditing assignment | 2.4 | 2.4 |
| Other services | 0.5 | 0.1 |
| **Total** | **2.9** | **2.5** |

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# Note 7. Employees and personnel costs

## Employees

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Avg. No. of employees | Of whom men, % | Avg. No. of employees | Of whom men, % |
| Parent Company | 5 | 60% | 6 | 60% |
| Subsidiaries | 41 | 54% | 47 | 47% |
| **Total in Group** | **46** | **54%** | **52** | **48%** |

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | No. on the balance-sheet date | Of whom men, % | No. on the balance-sheet date | Of whom men, % |
| Board Members | 7 | 60% | 5 | 60% |
| Chief Executive Officer | 1 | 100% | 1 | 100% |
| Other senior executives | 4 | 60% | 5 | 60% |
| **Total in Group** | **12** | **45%** | **11** | **45%** |

## Personnel costs

| | 2023 | 2022 |
|---|---|---|
| **Board of Directors, CEO and other senior executives** | | |
| Salaries and other remuneration | 11.9 | 12.3 |
| Social security contributions | 3.1 | 7.1 |
| *(of which, pension costs)* | 1.8 | 2.6 |
| **Total** | **15.0** | **19.4** |
| **Other employees** | | |
| Salaries and other remuneration | 20.4 | 24.6 |
| Social security contributions | 6.3 | 10.4 |
| *(of which, pension costs)* | 1.7 | 2.3 |
| **Total** | **26.8** | **35.0** |
| **Total in Group** | **41.8** | **54.4** |

Salaried employees are secured through the ITP1 plan's defined-contribution plan. A number of salaried employees are secured through the ITP2 plan's defined-benefit pension plan. According to a statement from the Swedish Financial reporting Board, UFR10 Recognition of ITP2 Pension Plan financed through insurance in Alecta, this constitutes a multi-employer defined-benefit plan. For the 2023 financial year, the company did not have access to information to enable it to recognise its proportional share of the plan's commitments, plan assets and costs. As a result, the company was unable to recognise it as a defined-benefit plan. At the end of 2023, Alecta's surpluses measured in the form of the collective consolidation level for defined-benefit plans was preliminarily set at 178% (confirmed for 2022 at 172%). The ITP2 Pension Plan secured via insurance with Alecta is recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously vested pension entitlement and estimated remaining period of employment. During 2023, the cost of defined-contribution pensions amounted to SEK 2.1 million (7.4).

## Remuneration of senior executives

| 2023 | Base salary, Director fees | Variable remuneration | Pension costs | Other remuneration | Total |
|---|---|---|---|---|---|
| **Chairman of the Board** | | | | | |
| Per-Gunnar Persson | 0.4 | – | – | – | 0.4 |
| **Board Member** | | | | | 0.0 |
| Ingela Lindh | 0.2 | – | – | – | 0.2 |
| Katarina Wallin | 0.2 | – | – | – | 0.2 |
| Håkan Blixt | 0.2 | – | – | – | 0.2 |
| Christer Olofsson | 0.2 | – | – | – | 0.2 |
| Åsa Bergström | 0.2 | – | – | – | 0.2 |
| Johan Ljungberg | 0.2 | – | – | – | 0.2 |
| **Chief Executive Officer** | | | | | 0.0 |
| Per Nilsson | 2.6 | 0.4 | 0.8 | – | 3.8 |
| **Other senior executives (4)** | **6.3** | **0.5** | **1.1** | **–** | **7.9** |
| **Total** | **10.5** | **1.0** | **1.8** | **–** | **13.4** |

| 2022 | Base salary, Director fees | Variable remuneration | Pension costs | Other remuneration | Total |
|---|---|---|---|---|---|
| **Chairman of the Board** | | | | | |
| Johan Ljungberg | 0.5 | – | – | – | 0.5 |
| **Board Member** | | | | | |
| Ingela Lindh | 0.2 | – | – | – | 0.2 |
| Håkan Blixt | 0.2 | – | – | – | 0.2 |
| Christer Olofsson | 0.2 | – | – | – | 0.2 |
| Ulrika Danielsson | 0.2 | – | – | – | 0.2 |
| **Chief Executive Officer** | | | | | |
| Per Nilsson | 2.4 | 0.3 | 0.6 | – | 3.4 |
| **Other senior executives (4)** | **6.4** | **0.4** | **1.9** | – | **8.7** |
| **Total** | **10.2** | **0.7** | **2.6** | – | **13.4** |

### Remuneration and terms and conditions for senior executives

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

Remuneration of the Chief Executive Officer and other senior executives consists of base salary, variable remuneration, pension benefits and other benefits such as a company car. The term "Other senior executives" refers to the individuals who, in addition to the CEO, constitute Group management.

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

The Group's leaseholds comprise the most material leases where John Mattson is lessee. The Group is also a lessee in respect of a few leases concerning office equipment, where all of the underlying assets are of low value. The year's lease payments for these amounted to SEK 0.3 million (0.3). The leasehold agreements are recognised at the present value of future ground rents. An average discount rate of 3.00–3.25% is used to calculate present value. As of 31 December, the total estimated value of the right-of-use assets and liabilities was SEK 375.7 million (354.2).

| Maturity analysis of ground rent | 2023 | 2022 |
|---|---|---|
| Due in 1 year | 0.8 | 0.8 |
| Due in 2–5 years | 5.7 | 5.7 |
| Due after 5 years | 6.4 | 4.1 |
| **Total** | **12.9** | **10.6** |

The interest expense for leases for the reporting period and for the comparative year is presented in Note 9 Interest expense.

# Note 9. Interest expense

| | 2023 | 2022 |
|---|---|---|
| Ground rent | –10.8 | –10.6 |
| Interest expense, external creditors | –241.5 | –172.5 |
| Other financial expenses | –2.7 | –2.2 |
| **Total** | **–254.9** | **–185.3** |

Borrowing costs connected to major conversions, extensions and new build projects are capitalised. The interest expense is calculated on a quarterly basis using the average interest rate on all loans for the Group. In the fourth quarter, the interest rate amounted to 3.43% (1.35). In 2023, interest expenses of SEK 29.2 million were capitalised. The actual interest on the credit is capitalised for the Group's project-specific construction credits.

# Note 10. Tax

## Tax recognised in profit or loss

| **Current tax** | 2023 | 2022 |
|---|---|---|
| Current tax on profit for the year | 0.1 | –0.2 |
| | 0.1 | –0.2 |
| **Deferred tax** | | |
| Deferred tax relating to temporary differences, at applicable tax rate | 209.2 | –70.3 |
| Deferred tax on loss carryforwards, at applicable tax rate | –70.0 | –0.2 |
| | **139.1** | **–70.6** |
| **Tax recognised in profit or loss** | **139.3** | **–70.7** |

SEK 4.5 million (–) in deferred tax attributable to issue expenses was recognised directly in equity. The Group has no tax items that are recognised in other comprehensive income.

| **Effective tax**<br>**Reconciliation of effective tax rate** | 2023 | 2022 |
|---|---|---|
| **EBT** | **–1,394.6** | **193.4** |
| Tax according to the Parent Company's current tax rate | 287.3 | –39.8 |
| Tax effect of: | | |
| Non-taxable revenues | 0.1 | 0.0 |
| Non-deductible interest expenses | –42.2 | –24.6 |
| Non-deductible costs | –0.4 | 0.0 |
| Deductions for previously uncapitalised carry-forward interest items | 2.1 | – |
| Limitation to the unwinding of deferred tax liability due to IRE | –139.4 | – |
| Non-taxable sale of shares in subsidiaries | 32.5 | – |
| Other | –0.6 | –6.3 |
| **Recognised tax** | **139.3** | **–70.7** |
| Effective tax rate | 10.0% | 36.6% |

## Disclosures about deferred tax assets and liabilities

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

| Deferred tax assets/Deferred tax liabilities | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Loss carryforwards | 9.4 | 74.9 |
| Derivatives | –14.2 | –49.3 |
| Investment properties | –1,142.7 | –1,315.8 |
| Untaxed reserves | –6.7 | –7.9 |
| **Carrying amount** | **–1,154.2** | **–1,298.1** |

*Note 10, Cont.*

| Gross changes | Investment properties | Untaxed reserves | Loss carry-forwards | Derivatives | Total |
|---|---|---|---|---|---|
| **Opening carrying amount, 1 Jan 2023** | **–1,315.8** | **–7.8** | **74.9** | **–49.3** | **–1,298.0** |
| Recognised: | | | | | |
| The year's change in profit or loss according to applicable tax rates | 173.1 | 1.1 | –70.0 | 35.1 | 139.3 |
| Recognised in equity | – | – | 4.5 | – | 4.5 |
| **Closing carrying amount, 31 Dec 2023** | **–1,142.7** | **–6.7** | **9.4** | **–14.2** | **–1,154.2** |
| | | | | | |
| **Opening carrying amount, 1 Jan 2022** | **–1,335.7** | **–6.8** | **109.8** | **5.2** | **–1,227.5** |
| Recognised: | | | | | |
| The year's change in profit or loss according to applicable tax rates | 19.9 | –1.0 | –34.9 | –54.5 | –70.5 |
| **Closing carrying amount, 31 Dec 2022** | **–1,315.8** | **–7.8** | **74.9** | **–49.3** | **–1,298.1** |

All fiscal loss carryforwards have been recognised in the balance sheet as deferred tax assets. Total loss carryforwards amounted to SEK 45.4 million (364.7).

| | 2023 | | 2022 | |
|---|---|---|---|---|
| **Tax calculation for the Group** | **Tax base, current tax** | **Tax base, deferred tax** | **Tax base, current tax** | **Tax base, deferred tax** |
| Income from property management | 133.2 | – | 153.9 | – |
| Tax deductible | | | | |
| depreciation | –89.9 | 89.9 | –91.8 | 91.8 |
| new builds and redevelopments | –105.8 | 105.8 | 0.0 | 0.0 |
| Other fiscal adjustments | 381.4 | 337.5 | 107.5 | 28.4 |
| **Taxable income from property management** | **318.9** | **533.2** | **169.6** | **120.2** |
| Changes in property values | – | –1,357.4 | – | –211.1 |
| Changes in derivative values | – | –170.4 | – | 264.6 |
| **Taxable earnings before loss carryforwards** | **318.9** | **–994.6** | **169.6** | **173.7** |
| Loss carryforwards, opening balance | –364.7 | 364.7 | –533.4 | 533.4 |
| Loss carryforwards, closing balance | 45.4 | –45.4 | 364.7 | –364.7 |
| **Taxable profit** | **–0.4** | **–675.3** | **1.0** | **342.3** |
| Tax on profit for the year | 0.1 | 139.1 | –0.2 | –70.5 |
| **Tax recognised in profit or loss** | **0.1** | **139.1** | **–0.2** | **–70.5** |

Current tax for the period amounted to income of SEK 0.1 million (expense: 0.2). Deferred tax amounted to income of SEK 139.2 million (expense: 70.5) and was primarily impacted by unrealised value changes on properties and derivatives in a net amount of SEK 307.6 million (53.5).

