Our responsibility for a sustainable future

JOHN MATTSON FASTIGHETSFÖRETAGEN AB (PUBL)

ANNUAL AND SUSTAINABILITY REPORT 2022.

JohnMattson

Great neighbourhoods across generations

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INTRODUCTION

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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 50–87. John Mattson's statutory sustainability report pursuant to the Annual Accounts Act can be found on pages 5–6, 11, 30–44 and 56.

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John Mattson's vision is to create great neighbourhoods across generations.

Great neighbourhoods and an easier daily life

John Mattson is a residential property company with operations in the Stockholm region. We now own approximately 4,500 rental apartments as well as commercial premises in attractive areas in the Stockholm region: Lidingö, Sollentuna, Stockholm, Nacka and Upplands Väsby. As of 31 December 2022, the property value was SEK 15.7 billion.

The business was founded in 1965 by master builder John Mattson and its core values — a long-term perspective, professionalism and commitment — are as strong today as they were then. Our vision is to create great neighbourhoods across generations. By applying a holistic perspective to in-house property management, maintaining close tenant contact and developing dynamic, safe and attractive neighbourhoods and local communities, we make daily life easier for everyone.

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

57 year history

5 municipalities in Stockholm

4,515 apartments

359 thousand sq m lettable area

15.7 billion kronor in property value

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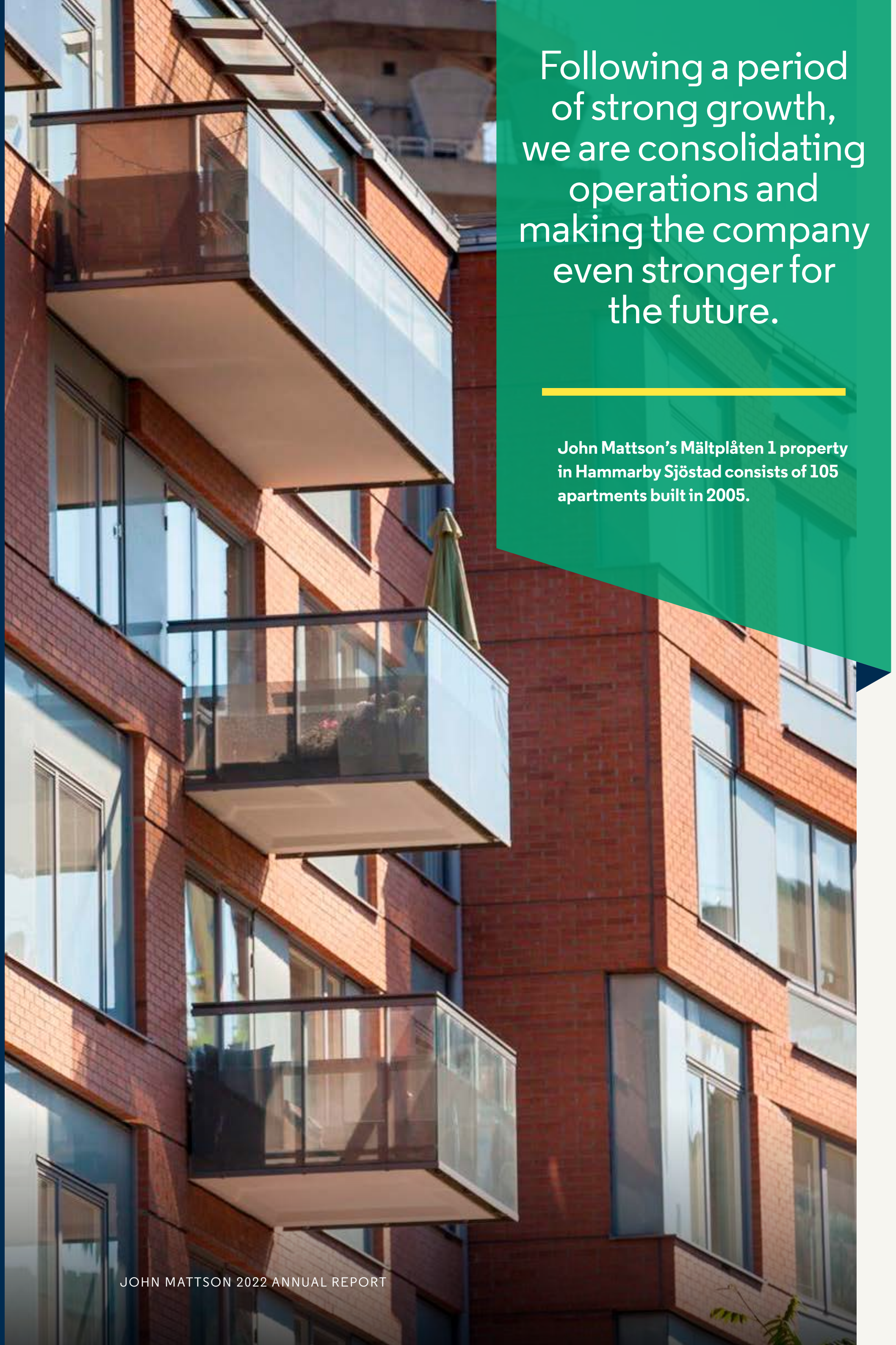

Following a period of strong growth, we are consolidating operations and making the company even stronger for the future.

John Mattson's Mältplåten 1 property in Hammarby Sjöstad consists of 105 apartments built in 2005.

2022 in brief

- Per Nilsson assumed his position as new CEO.
- Possession was taken of three properties by Gullmarsplan in the City of Stockholm that were acquired at an underlying property value of SEK 670 million.
- Two non-cash issues were made as part payment for the acquisition of properties by Gullmarsplan.
- Sale and transfer of two properties in Kungsholmen in Stockholm, along with one property in Östermalm in Stockholm for a total underlying property value of SEK 1,030 million.
- New long-term sustainability targets, incl. science-based climate targets, decided.
- Production started on the upgrade of 76 apartments in Örby in Stockholm.
- Savings programme and reorganisation started.
- Completion of residential building with 73 rental apartments and commercial premises in Vilunda in Upplands Väsby.
- An agreement was signed for the sale of two properties in Lidingö with an underlying property value of SEK 262 million. Possession was transferred on 1 February 2023.

KEY METRICS	2022	2021
Rental revenues, SEK m	620.9	407.9
Net operating income, SEK m	397.8	249.8
Income from property management, SEK m	153.9	103.1
Income from property management, SEK/share	4.10	2.98
Growth in income from property management, SEK/share, %	37.6	6.0
Profit after tax, SEK/share	3.30	38.21
Property value at the end of the period, SEK m	15,695.5	15,894.5
Economic occupancy rate at the end of the period, %	95.9	95.6
LTV ratio at the end of the period, %	56.6	58.0
Interest coverage ratio, multiple	1.9	2.2
NAV, SEK/share	174.02	175.90
Growth in NAV, SEK/share, %	–1.1	36.1
NNNAV, SEK/share	162.08	158.54

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In a short time, we have adapted the company to the new market conditions.

Well-equipped for new market conditions

After a period of strong growth, John Mattson consolidated the company during the year and proactively adapted operations to the new market conditions. This means that the company is well-equipped for continued challenges in the operating environment.

Consolidation and proactive action

After a period of strong growth, we began a consolidation operations during the year. We have the conditions to create a more cost-effective company thanks to a much larger property portfolio and the merger of three property companies into one. The market conditions during the year changed quickly for several industries, not least for the property sector. High inflation and rising interest rates have affected the company's costs. During the year we demonstrated initiative and proactively took measures to adapt the company to the new market conditions.

In 2022, John Mattson sold properties for a total approximating SEK 1.3 billion, two of which were residential properties in Lidingö sold during the fourth quarter and transferred in February 2023. We have taken important steps toward a lower loan-to-value ratio while refining our property portfolio and strengthening the conditions for more cost-effective and value-creating property management.

After the summer, we decided to introduce a comprehensive savings programme and implemented a reorganisation to reflect our increased focus on property management. As part of this initiative, the organisation was reduced by around 20% of the total number of employees. It is regrettable that employees will have to leave John Mattson, but unfortunately, the organisation has to be adapted. The annual positive earnings effect of the savings programme is estimated at approximately SEK 50 million from 2023 and onwards.

The challenging market conditions for the project operations meant that during the autumn we decided not to start any new projects for base upgrades or new production in 2023. Ongoing upgrade and new production projects at the Gengasen 4 property in Örby will be completed according to plan.

Our work with early-stage project development continues so that we will be ready to start new production projects when market conditions have stabilised. Our project portfolio totals 759 apartments for the moment. We are also preparing to start new upgrade projects with the goal of upgrading at least

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We remain a long-term actor and sustainability is important for our value creation.

200 apartments annually for the next several years.