Other fiscal adjustments are not included in non-deductible interest expenses of SEK 204.9 million (expense: 119.2), for which the tax value has not been capitalised. The Group's accumulated loss carryforwards are estimated at SEK 45.4 million (364.7), 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 9,915.8 million (11,663.1). The full nominal tax rate of 20.6% (20.6) is recognised as deferred tax liabilities, less deferred tax pertaining to asset acquisitions.

## Nominal and estimated deferred tax liabilities

| 31 Dec 2023 | Tax base | Nominal tax liability | Actual tax liability/asset |
|---|---|---|---|
| Properties | –9,915.8 | –2,042.7 | –594.9 |
| Derivatives | –69.0 | –14.2 | –13.1 |
| Loss carryforwards | 45.4 | 9.4 | 7.7 |
| Untaxed reserves | –32.1 | –6.6 | –6.6 |
| **Total** | **–9,971.5** | **–2,054.1** | **–607.0** |
| Property, asset acquisitions 1) | 4,368.6 | 899.9 | – |
| **Total** | **–5,602.9** | **–1,154.2** | **–607.0** |
| **According to balance sheet** | | **–1,154.2** | |

| 31 Dec 2022 | Tax base | Nominal tax liability | Actual tax liability/asset |
|---|---|---|---|
| Properties | –11,663.1 | –2,402.6 | –699.8 |
| Derivatives | –239.4 | –49.3 | –45.5 |
| Loss carryforwards | 364.7 | 74.9 | 62.0 |
| Untaxed reserves | –37.3 | –7.8 | –7.7 |
| **Total** | **–11,575.1** | **–2,384.8** | **–691.0** |
| Property, asset acquisitions 1) | 5,275.8 | 1,086.8 | – |
| **Total** | **–6,299.3** | **–1,298.0** | **–691.0** |
| **According to balance sheet** | | **–1,298.0** | |

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

A tax rate of 6% has been assumed for the estimated, actual deferred tax on the Group's properties, based on a discount interest rate of 3%. This estimation was conducted with regard to the applicable tax legislation, which means that properties can be sold in a corporate wrapper with no tax consequences. The assumption underlying this assessment is that the properties will be divested on an ongoing basis over a 50-year period and where 90% of the properties will be sold using a corporate wrapper and 10% will be divested through direct property transfers. Tax deductions for the indirect transactions have been estimated at 5.5%. In respect of loss carryforwards and derivatives, the estimated actual tax liability was calculated based on a discount interest rate of 3%, whereby the assessment is that the loss carryforwards will be realised over a ten-year period and the derivatives will be realised over an eight-year period. This means that the estimated actual tax is 17% for loss carryforwards and 19% for derivatives.

# Note 11. Property, plant and equipment

| Plant and equipment | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Opening balance, cost** | **26.0** | **24.0** |
| Purchases during the year | 5.3 | 5.5 |
| Sales and disposals | –1.3 | –3.5 |
| **Closing balance, cost** | **30.0** | **26.0** |
| **Opening balance, accumulated depreciation** | **–16.3** | **–14.6** |
| Depreciation for the year | –3.2 | –4.2 |
| Sales and disposals | 1.3 | 2.5 |
| **Closing balance, accumulated depreciation** | **–18.2** | **–16.3** |
| **Closing carrying amount** | **11.8** | **9.7** |

# Note 12. Investment properties

All of the Group's properties are held to generate rental revenues and capital appreciation, and are therefore classified as investment properties. Investment properties are recognised at fair value; i.e. estimated market value on the balance-sheet date. Valuations are performed in accordance with Level 3 of the IFRS valuation hierarchy. Fair value is determined by assessing the market value of each individual object and are partly based on non-observable inputs. Each quarter, valuations have been performed by external appraisers for properties corresponding to 25% of the property portfolio's total value. The remainder of the property portfolio was valued internally, which means that each property is valued externally at least once each year. Cushman & Wakefield were engaged as external appraisers for the two years reported.

The valuations of investment properties are based on a cash-flow model with an individual assessment for each property's future earnings potential. 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 January 2024 to December 2033. For an assessment of residual value at the end of the calculation horizon, net operating income for 2034 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, where certain valuation parameters are checked against market data from the external appraisers. 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 an assumed short-term inflation rate of 2.0% (2.0) for 2024 and a long-term rate of 2.0%, the assessment of a property's future earnings capacity has also taken into consideration any changes in rent levels, occupancy rates, operating expenses and yield requirements.

There is no limitation on the right to sell any investment property or to dispose of rental revenues and the consideration received on divestment. Other than the remaining investments in ongoing projects of SEK 15.4 million, John Mattson has no contractual obligations to buy, construct or develop any investment property or to conduct repairs, maintenance or improvements. For information regarding non-current assets pledged as collateral, see Note 23.

### Valuation model

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

### Rent payments

Rental inflows have been calculated based on existing rental contracts until the end of the contract. After this date, an assessment has been made of market terms and conditions concerning rent level and index clauses. The property leases that are assessed as being on market terms
have been assumed to be extended on unchanged terms and conditions after expiration of the current lease term. Rent for other contracts has been adjusted to the currently assessed market rent level for the remainder of the calculation period after the end of the current lease term.

### Operating and maintenance payments

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

### Investment requirements

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

### Cost of capital

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

### Residual value

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

### Valuation assumptions

Property valuations are based on observable and non-observable inputs. The observable data with the greatest value impact mainly comprise current rents, actual operating and maintenance expenses, planned investments and current vacancy rates.

The non-observable inputs with the greatest impact on value include yield requirements and expected rent and vacancy levels. Information on how changes in non-observable inputs can affect property value follow below.

Changes in the risk-free interest rate lead to changes in discount rates and yield requirements. This is partly due to investors' total return requirements affecting the level of compensation they want in return for investing in property and partly due to its impact on investors' costs for financing the investment.

The difference between investors' property yield requirements and the risk-free interest rate, which comprises the risk premium expected by investors for investing in property, has risen since mid-2022 due to a decrease in the number of transactions in the property market, which in turn has led to increased discount rates and yield requirements.

Yield requirements are derived from actual transactions. A low number of comparables sold makes it more difficult to derive changes in yield requirements in certain periods. In the absence of transactions in a particular location or for a particular type of property, comparative information is taken from similar locations or similar types of property. In the absence of transactions as a whole, the perception is based on the prevailing macroeconomic factors.

*Note 12, Cont.*

| | | 2023 | | 2022 | |
|---|---|---|---|---|---|
| **Property type** | **Material non-observable inputs** | **Interval** | **Weighted average[1]** | **Interval** | **Weighted average[1]** |
| **Housing** | Rental value SEK/sq m | 1,112–3,526 | 1,718 | 1,062–3,473 | 1,712 |
| | Property expenses, SEK/sq m | 417–876 | 581 | 396–1,009 | 554 |
| | Long-term vacancy rate | 0.0–5.3% | 0.8% | 0.0–5.3% | 0.5% |
| | Yield requirement | 2.2–4.3% | 3.1% | 2.0–3.8% | 2.7% |
| | Cost of capital[2] | 4.6–6.4% | 5.2% | 4.0–5.95% | 4.9% |
| **Commercial** | Rental value SEK/sq m | 1,250–3,706 | 3,420 | 1,294–5,382 | 3,027 |
| | Property expenses, SEK/sq m | 165–1,172 | 678 | 163–870 | 714 |
| | Long-term vacancy rate | 0.5–5.9% | 3.8% | 1.9–5.0% | 3.7% |
| | Yield requirement | 3.7–6.4% | 5.0% | 3.9–6.3% | 4.8% |
| | Cost of capital[2] | 5.7–8.5% | 6.8% | 5.3–8.5% | 6.4% |

1) The averages are weighted based on fair value.
2) The information pertaining to the quantitative inputs for the cost of capital is based on valuations made in a ten-year model.

John Mattson's entire property portfolio is located in various areas in the Stockholm region, within a market assessed as homogeneous and with no major variances in risk for different property types. John Mattson monitors and reports its operations as one unit and as such does not divide its operations into different segments. Properties are only broken down into two types: residential and commercial.

### Change in property value

Total changes in value for investment properties amounted to a decrease of SEK 1,357.4 million (decrease: 225.1) and are recognised in profit or loss in the line item "Change in value of investment properties." Of these, realised changes in the value of divested properties in the year amounted to a loss of SEK 34.6 million (loss: 13.9) and unrealised changes in the value amounted to decrease of SEK 1,322.8 million (decrease: 211.1).

| SEK m | 31 Dec 2023 | of which housing | of which commercial | of which development | 31 Dec 2022 |
|---|---|---|---|---|---|
| Property value, opening balance on 1 Jan 2023 | 15,695.5 | 13,691.1 | 1,305.6 | 698.8 | 15,894.5 |
| + Acquisitions | – | – | – | – | 643.2 |
| + Investments in new builds | 169.0 | – | – | 169.0 | 276.0 |
| + Investments in base upgrades | 131.2 | 23.2 | – | 108.0 | 27.8 |
| + Other investments | 48.6 | 4.9 | 7.3 | 36.4 | 54.1 |
| - Sales | –1,153.8 | –1,026.3 | –127.5 | – | –989.0 |
| +/- Unrealised changes in value | –1,322.8 | –1,293.2 | –23.8 | –6.0 | –211.1 |
| Property value, closing balance on 31 Dec 2023 | 13,567.6 | 11,399.6 | 1,161.6 | 1,006.3 | 15,695.5 |

| Specification of changes in value | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Change in net operating income | 1,050.0 | 266.6 |
| Ongoing projects/development rights | 185.6 | 260.3 |
| Yield requirement | –2,558.2 | –778.8 |
| Acquired/divested properties | –34.6 | 26.8 |
| **Total** | **–1,357.2** | **–225.1** |

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Tax assessment value, investment properties | 8,874.2 | 6,833.3 |
| Fiscal residual value | 3,651.8 | 4,236.5 |

### Sensitivity analysis

Changes in the fair value of investment properties are recognised in profit or loss as unrealised changes in value and therefore impact the company's financial position and loan-to-value ratio. Property valuations are based on a number of economic inputs and assumptions. In the valuation process, there is the risk that the assumptions made fail to reflect the market or actual conditions at the given time, thus making the valuation subject to a degree of uncertainty.

The change of one input/assumption may correlate with one or more other inputs/assumptions, which could result in the effect of a fair value change being difficult to describe.

The effect on property fair value of a change in input data and assumptions is illustrated below.

Rising interest rates increase the yield requirement which adversely impacts fair value. Higher inflation affects inflation-linked rents, which then leads to higher rent levels. Higher rents lead to increased cash flow but can concurrently lead to increased tenant mobility and higher vacancy rates, which in turn can press rent levels downward, leading to lower earnings, thereby adversely impacting fair value. Higher inflation also affects operation and maintenance expenses, which adversely impacts earnings.