During the year we refinanced loans and actively worked with interest-rate hedges, which resulted in overall extensions to the company's average fixed-interest periods and loan-to-maturities, while concurrently reducing the proportion of the company's fixed-interest loans with tenors shorter than one year to 29%.

Altogether, these measures further adapt and strengthen the company in an operating environment with continued high cost pressure.

Growth and stable property values

Income from property management per share increased 38% during 2022. This strong growth primarily results from property acquisitions of SEK 7 billion that we carried out in 2021 as well as value created within our property management.

The company's property value posted a stable performance during 2022 with a decline in value of approximately 1%. The change in value was primarily due to an increased yield requirement but was partially offset by value creation within our property management and project operations. As a result of the change in value and an increased number of shares, NAV per share decreased 1% in 2022. Adjusted for increased yield requirements, growth in NAV per share was 11%, all else being equal.

The property sales completed during the year confirmed the value of the company's properties. The sales were completed at underlying property values that were in line with, or exceeded, the valuation at the time of each sale. We believe that John Mattson's property portfolio comprised of homes in attractive locations and low risk of vacancies means the portfolio will retain stable property values over the long term.

The long-term approach continues – higher ambitions within sustainability

Despite our current focus on creating value in the near future, John Mattson remains a long-term, responsible actor and sustainability is important for our long-term value creation. During the year we took additional steps in our sustainability programme by committing to new long-term sustainability targets, including climate targets for each of the company's four focus areas in sustainability. The climate targets are approved and registered by Science Based Targets Initiative (SBTi), which means that our goals are science-based and aligned with the Paris Agreement. The long-term sustainability goals contribute to achieving the vision of "Great neighbourhoods across generations." Action plans for the new targets are now being developed. We have already introduced a plan to reduce greenhouse gas emissions 40% by 2030 and have strengthened our sustainability expertise in the company to deliver on this plan.

John Mattson wants to inspire our tenants to live a climate-smart lifestyle and make it easy for them to do so. Occupancy began in October at our innovative housing project Noden, in Upplands Väsby, with 73 rental apartments and commercial premises. Noden is Stockholm's first apartment building without private parking spaces, and instead includes a shared economy concept for climate-smart mobility solutions.

We have also developed a clear model for our work with social sustainability based on our many years of experience in the area. We strive for all of our tenants to be satisfied and our goal is to score higher than the industry average in comparable areas when it comes to safety and appeal. I'm pleased that our focus on safety in the municipality of Sollentuna, primarily in Rotebro and Tureberg, has led to results. Perceived safety in these areas increased nearly eight percentage points from 2021. We work closely with the police, the municipality and other property owners in this area.

Our employees are the most important

Our employees are essential for our success. Our workplaces are characterised by a healthy approach to work, where staff enjoy working and are highly committed, and where each employee has the ability to influence. During the year, we focused on the integration of the acquired company Hefab in order to create collaboration forms and to best put collective expertise into practice. A newly implemented tool allows us to continuously follow up our employees' wellbeing, commitment, personal development and work situation. During the year, we also started a leadership development program to strengthen the company's managers and help them provide delegated, goal-oriented and performance-raising leadership.

Well-equipped for 2023

Sincere thanks to all of our employees for fantastic commitment and hard work during the year! In a short time, we have worked together to adapt the company to the new market conditions. However, we need to remain proactive in an uncertain environment. I look forward to continuing to jointly deliver on our vision of great neighbourhoods across generations.

Per Nilsson, CEO
JOHN MATTSON FASTIGHETSFÖRETAGEN AB

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Our model for long-term value creation

RESOURCES

Financial capital
- Equity
- Interest-bearing liabilities

Properties
- Buildings and land in connected areas with the potential to add value and operate infill development
- Energy, water, material and equipment for the administration 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 57-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 issues 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.

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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 issues 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 issues:	■ Carbon emissions ■ Energy consumption ■ Material consumption ■ Biodiversity ■ Work environment	■ Carbon emissions from production ■ Recyclable material ■ Human rights	■ Carbon emissions from transportation and construction ■ Waste sorting and reuse ■ Work environment ■ Anti-corruption	■ Carbon emissions in property management ■ Energy consumption ■ Waste sorting and reusing materials and interior fittings ■ Safe and attractive areas ■ Work environment	■ Carbon emissions from transportation and waste management ■ Waste sorting and reusing materials and interior fittings ■ Hazardous materials
How we have an impact:	■ Partnerships with municipalities and suppliers at early stages ■ Instructions for resource efficiency in new builds and redevelopments ■ Emissions requirements for project planning ■ Follow-up through, e.g., climate declarations ■ Sustainable material choices with long useful lives ■ Environmental certification ■ New builds on already paved land	■ Requirements and follow up with contracted suppliers ■ Incorporation of the Code of Conduct through contractors during construction	■ Requirements and follow-up with contractors ■ Close collaboration between developer and contractor for sustainable solutions ■ Own staff trained in work environment issues and audits of construction sites. ■ Incorporation of the Code of Conduct	■ Energy efficiency ■ Choosing sustainable energy sources ■ Optimising property operations ■ Inspiring tenants and supporting a sustainable lifestyle ■ Developing safe and attractive areas in partner-ships with other players ■ Striving for healthy and inspiring workplaces	■ Contractor require-ments for dismantling and waste management ■ Reuse of materials ■ Converting buildings to new functions