Assumptions will change for future valuations, which means that properties' fair values will also change at this valuation date.

| Sensitivity analysis, fair value SEK m | | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| Rent/Market rent | +/–1.0% | 181.7 | 342.5 |
| Housing | | 167.1 | 302.3 |
| Commercial | | 14.6 | 40.3 |
| Property expenses | +/–SEK 50 sq m | 509.3 | 651.0 |
| Housing | | 481.5 | 597.7 |
| Commercial | | 27.8 | 53.3 |
| Long-term vacancy rate | +/–2.0% | 365.5 | 688.1 |
| Housing | | 335.7 | 606.5 |
| Commercial | | 29.8 | 81.6 |
| Yield requirement, exit | –0.5% | 2,161.9 | 2,788.5 |
| Housing | | 2,054.5 | 2,517.5 |
| Commercial | | 107.4 | 271.0 |
| Yield requirement, exit | +0.5% | –1,624.8 | –2,905.5 |
| Housing | | –1,534.7 | –2,646.5 |
| Commercial | | –90.1 | –259.0 |
| Cost of capital[1] | –0.5% | 542.9 | 677.6 |
| Housing | | 498.1 | 626.0 |
| Commercial | | 44.7 | 51.7 |
| Cost of capital[1] | +0.5% | –514.3 | –641.0 |
| Housing | | –471.7 | –591.8 |
| Commercial | | –42.7 | –49.2 |

1) The cost of capital sensitivity analysis has been calculated through application of the relative change calculated for the externally valued portion of the portfolio.

*Note 12, Cont.*

**Uncertainty in assessments**

The valuation of investment properties is based on a number of assessments and assumptions. Assessments and assumptions are based on the information and conditions known at the time of each valuation. This means that the assessments include a level of uncertainty, which could entail a significant risk of value adjustments for investment properties in future periods, and thus to the Group's earnings and financial position. The material assessments made include the cost of capital and yield requirement. See Note 3 Significant estimates and assessments and page 47, under the Sensitivity analysis section.

## Note 13. Financial instruments

**Measurement of financial assets and liabilities**

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

**Fair value measurement**

John Mattson uses interest-rate derivatives for the purpose of managing interest-rate risk and for achieving the desired fixed-interest structure. Over time, this strategy entails value changes arising in the interest-rate derivatives, primarily as a result of changed market interest rates. John Mattson's derivatives are primarily affected by changes in long-term market interest rates.

The fair value of interest-rate derivatives is calculated by discounting future cash flows based on each maturity's quoted market interest rate on the balance-sheet date. Future cash flows are calculated as the difference between the agreed fixed interest rate under the respective interest-rate derivative agreement and the Stibor for the respective period. Accordingly, future interest flows that arise in this manner are calculated at present value using the Stibor curve. John Mattson does not apply hedge accounting for derivatives. Assets and liabilities in these categories are measured continuously at fair value with changes in value recognised in comprehensive income.

For 2023, the total change in value for derivatives amounted to SEK 170.4 million (264.6) and was recognised in profit or loss. The negative value change was mainly attributable to shorter end dates for the derivatives.

As of 31 December 2023, the market value of the interest-rate derivative portfolio was SEK 69.0 million (239.4) and where fair value was established according to level 2 pursuant to IFRS 13.

For disclosure purposes, fair value for interest-bearing liabilities is calculated by discounting principals from future cash flows and by discounting interest payments to the current market interest rate. For 2023, fair value amounted to SEK 7,024 million (8,629.2).

**CLASSIFICATION OF FINANCIAL INSTRUMENTS**

| The Group 31 Dec 2023 | Financial assets/ liabilities measured at amortised cost | Financial assets/ liabilities measured at FVTPL | Total carrying amount | Fair value |
|---|---|---|---|---|
| **Assets** | | | | |
| Non-current receivables | – | – | – | – |
| Derivatives | 0 | 69 | 69 | 69 |
| Accounts receivable and other receivables | 105 | – | 105 | 105 |
| Cash and cash equivalents | 434 | – | 434 | 434 |
| **Total assets** | 538 | 69 | 607 | 607 |
| **Liabilities** | | | | |
| Interest-bearing liabilities | 7,193 | – | 7,193 | 7,024 |
| Derivatives | – | – | – | – |
| Accounts payable and other payables | 236 | – | 236 | 236 |
| **Total liabilities** | 7,428 | – | 7,428 | 7,260 |

| The Group 31 Dec 2022 | Financial assets/ liabilities measured at amortised cost | Financial assets/ liabilities measured at FVTPL | Total carrying amount | Fair value |
|---|---|---|---|---|
| **Assets** | | | | |
| Non-current receivables | – | – | – | – |
| Derivatives | – | 239 | 239 | 239 |
| Accounts receivable and other receivables | 76 | – | 76 | 76 |
| Cash and cash equivalents | 48 | – | 48 | 48 |
| **Total assets** | 124 | 239 | 363 | 363 |
| **Liabilities** | | | | |
| Interest-bearing liabilities | 8,924 | – | 8,924 | 8,629 |
| Derivatives | – | – | – | – |
| Accounts payable and other payables | 199 | – | 199 | 199 |
| **Total liabilities** | 9,123 | – | 9,123 | 8,828 |

# Note 14. Cash and cash equivalents

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Cash at bank and in hand | 433.7 | 47.6 |
| **Carrying amount** | **433.7** | **47.6** |

# Note 15. Group companies

The Parent Company's, John Mattson Fastighetsföretagen AB (publ), holdings in direct and indirect subsidiaries that are included in the consolidated financial statements are shown in the table below:

| Company | Registered office | Corp. Reg. No. | Principal activity | 31 Dec 2023[1] | 31 Dec 2022[1] |
|---|---|---|---|---|---|
| John Mattson Fastighetsföretagen AB (publ.) | Lidingö | 556802-2858 | Parent Company of the Group | Parent Company | Parent Company |
| John Mattson Fastighets AB | Lidingö | 556056-6977 | Letting and property management | 100% | 100% |
| John Mattson Tomt AB | Lidingö | 556077-6253 | Dormant company | Indirectly wholly owned | Indirectly wholly owned |
| John Mattson Projekt AB | Lidingö | 556598-0496 | Dormant company | Indirectly wholly owned | Indirectly wholly owned |
| John Mattson Skolfastigheter AB | Lidingö | 556703-0357 | Letting of commercial premises | 100% | 100% |
| John Mattson Butiksfastigheter AB | Lidingö | 556792-8568 | Letting of commercial premises | 100% | 100% |
| John Mattson Parkering AB | Lidingö | 556902-1206 | Letting, parking spaces | 100% | 100% |
| John Mattson Käppala AB | Lidingö | 559161-7500 | Main partner in limited partnerships | 100% | 100% |
| John Mattson Juno Herkules KB | Lidingö | 969646-6946 | Letting of residential and commercial premises | Indirectly wholly owned[1] | Indirectly wholly owned[1] |
| John Mattson Rotebro and Rotsunda AB | Lidingö | 559087-2478 | Letting of residential and commercial premises | 100% | 100% |
| John Mattson Stockholm Holding AB | Lidingö | 559251-3286 | Holding company | 100% | 100% |
| John Mattson Hjälpslaktaren 1 AB | Lidingö | 559218-0086 | Letting of commercial premises | Indirectly wholly owned | Indirectly wholly owned |
| John Mattson Hjälpslaktaren 2 AB | Lidingö | 559218-0102 | Letting of commercial premises | Indirectly wholly owned | Indirectly wholly owned |
| John Mattson Hjälpslaktaren 8 AB | Lidingö | 559218-0094 | Letting of commercial premises | Indirectly wholly owned | Indirectly wholly owned |
| John Mattson Sicklaön AB | Lidingö | 559305-4926 | Main partner in limited partnerships | 100% | 100% |
| John Mattson Sicklaön KB | Lidingö | 916641-4236 | Letting of commercial premises | Indirectly wholly owned[1] | Indirectly wholly owned[2] |
| John Mattson Väsby Holding AB | Lidingö | 559314-1376 | Holding company | 100% | 100% |
| John Mattson Vilunda AB | Lidingö | 559308-0665 | Letting of residential and commercial premises | Indirectly wholly owned | 100% |
| John Mattson Häggvik Tureberg AB | Lidingö | 559087-2494 | Letting of residential and commercial premises | 100% | 100% |
| John Mattson HEFAB AB | Lidingö | 556304-8510 | Letting of residentials and property management | 97.5% | 97.5% |
| John Mattson Efib AB | Lidingö | 556262-1853 | Letting of residential and commercial premises | 100% | 100.0% |
| John Mattson Gullmars Holding AB | Lidingö | 559358-4716 | Holding company | 100% | 100% |

[1] The ownership share is the same as the voting share.
[2] John Mattson Fastighetsföretagen AB is a limited partner in John Mattson Juno Herkules KB and Sicklaön KB with a share of 0.1%. The wholly owned subsidiaries John Mattson Käppala AB and John Mattson Sicklaön AB are main partners with a share of 99.9%.

*Note 15, Cont.*

| Company | Registered office | Corp. Reg. No. | Principal activity | 31 Dec 2023[1] | 31 Dec 2022[1] |
|---|---|---|---|---|---|
| John Mattson Gravyren 1 AB | Lidingö | 559011-1208 | Letting of residential and commercial premises | Indirectly wholly owned | 100% |
| Gullmars Fastighetsförvaltning KB | Lidingö | 969667-1024 | Letting of residential and commercial premises | Indirectly wholly owned[1] | 99.9% |
| John Mattson Likriktaren Holding AB | Lidingö | 556805-6120 | Holding company | Indirectly wholly owned | 100% |
| John Mattson Likriktaren 3 AB | Lidingö | 556757-4552 | Letting of commercial premises | Indirectly wholly owned | 100% |
| John Mattson Likriktaren 4 AB | Lidingö | 559141-9386 | Letting of commercial premises | Indirectly wholly owned | 100% |
| John Mattson Hägersten Holding 2 AB | Lidingö | 556858-1416 | Holding company | Indirectly wholly owned | 100% |
| John Mattson Örby Centrum AB | Lidingö | 556858-1424 | Project development | Indirectly wholly owned | 100% |
| John Mattson Johanneshov AB | Lidingö | 559013-4499 | Letting of residential properties | Indirectly wholly owned | 100% |
| John Mattson Skattsedeln AB | Lidingö | 556980-0187 | Letting of residential and commercial premises | Indirectly wholly owned | 100% |
| John Mattson Örnsberg AB | Lidingö | 559225-6993 | Project development | Indirectly wholly owned | 100% |
| John Mattson Hägersten 3 AB | Lidingö | 559003-2537 | Holding company | Indirectly wholly owned | 100% |
| John Mattson Lilla Bantorget AB | Lidingö | 559008-0775 | Letting of residential and commercial premises | Indirectly wholly owned | 100% |
| John Mattson Lilla Katrineberg 4 AB | Lidingö | 559013-6619 | Letting of commercial premises | Indirectly wholly owned | 100% |
| John Mattson Traneberg AB | Lidingö | 556966-2827 | Letting of residential properties | Indirectly wholly owned | 100% |
| John Mattson Tollare AB | Lidingö | 559065-1179 | Letting of residential and commercial premises | Indirectly wholly owned | 100% |
| John Mattson Hägersten Parkering AB | Lidingö | 556974-4948 | Letting of garages | Indirectly wholly owned | 100% |
| John Mattson Katrineberg Holding AB | Lidingö | 556097-5434 | Dormant company | Indirectly wholly owned | 100% |
| John Mattson Katrineberg AB | Lidingö | 556684-0947 | Dormant company | Indirectly wholly owned | 100% |
| John Mattson Ulvsunda AB | Lidingö | 556750-2983 | Letting of residential and commercial premises | Indirectly wholly owned | 100% |
| John Mattson Geografiboken AB | Lidingö | 559190-8297 | Project development | Indirectly wholly owned | 100% |

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

## Note 16. Earnings per share

In conjunction with a rights issue on 15 December 2023 for a total of SEK 1,250 million, 37,896,965 shares were issued, which were registered on 15 December (37,783,415) and 21 December (113,550). As per 31 December 2023, the registered share capital amounted to 75,793,930 shares (37,896,965).

In conjunction with the acquisition of the properties by Gullmarsplan in 2022, two new share issues were completed for a total of SEK 268.4 million, corresponding to 672,208 and 859,930 shares respectively. The shares were registered on 6 February and 16 May 2022 respectively. As per 31 December 2023, the company's registered share capital encompassed 75,793,930 shares (37,896,965) with a quotient value of SEK 0.33 (0.33). The calculation of earnings per share has been based on net profit for the year attributable to the Parent Company's shareholders, amounting to a loss of SEK 1,255.9 million (profit: 123.7). This was divided by the weighted average number of shares at the time, namely 39,556,335 shares (37,537,496). No dilution occurs when calculating earnings per share; nor are there any non-controlling interests in the Group.

| Earnings per share before and after dilution | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Profit for the year/Comprehensive income for the year | –1,255.9 | 123.7 |
| Average number of shares outstanding before dilution effects | 39,556,335 | 37,537,496 |
| **Earnings per share before dilution (SEK)** | **–31.75** | **3.30** |

## Note 17. Equity

### Share capital

As per 31 December 2023, the registered share capital amounted to 75,930,930 common shares (37,896,965). Holders of common shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to John Mattson's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries. The quotient value of the shares is SEK 0.33 per share (0.33).

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **No. of shares outstanding at the beginning of the year** | **37,896,965** | **36,364,827** |
| New share issue | 37,896,965 | – |
| Share split | – | 1,532,138 |
| **No. of shares outstanding at year end** | **75,793,930** | **37,896,965** |

## Note 18. Borrowings

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Non-current** | | |
| Liabilities to credit institutions | 6,083.9 | 6,363.9 |
| **Carrying amount** | **6,083.9** | **6,363.9** |
| **Current** | | |
| Liabilities to credit institutions | 1,108.8 | 2,559.9 |
| **Carrying amount** | **1,108.8** | **2,559.9** |
| **Total borrowings** | **7,192.7** | **8,923.8** |

Total borrowings includes liabilities to credit institutions and other borrowing against collateral of SEK 7,192.7 million (8,923.8). Collateral for bank loans consisted of property deeds on the Group's investment properties. Collateral for construction credit comprises Parent Company guarantees.

## Note 19. Financial risk

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

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

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

### Credit risk

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

### Reserve for expected credit losses

The Group uses various methods to estimate expected credit losses on financial assets, rent receivables and accounts receivable, which are recognised at amortised cost. The Group defines default as when it is highly probable that the debtor will be unable to pay amounts owed. The Group writes off receivables when it is no longer adjudged possible that any funds will be obtained from debt-collection attempts.

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

### Rent receivables and accounts receivable

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

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

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

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Not past-due accounts receivable | – | 0.1 |
| Past-due accounts receivable 1–30 days | 1.0 | 0.3 |
| Past-due accounts receivable 31–90 days | 2.0 | 0.9 |
| Past-due accounts receivable 90 days | 1.6 | 0.2 |
| **Carrying amount** | **4.5** | **1.5** |

*Note 19, Cont.*

### Reserve for expected credit losses

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Opening carrying amount** | **1.2** | **1.1** |
| Write-offs for the year | –0.4 | 0.4 |
| Year's other changes | –0.3 | –0.4 |
| **Closing carrying amount** | **0.5** | **1.2** |

The year's confirmed credit losses amounted to SEK 0.4 million (0.1).

### Market risk

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

### Interest-rate risk

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

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

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

Altogether, John Mattson has concluded interest-rate swaps to a nominal value of SEK 5,933 million (4,789).

### Fixed-interest and loan-to-maturity, 31 December 2023

| | Fixed-interest period | | Credit maturity | | | Derivatives | | |
|---|---|---|---|---|---|---|---|---|
| **Maturity** | **Volume (SEK m)** | **Average interest rate (%)[1]** | **Share (%)** | **Credit agreements volume (SEK m)** | **Utilised, SEK m** | **Share (%)** | **Volume (SEK m)** | **Average interest rate (%)[2]** |
| 0–1 year | 1,442 | 10.42 | 20 | 1,297 | 1,109 | 15 | – | – |
| 1–2 years | 721 | –1.25 | 10 | 1,269 | 1,269 | 18 | 1,883 | – |
| 2–3 years | 1,538 | 1.48 | 21 | 1,745 | 1,745 | 24 | 1,350 | – |
| 3–4 years | 1,527 | 2.46 | 21 | 971 | 971 | 13 | 1,400 | – |
| 4–5 years | 1,216 | 2.09 | 17 | 995 | 995 | 14 | 600 | – |
| >5 years | 749 | 2.67 | 10 | 1,103 | 1,103 | 15 | 700 | – |
| **Total** | **7,193** | **3.43** | **100** | **7,381** | **7,193** | **100** | **5,933** | **–1.84** |

### Fixed-interest and loan-to-maturity, 31 December 2022

| | Fixed-interest period | | Credit maturity | | | Derivatives | | |
|---|---|---|---|---|---|---|---|---|
| **Maturity** | **Volume (SEK m)** | **Average interest rate (%)[1]** | **Share (%)** | **Credit agreements volume (SEK m)** | **Utilised, SEK m** | **Share (%)** | **Volume (SEK m)** | **Average interest rate (%)[2]** |
| 0–1 year | 3,453 | 4.05 | 39 | 2,720 | 2,560 | 29 | 471 | – |
| 1–2 years | –15 | 24.74 | – | 1,714 | 1,385 | 16 | – | – |
| 2–3 years | 1,623 | 1.23 | 18 | 1,193 | 1,193 | 13 | 1,668 | – |
| 3–4 years | 1,752 | 1.62 | 20 | 912 | 912 | 10 | 1,350 | – |
| 4–5 years | 527 | 2.11 | 6 | 1,213 | 1,213 | 14 | 400 | – |
| >5 years | 1,585 | 1.99 | 18 | 1,661 | 1,661 | 19 | 900 | – |
| **Total** | **8,924** | **2.54** | **100** | **9,412** | **8,923.8** | **100** | **4,789** | **–1.04** |

[1] Average interest rate at the end of the year, including derivatives.
[2] Volume-weighted average interest rate for derivatives.

Based on the interest-bearing assets and liabilities that existed on the balance-sheet date, the table below shows the impact of an increase/decline in interest rates on earnings before tax. The company's interest-rate derivatives have been taken into consideration.

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Market interest rate +1%, SEK m | –6.3 | –50.2 |
| Market interest rate –1%, SEK m | 27.7 | 23.6 |

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

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Market interest rate +1%, SEK m | 136.1 | 130.3 |
| Market interest rate –1%, SEK m | –143.7 | –138.1 |

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling its obligations associated with financial liabilities. This risk is managed through overdraft facilities totalling SEK 110 million (160), which was undrawn (0) at the end of 2023. In addition, there is one construction credit of SEK 400 million, of which SEK 322 million had been drawn at the end of 2023.

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

*Note 19, Cont.*

**31 Dec 2023**

| Analysis of tenors | <6 months | 6–12 months | 1–3 years | 3–5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Accounts payable | 107.3 | – | – | – | – | 107.3 |
| Interest-bearing liabilities | 677.9 | 677.9 | 3,508.3 | 2,460.2 | 1,597.2 | 8,921.5 |
| Derivatives | – | – | –100.5 | 11.6 | 19.8 | –69.0 |
| **Total** | 726.2 | 677.9 | 3,608.8 | 2,448.6 | 1,577.3 | 8,959.7 |

**31 Dec 2022**

| Analysis of tenors | <6 months | 6–12 months | 1–3 years | 3–5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Accounts payable | 82.5 | – | – | – | – | 82.5 |
| Interest-bearing liabilities | 1,393.5 | 1,393.5 | 3,032.5 | 4,239.7 | 0.0 | 10,059.2 |
| Derivatives | – | 3.1 | 80.9 | 118.9 | 33.5 | 236.4 |
| **Total** | 1,488.8 | 1,396.6 | 3,113.4 | 4,358.6 | 33.5 | 10,378.1 |

Since future interest payments are included in the tables of maturities, total amounts according to these tables exceed the balance sheet amount. The maturity analysis does not include leaseholds.

**Financing risk**

Financing risk entails difficulties in securing financing, or that financing is only available at highly unfavourable terms at a given point in time. To ensure requirements of financing and liquidity, John Mattson endeavours to continuously renegotiate credits and, where required, add new credits. As collateral for borrowings, John Mattson provides property deeds. Risk is also managed by having a low loan-to-value ratio, which amounted to 49.8% (56.6) at year end. The company's stable cash flow contributes to a secure interest coverage level.

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

| | Amount, 31 Dec 2023 | Utilised, 31 Dec 2023 | Amount, 31 Dec 2022 | Utilised, 31 Dec 2022 |
|---|---|---|---|---|
| Binding loan agreements with banks | 6,870.5 | 6,870.5 | 8,352.5 | 8,398.9 |
| Credit commitments and overdraft facilities | 510.0 | 322.1 | 1,060.0 | 524.9 |
| **Total** | **7,380.5** | **7,192.6** | **9,412.5** | **8,923.8** |

**Capital management**

The aim of the Group's strategy is to generate a healthy return to the shareholders under financial stability. The strategy is reflected in the financial targets, which were as follows in 2023:

- An average annual growth in EPRA NAV per share of not less than 7%, including value changes, over a business cycle.
- An average annual growth in income from property management per share of not less than 10% over a business cycle.