Degree of influence: low, moderate, high

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Market review

The prevailing global conditions had a significant impact on Sweden's economy in 2022. Food and energy prices increased dramatically, with high levels of inflation and growing interest rates as a result.

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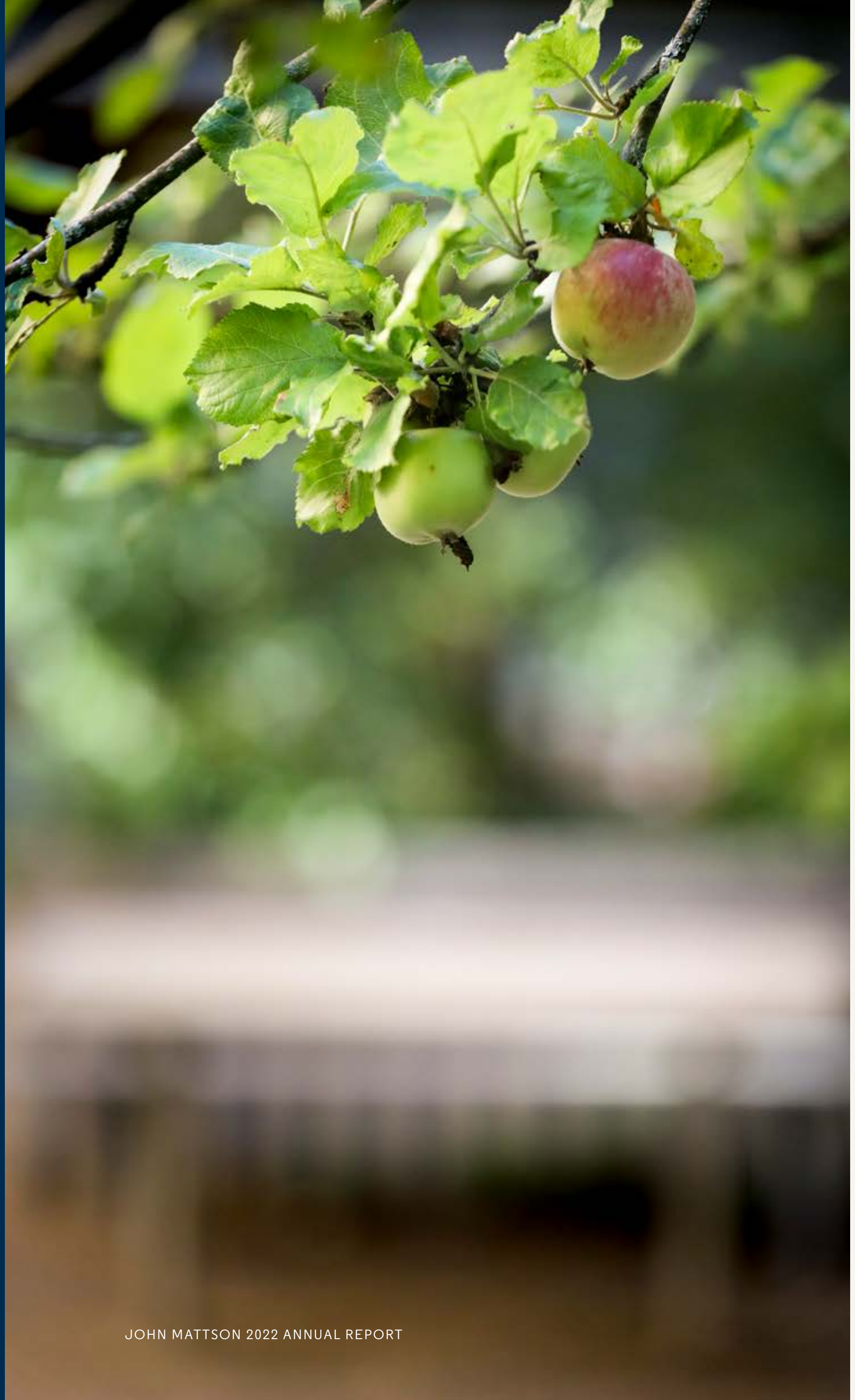