# Note 20. Other liabilities

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Employee withholding taxes and social security expenses | 3.6 | 4.4 |
| VAT | 5.0 | 1.2 |
| Tax liability | 15.9 | 9.4 |
| Other items | 3.7 | 4.2 |
| **Carrying amount** | **28.1** | **19.3** |

# Note 21. Accrued expenses and deferred income

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Prepaid rental revenues | 46.7 | 59.1 |
| Accrued interest expense | 26.4 | 13.1 |
| Accrued salaries, holiday pay and social security expenses | 3.8 | 5.1 |
| Other accrued expenses and deferred income | 23.3 | 19.8 |
| **Carrying amount** | **100.2** | **97.1** |

# Note 22. Cash-flow statement

| Adjustment for non-cash items | 2023 | 2022 |
|---|---|---|
| Depreciation | 3.5 | 3.9 |
| Unrealised change in value of investment properties | 1,357.4 | 225.1 |
| Unrealised changes in derivative values | 170.4 | –264.6 |
| Provisions for pensions | 0.4 | 1.3 |
| Other | –1.7 | – |
| **Carrying amount** | **1,530.0** | **–34.3** |

| Change in liabilities attributable to financing activities | 31 Dec 2022 | Cash flow for the period | Acquisitions | 31 Dec 2023 |
|---|---|---|---|---|
| Current interest-bearing liabilities | 2,559.9 | –1,451.1 | – | 1,108.8 |
| Non-current interest-bearing liabilities | 6,363.9 | –280.0 | – | 6,083.9 |
| | **8,923.8** | **–1,731.1** | **–** | **7,192.7** |

| | Changes in items impacting cash flow | | Changes in non-cash items | |
|---|---|---|---|---|
| **Change in liabilities attributable to financing activities** | **31 Dec 2021** | **Cash flow for the period** | **Acquisitions** | **31 Dec 2022** |
| Current interest-bearing liabilities | 3,221.9 | –622.0 | – | 2,599.9 |
| Non-current interest-bearing liabilities | 6,224.6 | 139.3 | – | 6,363.9 |
| | **9,446.5** | **–522.7** | **–** | **8,923.7** |

# Note 23. Pledged assets

| Pledged assets | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Property deeds | 6,870.8 | 8,827.4 |
| Endowment policies to secure pensions | 1.0 | – |
| **Total** | **6,871.8** | **8,827.4** |

# Note 24. 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. Related parties also encompasses the companies in the Group in accordance with Note 16.

All transactions with related parties are conducted on commercial terms.

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

In addition to the amounts stated in Note 7, in May 2023, the Parent Company took up a short-term promissory note loan of SEK 580 million from the company's two largest shareholders. The loans were raised at a market interest rate corresponding to STIBOR three months +1.65%. The loans were repaid in full in the fourth quarter.

# Note 25. Events after the balance-sheet date

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

# Parent Company income statement

| Amounts in SEK m | Note | 2023 | 2022 |
|---|---|---|---|
| Revenue | 9 | 11.5 | 13.9 |
| Central administration and marketing costs | 10 | –28.4 | –43.5 |
| **EBIT** | | **–16.8** | **–29.6** |
| Result from participations in Group companies | 11 | –114.3 | – |
| Interest income | 12 | 14.0 | 4.5 |
| Interest expense | 13 | –136.2 | –65.1 |
| **Loss after financial items** | | **–253.4** | **–90.3** |
| Appropriations | 14 | 60.4 | 29.8 |
| **EBT** | | **–192.9** | **–60.5** |
| Tax | 15 | –6.7 | – |
| **Profit/loss for the year** | | **–199.6** | **–60.5** |

# Parent Company statement of comprehensive income

| Amounts in SEK m | Note | 2023 | 2022 |
|---|---|---|---|
| Profit/loss for the year | | –199.6 | –60.5 |
| Other comprehensive income | | – | – |
| **Comprehensive income for the year** | | **–199.6** | **–60.5** |

# Parent Company balance sheet

| Amounts in SEK m | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Property, plant and equipment** | | | |
| Plant and equipment | 3 | 1.2 | 0.9 |
| **Financial assets** | | | |
| Participations in Group companies | 4 | 5,257.3 | 5,320.5 |
| Non-current receivables from Group companies | 8 | 1,178.9 | – |
| Other non-current receivables | 8 | 0.2 | – |
| Deferred tax assets | 5 | 0.9 | 3.0 |
| **Total non-current assets** | | **6,438.5** | **5,324.4** |
| **Current assets** | | | |
| Receivables from Group companies | 6 | 342.6 | 323.6 |
| Other receivables | 8 | 9.1 | 10.1 |
| Prepaid expenses and accrued income | 8 | 0.5 | 1.4 |
| Cash and cash equivalents | 7 | 433.4 | 4.7 |
| **Total current assets** | | **785.7** | **339.8** |
| **TOTAL ASSETS** | | **7,224.2** | **5,664.2** |

| Amounts in SEK m | Note | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 16 | | |
| *Restricted equity* | | | |
| Share capital | | 25.3 | 12.6 |
| *Non-restricted equity* | | | |
| Share premium reserve | | 2,258.2 | 855.6 |
| Retained earnings | | 795.1 | 1,037.9 |
| Profit/loss for the year | | –199.6 | –60.5 |
| **Total equity** | | **2,878.9** | **1,845.7** |
| **Provisions** | | | |
| Other provisions for pensions and similar obligations | 10 | 0.3 | – |
| **Total Provisions** | | **0.3** | **–** |
| **Non-current liabilities** | | | |
| Non-current interest-bearing liabilities | 17 | – | 475.0 |
| **Total non-current liabilities** | | **0.0** | **475.0** |
| **Current liabilities** | | | |
| Accounts payable | 8 | 3.8 | 3.6 |
| Liabilities to Group companies | 8 | 4,328.1 | 2,430.8 |
| Current portion of long-term debt | 17 | – | 893.1 |
| Other current liabilities | 8 | 2.7 | 8.0 |
| Accrued expenses and deferred income | 8 | 10.4 | 8.1 |
| **Total current liabilities** | | **4,344.9** | **3,343.5** |
| **TOTAL EQUITY AND LIABILITIES** | | **7,224.2** | **5,664.2** |

# Parent Company statement of changes in equity

| | Restricted equity | Non-restricted equity | | | |
|---|---|---|---|---|---|
| **Amounts in SEK m** | **Share capital** | **Share premium reserve** | **Retained earnings** | **Profit/loss for the year** | **Total equity** |
| **Opening equity, 1 Jan 2022** | 12.1 | 769.8 | 858.0 | –2.4 | 1,637.5 |
| Transfer, preceding year's earnings | – | – | –2.4 | 2.4 | 0.0 |
| Profit/loss for the year | – | – | – | –60.5 | –60.5 |
| Other comprehensive income for the year | – | – | – | | |
| **Comprehensive income for the year** | | | | **–60.5** | **–60.5** |
| **Transactions with owners** | | | | | |
| Dividend | – | – | – | – | – |
| New share issue | 0.5 | 268.1 | – | – | 268.7 |
| **Total** | **0.5** | **268.1** | – | – | **268.7** |
| **Closing equity, 31 Dec 2022** | **12.6** | **1,037.9** | **855.6** | **–60.5** | **1,845.7** |
| **Opening equity, 1 Jan 2023** | **12.6** | **1,037.9** | **855.6** | **–60.5** | **1,845.7** |
| Transfer, preceding year's earnings | – | – | –60.5 | 60.5 | – |
| Profit/loss for the year | – | – | – | –199.6 | –199.6 |
| Other comprehensive income for the year | – | – | – | – | – |
| **Comprehensive income for the year** | **12.6** | **1,037.9** | – | **–199.6** | **–199.6** |
| **Transactions with owners** | | | | | |
| New share issue | 12.6 | 1,238.1 | – | – | 1,250.7 |
| Issue expense | – | –22.3 | – | – | –22.3 |
| Tax on issue expense | – | 4.6 | – | – | 4.6 |
| **Total** | **12.6** | **1,220.3** | – | – | **1,232.9** |
| **Closing equity, 31 Dec 2023** | **25.3** | **2,258.2** | **795.1** | **–199.6** | **2,878.9** |

# Parent Company cash-flow statement

| **Amounts in SEK m** | **Note** | **2023** | **2022** |
|---|---|---|---|
| **Operating activities** | | | |
| EBT | | –192.9 | –60.5 |
| *Adjustment for non-cash items* | 20 | | |
| Depreciation and disposals | | 0.7 | 0.8 |
| Write-down of participations in Group companies | | 300.4 | |
| Gain/loss on sale of subsidiaries | | –186.1 | – |
| **Cash flow from operating activities before changes in working capital** | | **–78.0** | **–59.7** |
| **Cash flow from changes in working capital** | | | |
| Change in operating receivables | | –17.2 | 58.8 |
| Change in operating liabilities | | 1,019.8 | 1,433.3 |
| **Cash flow from operating activities** | | **924.6** | **1,432.2** |
| **Investing activities** | | | |
| Acquisition of subsidiaries | | –22.9 | – |
| Sale of subsidiaries | | 214.6 | |
| Investments in equipment | | –1.1 | –0.9 |
| Disposal of equipment | | 0.1 | – |
| Change in long-term loans to Group companies | | –1,178.9 | – |
| Shareholder contributions paid | | –242.8 | –3.0 |
| **Cash flow from investing activities** | | **–1,230.9** | **–3.9** |
| **Financing activities** | | | |
| Repayments of borrowings | | –1,368.1 | –1,732.0 |
| Dividend | | – | – |
| Borrowings | | – | – |
| Change in long-term loans to Group companies | | 814.3 | – |
| New share issue | | 1,228.3 | 268.7 |
| Group contributions received/paid | | 60.4 | 29.8 |
| **Cash flow from financing activities** | | **734.9** | **–1,542.5** |
| **Cash flow for the year** | | **428.8** | **–5.1** |
| Opening balance, cash and cash equivalents | | 4.8 | 9.9 |
| **Closing balance, cash and cash equivalents** | 7 | **433.4** | **4.8** |
| **Additional cash-flow statement disclosures** | | | |
| Interest received | | 1.7 | 4.5 |
| Interest paid | | 26.2 | 65.4 |

# Parent Company notes

## Note 1. Significant accounting policies

The Parent Company prepares its annual financial statements in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The Parent Company applies the same accounting policies as the Group with the exceptions and supplements stipulated in RFR 2. This means that the IFRS are applied together with the deviations presented below.

**Participations in subsidiaries**

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

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

**Group and shareholder contributions**

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

**Revenue**

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

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

**Leases**

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

**Financial instruments**

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

**Impairment of financial assets**

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

**Taxes**

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

## Note 2. Significant estimates and assessments

The Parent Company's principal asset item is the value of shares in Group companies. The subsidiaries representing major values include properties with a material surplus value.