Continued high demand for rental apartments

The prevailing conditions in the global economy also impacted Sweden, and subsequently the property market. Homes remain the largest segment in the transaction market but are not wholly without challenges – growing inflation and rising construction costs make it difficult to start new build projects. At the same time, demand for rental apartments in the Stockholm region remains high.

The last year has been turbulent for the global economy after Russia's invasion of Ukraine. As a result of the war, fossil fuel prices have increased, resulting in drastically rising electricity prices in Sweden. Developments in Europe have led to significantly higher prices for food, raw materials and energy, leading to Sweden's high levels of inflation and interest rate hikes during the year. Inflation for December 2022 was 10.2%, the highest rate in over 30 years. Riksbank, the Swedish central bank, raised the policy rate gradually during the year to cool the economy, with the goal of returning to the target inflation of 2% within a reasonable time frame. They policy rate for 2022 was 2.5%.

Sweden's GDP growth for 2022 is estimated at approximately 2.8%, a drastic decrease from 5.25% for last year's GDP. The decrease in GDP is expected to continue and several forecasts indicate negative growth for 2023.

The uncertain global situation makes the future difficult to predict. However, a cooler period has begun for the Swedish economy and a recession is not entirely unlikely. Despite this, the labour market remained strong during the year, with continued high demand for labour. However, it slowed somewhat during the second half of the year, which is expected to continue in 2023 as a result of lower economic activity.

Strong start for Swedish property market but some slowdown during the year

Compared with 2021, a record year for the property market, there was a clear downturn in the transaction market in 2022. After the

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record year of 2021, 2022 began with two strong quarters. The total transaction volume for 2022 was SEK 219.6 billion, with just over 600 completed transactions. A significant downturn was noted between August and December, when the total volume was SEK 70.3 billion.

The largest portion of the transaction volume was in Stockholm, with a volume of SEK 89.8 billion or 41%, down slightly on 2021. Regional cities represented 28% of the total transaction volume, followed by rest of Sweden at 17% – the same percentage figures as for the pandemic year of 2020. Gothenburg accounted for 9% and Malmö for 5% of the total transaction volume.

Year-on-year, the share of foreign investors increased from 16% to 24% in 2022. They accounted for approximately SEK 53.7 billion of the total transaction volume.

Housing segment remains the largest

Residential properties are still the largest segment in the transaction market, with a share of 24% of the total transaction volume, closely followed by public sector properties at 21%. The office segment accounted for 13%, the lowest level for the segment since 2007.

A total of approximately 165 housing transactions were carried out in Sweden in 2022 with a total volume of nearly SEK 46 billion, of which SEK 18.4 billion pertained to residential properties in the Stockholm area. Eight of the transactions exceeded a volume of SEK 1 billion, of which the year's largest housing transactions amounted to SEK 3.6 billion when Patrizia acquired Aro's project portfolio in the Stockholm area of approximately 879 homes.

While the housing segment is the largest, it is not without its challenges. Rising inflation and increased construction costs together with the withdrawal of investment support for new builds made it difficult to start new projects. In 2022, the share of transactions for newly produced housing properties and projects in relation to the total number of housing transactions[1)] also decreased to low levels. Since April 2022, no projects in early stages in the form of forward funding/forward commitment were sold, and in the fourth quarter only two housing transactions were completed for new production.

There is a continued structural need for housing in Sweden, with a major housing shortage. Significant demand for housing in combination with a high willingness to pay for homes in Stockholm and a rate of building that does not meet the expected need leads to good prospects for the housing segment.

Sweden's population continues to grow, with Stockholm in the lead

Over the last 20 years, Sweden has had stable population growth averaging 0.8% annually. This trend continued in 2022 with an expected increase of approximately 0.6% for the full year, a slight decrease compared with 2021 but stable growth nonetheless.