## Note 3. Property, plant and equipment

| Plant and equipment | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Opening balance, cost** | **2.7** | **2.6** |
| Purchases during the year | 1.1 | 0.5 |
| Sales and disposals | –1.3 | –0.3 |
| **Closing balance, cost** | **2.4** | **2.7** |
| **Opening balance, accumulated depreciation** | **–1.8** | **–1.1** |
| Depreciation for the year | –0.7 | –0.9 |
| Sales and disposals | 1.3 | 0.2 |
| **Closing balance, accumulated depreciation** | **–1.2** | **–1.8** |
| **Closing balance, planned residual value** | **1.2** | **0.9** |

## Note 4. Participations in Group companies

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Opening balance, cost | 5,320.5 | 5,317.6 |
| Shareholders' contributions | 242.8 | 3.0 |
| Acquisitions | 22.9 | – |
| Sales | –28.5 | – |
| Write-downs | –300.4 | – |
| **Closing balance, cost** | **5,257.3** | **5,320.5** |

*Cont. Note 4*

The list below includes directly owned companies. The indirectly owned companies are disclosed in Note 15 to the consolidated financial statements.

| Company | Corp. Reg. No. | Registered office | Principal activity | Owned percentage | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|---|---|---|
| John Mattson Fastighets AB | 556056-6977 | Lidingö | Letting and property management | 100% | 1,262.0 | 1,262.0 |
| John Mattson Skolfastigheter AB | 556703-0357 | Lidingö | Letting of commercial premises | 100% | 1.6 | 1.6 |
| John Mattson Butiksfastigheter AB | 556792-8568 | Lidingö | Letting of commercial premises | 100% | 9.7 | 9.7 |
| John Mattson Parkering AB | 556902-1206 | Lidingö | Letting, parking spaces | 100% | 0.2 | 0.2 |
| John Mattson Dalenum AB | 556909-1472 | Lidingö | Letting and property management | 0% | – | 28.5 |
| John Mattson Käppala AB | 559161-7500 | Lidingö | Main partner in limited partnerships | 100% | 371.3 | 371.3 |
| John Mattson Juno Herkules KB | 969646-6946 | Lidingö | Letting and property management | 0% | 0.5 | 0.5 |
| John Mattson Sollentuna Holding AB | 559229-6619 | Lidingö | Holding company | 0% | – | 4.0 |
| John Mattson Gullmars Holding AB | 559358-4716 | Lidingö | Holding company | 100% | 52.7 | – |
| John Mattson Sicklaön AB | 559305-4926 | Lidingö | Main partner in limited partnerships | 100% | 3.6 | 0.6 |
| John Mattson Efib AB | 556262-1853 | Lidingö | Letting and property management | 99.95% | 1,425.5 | 1,425.5 |
| John Mattson Rotebro and Rotsunda AB | 559087-2478 | Lidingö | Letting and property management | 100% | 20.8 | 130.1 |
| John Mattson Häggvik Tureberg AB | 559087-2494 | Lidingö | Letting and property management | 100% | 7.2 | 3.0 |
| John Mattson Väsby Holding AB | 559314-1376 | Lidingö | Holding company | 100% | 0.2 | 2.9 |
| John Mattson Stockholm Holding AB | 559251-3286 | Lidingö | Holding company | 100% | – | 1.3 |
| John Mattson HEFAB AB | 556304-8510 | Lidingö | Letting and property management | 97.5% | 2,102.1 | 2,079.3 |
| | | | | | **5,257.3** | **5,320.3** |

## Note 5. Deferred tax assets and tax liabilities

| 31 Dec 2023 | Assets | Liabilities | Net |
|---|---|---|---|
| Loss carryforwards | 0.9 | – | 0.9 |
| **Total** | **0.9** | **–** | **0.9** |

| 31 Dec 2022 | Assets | Liabilities | Net |
|---|---|---|---|
| Loss carryforwards | 3.0 | – | 3.0 |
| **Total** | **3.0** | **–** | **3.0** |

| Reconciliation of net change in deferred tax | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **At start of year** | 3.0 | 3.0 |
| Recognised in profit or loss | –6.7 | – |
| Recognised in equity | 4.6 | – |
| **At year end** | **0.9** | **3.0** |

## Note 6. Receivables from Group companies

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Opening balance, cost | 323.6 | 387.4 |
| Additional receivables | 342.6 | – |
| Receivables removed | –323.6 | –63.8 |
| **Closing balance, accumulated cost** | **342.6** | **323.6** |
| **Closing carrying amount** | **342.6** | **694.6** |

## Note 7. Cash and cash equivalents

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Cash at bank and in hand | 433.4 | 4.7 |
| **Carrying amount** | **433.4** | **4.7** |

## Note 8. Financial instruments

**Fair value estimation**

Interest-bearing receivables and liabilities

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

Current receivables and liabilities

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

Fair value measurement

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

Reserve for expected credit losses

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

## Note 9. Revenue

| | 2023 | 2022 |
|---|---|---|
| Intra-Group revenue | 10.6 | 13.7 |
| Other revenue | 1.0 | 0.1 |
| **Total** | **11.5** | **13.9** |

## Note 10. Employees and personnel costs

| | 2023 | 2022 |
|---|---|---|
| **Board of Directors, CEO and other senior executives** | | |
| Salaries and other remuneration | –11.9 | –14.0 |
| Social security contributions | –3.1 | –4.7 |
| *(of which, pension costs)* | –1.8 | –2.6 |
| **Total** | **–15.0** | **–18.7** |

During the year, the average number of employees in the Parent Company amounted to five (six) of whom 60% (60) were men.

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

## Note 11. Result from participations in Group companies

| | 2023 | 2022 |
|---|---|---|
| Capital gain/loss on sale | 186.1 | – |
| Write-downs | –300.4 | – |
| **Total** | **–114.3** | **0.0** |

## Note 12. Interest income and similar profit/loss items

| | 2023 | 2022 |
|---|---|---|
| Interest income from subsidiaries | 1.7 | 1.3 |
| Interest income from Group companies | 11.0 | 3.2 |
| Other interest income | 1.4 | – |
| **Total** | **14.0** | **4.5** |

## Note 13. Interest expense and similar profit/loss items

| | 2023 | 2022 |
|---|---|---|
| Interest expense to subsidiaries | –66.9 | –19.9 |
| Interest expense to Group companies | –42.0 | –4.1 |
| Other interest expenses | –26.2 | –40.2 |
| Other financial expenses | –1.1 | –0.9 |
| **Total** | **–136.2** | **–65.1** |

## Note 14. Appropriations

| | 2023 | 2022 |
|---|---|---|
| Group contributions paid | – | – |
| Group contributions received | 60.4 | 29.8 |
| **Total** | **60.4** | **29.8** |

## Note 15. Tax

| | 2023 | 2022 |
|---|---|---|
| Current tax | – | – |
| Change in deferred tax relating to temporary differences | –6.7 | – |
| **Recognised tax** | **–6.7** | **–** |

| **Reconciliation of effective tax rate** | 2023 | 2022 |
|---|---|---|
| **EBT** | **–192.9** | **–60.5** |
| Tax according to the Parent Company's current tax rate (20.6%) | 39.7 | 12.5 |
| Tax effect of: | | |
| Non-taxable revenues | 38.3 | |
| Non-deductible costs | –79.8 | –12.5 |
| Other | –4.9 | – |
| **Recognised tax** | **–6.7** | **–** |

## Note 16. Equity

As per 31 December 2023, the registered share capital amounted to 75,793,930 common shares (37,895,965). Holders of common shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to John Mattson's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries. The quotient value of the shares is SEK 0.33 per share (0.33).

# Note 17. Borrowings

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Non-current** | | |
| Liabilities to credit institutions | – | 475.0 |
| **Carrying amount** | **–** | **475.0** |
| **Current** | | |
| Liabilities to credit institutions | – | 893.1 |
| **Carrying amount** | **–** | **893.1** |
| **Total borrowings** | **–** | **1,368.1** |

# Note 18. Transactions with related parties

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

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

| | Sales of goods/ services | Purchases of goods/ services | Interest | Receivables on the balance-sheet date | Liability on the balance-sheet date |
|---|---|---|---|---|---|
| **Group companies** | | | | | |
| 2023 | 8.8 | –2.2 | –96.3 | 1,521.5 | 4,328.1 |
| 2022 | 13.7 | –5.0 | –19.5 | 323.6 | 2,536.9 |

# Note 19. Auditors' fees

| Ernst & Young AB | 2023 | 2022 |
|---|---|---|
| Auditing assignment | 1.9 | 0.3 |
| Other services | 0.5 | – |
| **Total** | **2.4** | **0.3** |

# Note 20. Cash-flow statement

| Adjustment for non-cash items | 1 Jan 2023–31 Dec 2023 | 1 Jan 2022–31 Dec 2022 |
|---|---|---|
| Depreciation | 0.7 | 0.8 |
| Write-down of participations in Group companies | 300.4 | – |
| Gain/loss on sales of subsidiaries | –186.1 | – |
| **Carrying amount** | **114.9** | **0.8** |

| Change in liabilities attributable to financing activities | 31 Dec 2022 | Changes in items impacting cash flow<br>Cash flow for the period | Changes in non-cash items<br>Acquisitions | 31 Dec 2023 |
|---|---|---|---|---|
| Current interest-bearing liabilities | 893.1 | –893.1 | – | – |
| Non-current interest-bearing liabilities | 475.0 | –475.0 | – | – |
| | **1,368.1** | **–1,368.1** | **–** | **–** |

| Change in liabilities attributable to financing activities | 31 Dec 2021 | Cash flow for the period | Acquisitions | 31 Dec 2022 |
|---|---|---|---|---|
| Current interest-bearing liabilities | 1,300.0 | –406.9 | – | 893.1 |
| Non-current interest-bearing liabilities | 1,800.0 | –1,325.0 | – | 475.0 |
| | **3,100.0** | **–1,731.9** | **–** | **1,368.0** |

# Note 21. Pledged assets and contingent liabilities

| Pledged assets | 2023 | 2022 |
|---|---|---|
| Property deeds | – | – |
| **Total** | **–** | **–** |

| Contingent liabilities | 2023 | 2022 |
|---|---|---|
| General guarantees for subsidiaries | 1,212.6 | 96.4 |

# Note 22. Events after the balance-sheet date

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

# Note 23. Proposed appropriation of profits

| The following profit is at the disposal of the Annual General Meeting (SEK): | |
|---|---|
| Share premium reserve | 2,258,196,840 |
| Retained earnings | 795,117,732 |
| Profit/loss for the year | –199,635,103 |
| | **2,853,679,469** |
| **The Board proposes that the earnings be appropriated as follows:** | |
| To be carried forward | 2,853,679,469 |
| | **2,853,679,469** |

# Assurance of the Board



**John Mattson Fastighetsföretagen AB (publ.)**
556802-2858

To the best of the Board of Directors' knowledge, this annual report has been prepared in accordance with generally accepted accounting policies. The annual report provides a true and fair account of the Group's and Parent Company's financial position and the Administration Report provides a true and fair overall account of the development of the Group's business, financial position and earnings and describes the significant risks and uncertainties facing the Group. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The consolidated financial statements provide a true and fair account of the Group's financial position and the Administration Report for the Group provides a true and fair overall account of the development of the Group's business, financial position and earnings and describes significant risks and uncertainties facing the Group.

Lidingö, 19 March 2024

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

**Johan Ljungberg**
Vice Chairman

**Åsa Bergström**
Member of the Board

**Håkan Blixt**
Member of the Board

**Ingela Lindh**
Member of the Board

**Christer Olofsson**
Member of the Board

**Katarina Wallin**
Member of the Board

**Per Nilsson**
Chief Executive Officer

Our Auditor's Report was submitted on 20 March 2024
Ernst & Young AB

**Katrine Söderberg**
Authorised Public Accountant

# Auditor's report

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

**Report on the annual accounts and consolidated accounts**

Opinions

We have audited the annual accounts and consolidated accounts of John Mattson Fastighetsföretagen AB (publ) except for the corporate governance statement on pages 62–65 for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 56–65 and 69–98 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 62–65. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for opinions

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

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

Key audit matters

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

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

**Valuation of investment properties**

Description

The fair value of the Groups investment properties amounted to SEK 13,567.6 million on 31 December 2023. Unrealized change in investment properties during the year, recognized in the group's income statement is –1,322.8 million SEK.

The property valuations are yield-based according to the cash flow model, which means that future cash flows are forecasted. All properties are valued every quarter. About three-quarters of the property portfolio is valued internally and about a quarter is valued externally, which means that the entire property portfolio is valued externally annually. The properties yield requirements are assessed based on each property's unique risk and transactions made on the market for objects of a similar nature.

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

A description of the valuation of the property portfolio is stated in note 12.

How our audit addressed this key audit matter

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

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

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

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

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

We have reviewed the disclosures provided in the annual accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–45, 47–55, 66–68 and 102–108. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

**Report on other legal and regulatory requirements**

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

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of John Mattson Fastighetsföretagen AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

**The auditor's examination of the ESEF report**

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for John Mattson Fastighetsföretagen AB (publ) for the financial year 2023.

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

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of John Mattson Fastighetsföretagen AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

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

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

**The auditor's examination of the corporate governance statement**

The Board of Directors is responsible for that the corporate governance statement on pages 62–65 has been prepared in accordance with the Annual Accounts Act.

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

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

Ernst & Young AB was appointed auditor of John Mattson Fastighetsföretagen AB by the general meeting of the shareholders on the 21 April 2023 and has been the company's auditor since the 28 April 2021.

Stockholm, 20 March 2024
Ernst & Young AB

Katrine Söderberg
Authorized Public Accountant

# Property list

**John Mattson Fastighetsföretagen AB (publ)**
556802-2858

## Property holdings 31 Dec 2023

| Property designation | Street address | Site area sq m | Year built/ redeveloped | No. of Apts. | Lettable area (sq m) Living area, sq m | Area of premises sq m | Total area sq m |
|---|---|---|---|---|---|---|---|
| **Lidingö** | | | | | | | |
| Bodals gård 1 | Larsbergsvägen 8 | 8,292 | 1934/2009 | – | – | 2,886 | 2,886 |
| Farleden 2 | Larsbergsvägen 32–42 | 7,170 | 1967/2018 | 93 | 9,106 | 29 | 9,135 |
| Fyrbåken 1 | Larsbergsvägen 19–21 | 6,915 | 1967/2018 | 124 | 9,231 | 251 | 9,482 |
| Fyren 1 | Larsbergsvägen 44 | 2,872 | 1968/2018 | 59 | 4,418 | 165 | 4,583 |
| Fyren 2 | Larsbergsvägen 46 | 3,061 | 1968/2018 | 52 | 3,925 | 30 | 3,955 |
| Fyren 3 | Larsbergsvägen 48 | 3,754 | 1968/2018 | 52 | 3,925 | 86 | 4,011 |
| Fyren 4 | Larsbergsvägen 50 | 3,901 | 1969/2018 | 61 | 4,542 | 30 | 4,572 |
| Fyrmästaren 1 | Larsbergs parkv 1–7 | 5,144 | 1967/2015 | 114 | 7,551 | – | 7,551 |
| Fyrmästaren 2 | Larsbergstorg 4–6 | 724 | 1968/2016 | 34 | 1,813 | 905 | 2,718 |
| Fyrskeppet 1 | Larsbergsvägen 9 | 3,009 | 1966/2018 | 62 | 4,570 | – | 4,570 |
| Fyrtornet 1 | Larsbergsvägen 23 | 3,831 | 1968/2018 | 63 | 4,681 | 117 | 4,798 |
| Fyrtornet 2 | Larsbergsvägen 25 | 2,581 | 1968/2015 | 63 | 4,681 | 129 | 4,810 |
| Fyrtornet 5 | Larsbergsvägen 29 | 4,025 | 1968/2012 | – | – | 1,531 | 1,531 |
| Fyrtornet 6 | Larsbergsvägen 27 | 3,290 | 1968/2015 | 64 | 4,768 | 33 | 4,801 |
| Herkules 1 | Merkuruisvägen 1–31 | 14,138 | 1958/2018/2020 | 215 | 11,148 | | 11,148 |
| Juno 2 & 3 | Jupitervägen 29–45, 30–70 | 31,158 | 1961 | 303 | 18,836 | 990 | 19,826 |
| Klockbojen 2 | Agavägen 36–38 | 3,203 | 2018 | 80 | 4,898 | – | 4,898 |
| Klockbojen 4 | Larsbergstorg 7–9, Agavägen 14–34, Agavägen 40 | 11,558 | 1967 1969/2014 2019 | 224 | 12,623 | 1,780 | 14,403 |
| Radiofyren 1 | Agavägen 1 | 14,387 | 2011/2015 | – | – | 3,698 | 3,698 |
| Sjöjungfrun 2 | Larsbergsvägen 10–30 | 17,131 | 1967/2015 | 150 | 14,276 | 1,545 | 15,821 |
| Sjömärket 1 | Larsbergsvägen 11–13 | 6,951 | 1966/2015 | 122 | 9,134 | – | 9,134 |
| Sjömärket 2 | Larsbergsvägen 15–17 | 5,011 | 1967/2015 | 124 | 9,132 | – | 9,132 |
| **Total Lidingö** | | **162,104** | | **2,059** | **143,258** | **14,204** | **157,462** |

| | | | | | Lettable area (sq m) | | |
|---|---|---|---|---|---|---|---|
| Property designation | Street address | Site area sq m | Year built/ redeveloped | No. of Apts. | Living area, sq m | Area of premises sq m | Total area sq m |
| **North Stockholm** | | | | | | | |
| Regeln 1, Riset 1, Runan 1 | Drabantstigen 1–5, 2, 4, 7–11 | 3,879 | 1972/2013 | 84 | 4,552 | 183 | 4,735 |
| Ringaren 2 | Ytterbyvägen 4B, 4C | 1,949 | 1992 | 14 | 1,171 | 5 | 1,176 |
| Riset 3, Ryttaren 1, Röken 3 | Skvadronsvägen 1, 3<br>Rotsunda torg 1–7, Staffans Väg 16<br>Rotsunda torg 2, 4 | 5,195 | 1972/2016 | 66 | 4,185 | 1,041 | 5,226 |
| Ritaren 10, 11, 18 | Kung Hans väg 85–97, 49–81, 9–45 | 2,698 | 1976 | 108 | 6,060 | 367 | 6,427 |
| Ritaren 4, 5, 6, 7, 8, 9 | Sturevägen 108A–120, 96–106, 84–94,<br>Kung Hans väg 185–191, 171–183, 159–169 | 20,004 | 1976 | 72 | 5,448 | | 5,448 |
| Ritbordet 3, 4, 9 | Gillbostråket 45–61, 27–43, 7–23 | 1,980 | 1977 | 70 | 4,388 | 295 | 4,683 |
| Ritbordet 5, 6, 7, 8 | Gillbostråket 91–97, 83–89, 73–79, 65–71 | 10,718 | 1977 | 32 | 2,688 | | 2,688 |
| Rosten 1, Ränseln 1, Röken 1, Röken 2 | Rusthållarevägen 18, 20, 13–17, 3–11,<br>Skvadronsvägen 2–6 | 6,196 | 1972 | 93 | 5,593 | 1,098 | 6,691 |
| Skivan 1 | Skälbyvägen 1–15 | 5,567 | 1974 | 54 | 3,231 | 721 | 3,952 |
| Skopan 1 | Skälbyvägen 18A–B | 1,693 | 1952 | 15 | 1,192 | | 1,192 |
| Skålen 2 | Västervägen 1–23 | 10,575 | 1949 | 72 | 3,960 | 463 | 4,423 |
| Spettet 3 | Häggviksvägen 12–16, Minervavägen 1 | 3,582 | 2002 | 84 | 5,615 | | 5,615 |
| Spettet 4 | Häggviksvägen 18, Studievägen 2–16,<br>Svartbäcksvägen 2 | 9,258 | 1958 | 59 | 3,460 | 1,957 | 5,417 |
| Sångaren 7 | Västervägen 25–31 | 5,167 | 1946 | 21 | 1,130 | 96 | 1,226 |
| Traktören 8 | Malmvägen 12A–C | 3,205 | 1971 | 75 | 5,260 | 2,541 | 7,801 |
| Traktören 9 | Malmvägen 10A–C | 2,654 | 1971 | 76 | 5,259 | 3,328 | 8,587 |
| Vilunda 18:1 | Finnspångsvägen 2 | 1,951 | 2022 | 73 | 3,857 | 584 | 4,441 |
| **Total North Stockholm** | | **96,271** | | **1,068** | **67,049** | **12,679** | **79,728** |
| **City/Bromma** | | | | | | | |
| Almanackan 4 | Plåtslagarvägen 14–16 | 5,567 | 1974 | 12 | 654 | 40 | 694 |
| Burspråket 5 | Burspråkvägen 11 | 636 | 1939 | 19 | 594 | 79 | 673 |
| Frisen 1 | Skulptörvägen 24 | 1,125 | 1945 | 22 | 850 | 65 | 915 |
| Fulufjället 1 | Sulitelmavägen 17–21 | 1,317 | 2017 | 27 | 1,623 | | 1,623 |
| Generatorn 16 | Lintavägen 4 | – | 1958 | | | 2,060 | 2,060 |
| Geografiboken 1 | Abrahamsbergsvägen 87–91 | 3,205 | 1971 | 40 | 3,765 | 928 | 4,693 |
| Gravyren 1 | Gullmarsplan 2 | 268 | 1946 | 19 | 1,563 | 384 | 1,947 |
| Historieboken 1 | Grundläggarvägen 24 | 2,654 | 1971 | 11 | 977 | 77 | 1,054 |
| Hjälpslaktaren 1 | Hallvägen 13 | 3,582 | 1960 | – | – | 1,901 | 1,901 |
| Hjälpslaktaren 2 | Hallvägen 11, Styckmästaregatan 2 | 9,258 | 1960 | – | – | 1,970 | 1,970 |
| Hjälpslaktaren 8 | Slakthusgatan 8 | 5,167 | 1935 | – | – | 2,620 | 2,620 |
| Kopparsticket 8 | Gullmarsplan 4–6 | 3,630 | 1947 | 21 | 1,750 | 3,686 | 5,436 |
| Lilla Katrineberg 4 | Katrinebergsbacken 35 | 3,226 | 1993 | | | 2,308 | 2,308 |
| Mältplåten 1 | Hammarby Allé 94–102 | 3,393 | 2005 | 110 | 6,999 | 844 | 7,843 |
| Naturläran 7 | Arkitektsvägen 51 | – | 1960 | 11 | 977 | 64 | 1,041 |