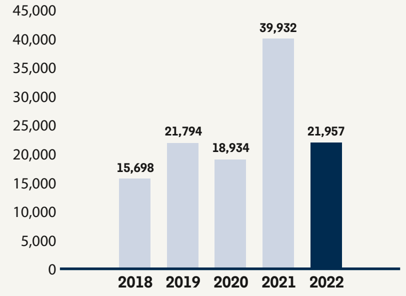
The municipality of Stockholm also had a somewhat lower increase in population in 2022.The increase was 0.6% but forecasts indicate a more positive trend until 2030, and likely beyond, with an expected average annual increase of 0.8%. The municipality of Stockholm is expected to reach one million inhabitants by 2024.

Positive growth is also anticipated in all of the surrounding municipalities of Nacka, Lidingö, Sollentuna and Upplands Väsby, where John Mattson has its main portfolio. The largest increase is expected in Upplands Väsby, with nearly 1,450 new residents in 2022 or an increase of an entire 3.0%, followed by Sollentuna and Nacka with increases of 1.5% and 1.2%, respectively. The remaining municipalities where John Mattson is active are expected to post growth in 2022 that is stronger or on a par with the national average. Moreover, forecasts indicate future positive growth for all five of these municipalities.

Housing shortage and high demand for rental apartments in Stockholm

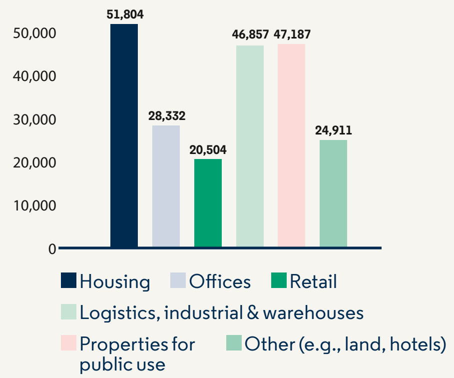
As a result of rising construction costs during the year, the declining investment support and the interest rate hikes, housing construction stagnated somewhat in 2022. According to the National Board of Housing, Building and Planning (Boverket), the number of construction starts for residential properties in the entire country was approximately 60,000 in 2022, a figure that will likely be halved in 2023. For the greater Stockholm

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



Source: Newsec

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



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1) pertains to transactions exclusively for housing

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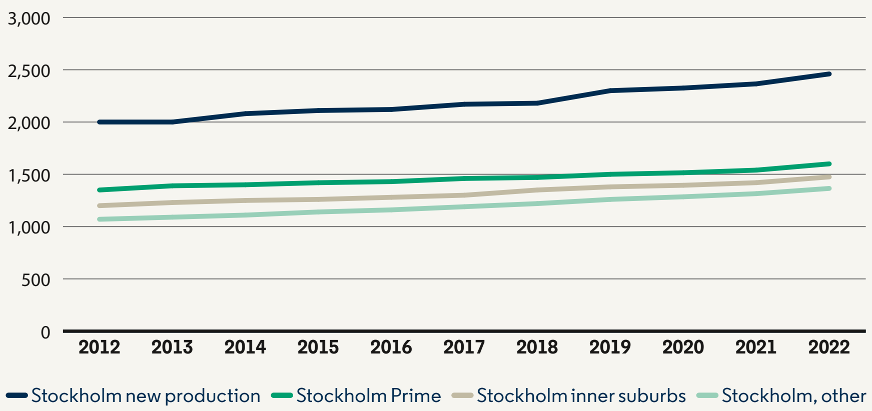
area, Boverket forecast that construction of close to 17,500 new homes would start in 2022, but in the first three quarters it had only amounted to 8,500. However, housing construction might increase in pace with an expected decrease in inflation, with lower construction material costs expected for 2023.

In Boverket's annual housing market survey, a housing deficit was reported for 204 of Sweden's 290 municipalities, including 24 out of the 26 in Stockholm County. For Lidingö, Stockholm, Sollentuna and Nacka municipalities, the deficit is expected to continue for the next three years, which will lead to a substantial need for more rental apartments as well as tenant-owner apartments and owner apartments. Currently and for the next three years, Upplands Väsby is one of the few municipalities in Stockholm County that has a balanced housing market. Nonetheless, this does not rule out the need for more housing in the future, since Upplands Väsby is expected to experience strong population growth in the coming years.

Sweden does not have free rent-setting. Instead, rent is regulated according to the utility value system, which means that the rent level is based on the apartment's standard and quality – not the location. This means that rent levels, generally, are less than market rents, especially for older portfolios, which creates limited mobility (as reflected in long queue times) and is a driving factor in the housing shortage. This also limits opportunities for young people and new arrivals to meet their housing needs. The housing shortage also drives demand for rental apartments, particularly in places like the Stockholm region. The Stockholm Housing Agency's statistics for 2022 indicated that just over 19,500 homes were brokered in Stockholm, up 3% from 2021. According to the Stockholm Housing Agency, the average queue time is 9.4 years, but this varies significantly in different parts of the region. On the whole, queue times are long in all five municipalities in John Mattson's portfolio. In 2022, the average queue time for all of John Mattson's rental apartments was 9.1 years, an increase of 0.7 years from the previous year.