| | | | | | Lettable area (sq m) | | |
|---|---|---|---|---|---|---|---|
| **Property designation** | **Street address** | **Site area sq m** | **Year built/ redeveloped** | **No. of Apts.** | **Living area, sq m** | **Area of premises sq m** | **Total area sq m** |
| Portalen 10 | Burspråkvägen 10–18 | 2,175 | 1942 | 56 | 2,623 | 130 | 2,753 |
| Vinjetten 6 | Gullmarsplan 1–5 | 1,586 | 1950 | 39 | 2,849 | 1,501 | 4,350 |
| Vävstolen 8 | Spinnrocksvägen 2–8 | 1,367 | 1944 | 28 | 1,277 | 149 | 1,426 |
| Åmen 1 | Stopvägen 78–82 | 840 | 1960 | 18 | 780 | 120 | 900 |
| Årsboken 1 | Arkitektsvägen 42–46 | – | 1935 | 18 | 1,026 | 125 | 1,151 |
| **Total City/Bromma** | | **48,996** | | **451** | **28,307** | **19,051** | **47,358** |
| **South Stockholm/Nacka** | | | | | | | |
| Blåklockan 2 | Midsommarvägen 11 | 886 | 1938 | 23 | 997 | 174 | 1,171 |
| Faktorn 7 | Bokbindarvägen 74 | 1,730 | 1945 | 24 | 1,367 | 38 | 1,405 |
| Gengasen 4 | Stigtomtavägen 3–43 | 8,236 | 1968/2023 | 124 | 7,375 | 1,880 | 9,255 |
| Gradhyveln 2 | Bordsvägen 36–40 | 2,027 | 1948 | 25 | 1,413 | 18 | 1,431 |
| Likriktaren 3 | Mikrofonvägen 28 | 5,615 | 2003 | | | 5,298 | 5,298 |
| Likriktaren 4 | Mikrofonvägen 30 | 3,481 | 1999 | | | 2,150 | 2,150 |
| Nacka Sicklaön 37:46 | Östra Finnbodavägen 29 | 10,575 | 1949 | | | 1,400 | 1,400 |
| Skattsedeln 10 | Sedelvägen 20–34 | 6,089 | 1995 | 97 | 7,134 | 278 | 7,412 |
| Skattsedeln 11 | Sedelvägen 40 | 858 | 1995 | | | | |
| Skattsedeln 12 | Sedelvägen 42–44 | 680 | 1995 | 20 | 1,343 | 90 | 1,433 |
| Skattsedeln 14 | Sedelvägen 46 | 2,624 | 2000 | 42 | 3,405 | 120 | 3,525 |
| Skattsedeln 15 | Valutavägen 37 | 1,246 | 2021 | 44 | 1,752 | 956 | 2,708 |
| Skattsedeln 8 | Sparbanksvägen 31 | 1,017 | | | | | |
| Skattsedeln 9 | Sparbanksvägen 30 | 1,198 | 1994 | 29 | | 2,488 | 2,488 |
| Tollare 1:430 | Sockenvägen 40–42 | 5,251 | 2018 | 49 | 2,376 | 614 | 2,990 |
| Valutan 2 | Sedelvägen 2 | 2,562 | 1997 | 30 | 2,456 | 682 | 3,138 |
| Valutan 3 | Sedelvägen 4–18 | 6,714 | 1996 | 97 | 7,130 | 252 | 7,382 |
| Värnskatten 7 | Valutavägen 88–92 | 3,585 | 2020 | 88 | 4,928 | 701 | 5,629 |
| **Total South Stockholm/Nacka** | | **64,374** | | **692** | **41,676** | **17,139** | **58,815** |
| **Total** | | **371,745** | | **4,270** | **280,290** | **63,073** | **343,363** |

[A] The property also contains a parking garage.
[B] Development property.
[C] Taxed as a special unit and has no tax assessment value.
[D] Site for houses.

# Reconciliation tables

| Reconciliation tables | | Jan–Dec 2023 | Jan–Dec 2022 |
|---|---|---|---|
| **NNNAV, SEK/share** | | | |
| A | EPRA NNNAV at the end of the period, SEK m | 6,062.9 | 6,142.3 |
| B | Number of shares outstanding at the end of the period, thousand | 75,794 | 37,897 |
| **A/B** | **NNNAV, SEK/share** | **79.99** | **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 | 7,192.6 | 8,923.8 |
| B | Cash and cash equivalents at the end of the period according to balance sheet, SEK m | 433.6 | 47.6 |
| C | Investment properties according to balance sheet at the end of the period, SEK m | 13,567.6 | 15,695.5 |
| **(A-B)/C** | **LTV ratio at the end of the period, %** | **49.8** | **56.6** |
| **Equity, SEK/share** | | | |
| A | Equity according to balance sheet at the end of the period, SEK m | 5,515.6 | 5,536.2 |
| B | Number of shares outstanding at the end of the period, thousand | 75,794 | 37,897 |
| **A/B** | **Equity, SEK/share** | **72.77** | **146.09** |
| **Economic occupancy rate at the end of the period, %** | | | |
| A | Annualised contract value at the end of the period, SEK m | 598.1 | 601.0 |
| B | Annualised vacancy value at the end of the period, SEK m | 24.3 | 25.6 |
| **A/(A+B)** | **Economic occupancy rate during the period, %** | **96.1** | **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 | 13,567.6 | 15,695.5 |
| B | Carrying amount of ongoing projects at the end of the period, SEK m | | 0.0 |
| C | Lettable area at the end of the period, thousand sq m | 342.8 | 359.7 |
| **(A-B)/C** | **Property value, at the end of the period, SEK/sq m** | **39,581** | **43,638** |
| **Income from property management, SEK/share** | | | |
| A | Income from property management during the period, SEK m | 133.2 | 153.9 |
| B | Average number of shares outstanding during the period, thousand | 39,556 | 37,537 |
| **A/B** | **Income from property management, SEK/share** | **3.37** | **4.10** |
| **Income from property management, SEK m** | | | |
| A | Profit/loss for the year | –1,255.3 | 122.7 |
| B | Current and deferred tax | –139.3 | 70.7 |
| C | Change in value of investment properties and interest-rate derivatives | –1,528.2 | 39.5 |

| Reconciliation tables | | Jan–Dec 2023 | Jan–Dec 2022 |
|---|---|---|---|
| D | Participation in profits of associates | | |
| **A+B-C-D** | **Income from property management, SEK m** | **133.2** | **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 | 247.0 | 227.1 |
| B | Interest-bearing debt, excluding lease liabilities under IFRS 16 Leases, at the end of the period, SEK m | 7,192.6 | 8,923.8 |
| **A/B** | **Average interest rate at the end of the period, %** | **3.4** | **2.5** |
| **Rental value at the end of the period, SEK m** | | | |
| A | Annualised contract value at the end of the period, SEK m | 598.1 | 601.0 |
| B | Annualised vacancy value at the end of the period, SEK m | 24.3 | 25.6 |
| **A+B** | **Rental value at the end of the period, SEK m** | **622.4** | **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 | 463.5 | 464.1 |
| B | Annualised vacancy value, apartments, at the end of the period, SEK m | 3.0 | 13.7 |
| C | Lettable area of apartments at the end of the period, thousand sq m | 280.3 | 296.8 |
| **A/B** | **Rental value, apartments, at the end of the period, SEK/sq m** | **1,664** | **1,610** |
| **NAV, SEK/share** | | | |
| A | EPRA NAV at the end of the period, SEK m | 6,600.8 | 6,594.8 |
| B | Number of shares outstanding at the end of the period, thousand | 75,794 | 37,897 |
| **A/B** | **EPRA NAV, SEK/share** | **87.09** | **174.02** |
| **NAV and NNNAV, SEK m** | | | |
| A | Equity according to balance sheet at the end of the period, SEK m | 5,515.6 | 5,536.2 |
| B | Derivatives according to the balance sheet at the end of the period, SEK m | –69.0 | –239.4 |
| C | Deferred tax liabilities according to the balance sheet at the end of the period, SEK m | 1,154.2 | 1,298.0 |
| **A+B+C=D** | **EPRA NAV, SEK m** | **6,600.8** | **6,594.8** |
| B | Derivatives according to the balance sheet at the end of the period, SEK m | 69.0 | 239.4 |
| E | Estimated actual deferred tax liability at the end of the period, SEK m | –607.0 | –691.9 |
| **D-B-E** | **EPRA NNNAV, SEK m** | **6,062.9** | **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 | 7,192.6 | 8,923.8 |
| B | Cash and cash equivalents at the end of the period, SEK m | 433.6 | 47.6 |
| **A-B** | **Net interest-bearing liabilities at the end of the period, SEK m** | **6,759.0** | **8,876.1** |

| Reconciliation tables | | Jan–Dec 2023 | Jan–Dec 2022 |
|---|---|---|---|
| **Interest coverage ratio during the period, multiple** | | | |
| A | Income from property management during the period according to income statement, SEK m | 136.2 | 153.9 |
| B | Financial expenses during the period, excluding ground rents recognised as an interest expense under IFRS 16, SEK m | 241.1 | 173.9 |
| **(A-B)/-B** | **Interest coverage ratio during the period, multiple** | **1.6** | **1.9** |
| | | | |
| **Growth in income from property management, SEK/share, %** | | | |
| A | Income from property management, SEK/share during the period | 3.37 | 4.10 |
| B | Income from property management, SEK/share during the preceding period | 4.10 | 2.98 |
| **A/B–1** | **Growth in income from property management, SEK/share, %** | **–17.9** | **37.6** |
| | | | |
| **Growth in NAV, SEK/share, %** | | | |
| A | EPRA NAV at the end of the period, SEK/share | 87.06 | 174.02 |
| B | EPRA NAV at the end of preceding 12-month period, SEK/share | 174.02 | 175.90 |
| **A/B–1** | **Growth in NAV, SEK/share, %** | **–50.0** | **–1.1** |
| | | | |
| **Surplus ratio during the period, %** | | | |
| A | Net operating income during the period according to income statement, SEK m | 437.3 | 397.8 |
| B | Rental revenues during the period according to income statement | 610.4 | 620.9 |
| **A/B** | **Surplus ratio during the period, %** | **71.6** | **64.1** |

# Definitions

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

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

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

# Financial calendar 2024

| | |
|---|---|
| Annual General Meeting | 18 April |
| Interim report January–March | 25 April |
| Interim report January–June | 12 July |
| Interim Report January–September | 31 October |

# Contact

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# About this report

John Mattson reports the Group's financial and non-financial information together in one report. The statutory annual report includes the administration report and financial statements on pages 56–98.

John Mattson's statutory sustainability report pursuant to the Annual Accounts Act can be found on pages 6–7, 14, 33–45, 47–50 and 63.

This annual and sustainability 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.

# More information

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

→ **corporate.johnmattson.se**

**Cover photo:** Fredrik Hjerling.
**Photography:** Hans Alm: pages 1, 16, 24, 25, 32, 33, 39, 41, 53, 54, 65–67. Jennifer Bergström: page 18.
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Great neighbourhoods across generations