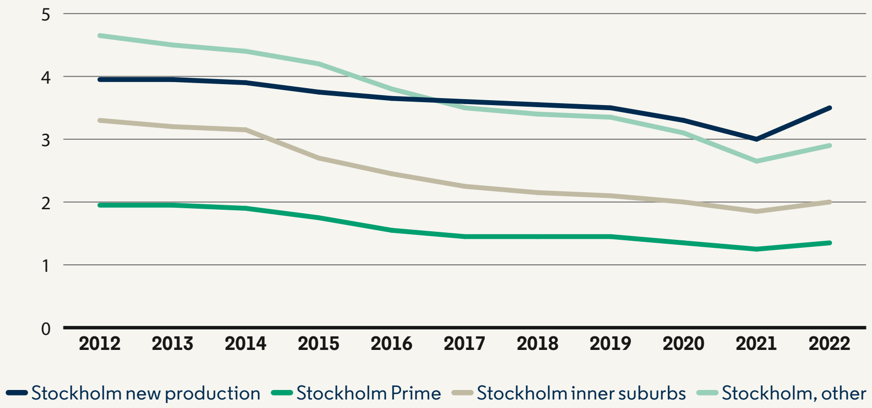
The housing segment is one of the most heavily invested segments in the transaction market, largely due to the fact that it is one of the most reliable property segments. The market's low offering of housing and increased costs for tenant-owner apartments has led to increased pressure on the rental apartment market and an increased willingness among households to pay for rental properties. All of this indicates that the vacancy rate in John Mattson's portfolio will remain low.

RENT TREND FOR SUB-AREAS 2012–2022, SEK/SQ M



Source: Newsec

YIELD REQUIREMENTS FOR SUB-AREAS 2012–2022, %



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STRATEGY

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Strategic targets

John Mattson carried out a review of its long-term financial targets in 2022. We removed the target for property value, given that it had already been met by the end of 2021. Other financial targets remain. John Mattson also adopted new long-term sustainability targets to steer the company's operations toward more sustainable development and contribute to achieving the vision of "Great neighbourhoods across generations."

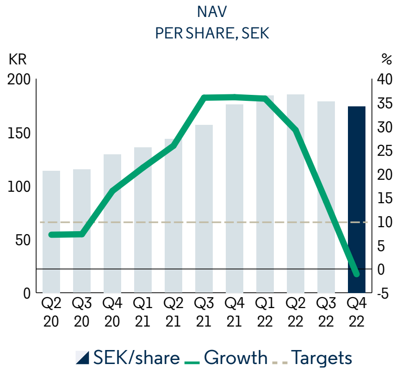
Financial targets

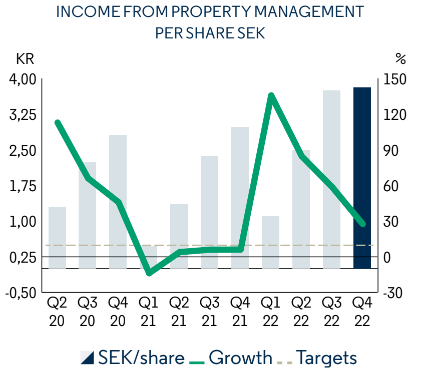
An average annual growth in NAV per share of not less than **10%,** including distributions to shareholders, over a business cycle.

In 2022, growth in net asset value amounted to –1% per share.

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

In 2022, growth in income from property management amounted to 37% per share.





Financial risk mitigation

– John Mattson aims for low financial risk. This means that:

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

Dividend policy

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

Sustainability targets

Dynamic and safe local communities

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

Responsible material and waste management, and 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.
- John Mattson will reduce its greenhouse gas emissions from new builds and redevelopments on a per square metre basis to match or better the property sector average.

Healthy and inspiring workplaces

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

Refer to page 41 for sustainability outcomes 41

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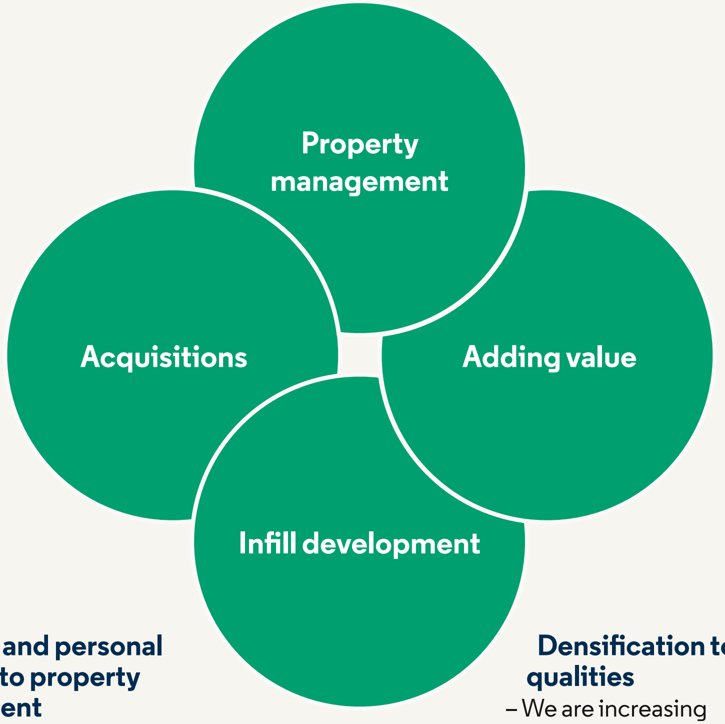
Strategies for long-term value creation

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



An overall and personal approach to property management

– We know our properties and understand our customers. We apply an overall approach taking responsibility for the portfolio and activity in the outdoor areas. We maintain our properties based on a long-term lifecycle perspective. Efficient operations and management optimise the use of resources and ensure low costs.

READ MORE ON PAGES 13–14

Densification to add new qualities

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

READ MORE ON PAGES 17–18

Adding value with sustainable quality

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

READ MORE ON PAGES 15–16

Acquisitions with a long-term approach

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

READ MORE ON PAGES 19–20

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John Mattson's social responsibility, where safety is the most important issue, permeates our property management.

A holistic perspective to property management

John Mattson creates attractive neighbourhoods and safe residential areas through long-term, holistic property management. Our responsibility includes the buildings, the outdoor areas and the development of the area.

John Mattson manages its own properties through our skilled employees and nearby property technicians in our areas. Our homes and premises are constructed to be sustainable, functional and attractive over time, which is what we call master builder quality – something we inherited from master builder John Mattson, who started the company in 1965.

An overall perspective from start to finish

After John Mattson's expansion in the last few years, in size as well as geographic reach, the focus has been on streamlining property management. Our four property management areas comprise an important platform for growth that allows new properties to be integrated efficiently into housing and commercial management.

Our social responsibility, where safety is the most important issue, permeates our property management. We want to contribute to sustainable local communities where people belong, are happy, and feel safe across cultural and generational lines. With the Outdoor Areas concept, we are creating meeting places and social coherence that strengthens relationships between tenants. This increases safety and well-being, and supports positive development in our neighbourhoods. Our safety agenda is also about actively counteracting improper rental conditions such as unlawful subletting. It is important that the right individuals – that is, the tenant(s) on the rental agreement with John Mattson is(are) registered at the address – live in our apartments and use them as permanent housing. By reducing the number of improper rental conditions we are also taking social responsibility, and counteracting criminality and the improper brokering of apartments. We take a clear responsibility for the big picture, where order prevails from when tenants sign a contract to when they move out.

We collaborate with municipalities, other property owners, local businesses and non-profit organisations as well as schools, the police and the fire department in our safety agenda.

John Mattson's property management has also placed high priority on reducing our climate impact through efficient energy consumption and waste management. Read more on pages 35–36.

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Tenant dialogue

Ongoing tenant dialogues are a prerequisite for developing and improving operations. The annual tenant survey is a valuable tool for measuring the results of actions taken and identifying areas to improve. The survey in 2022 indicated that close to 78% of our tenants are pleased or very pleased with John Mattson's overall service. Close to 81% perceive our properties and neighbourhoods as safe, and approximately 75% are satisfied or very satisfied with their apartments, public spaces and outdoor environment. The results are overall higher in areas with properties that John Mattson has owned for a longer time. Read more on page 33.

We are continuing to enhance the efficiency of our working methods and ensure system support for good tenant communication via digitalisation. In 2022, we launched a new property system, with new Mina Sidor (My Pages) that have made communication easier and increased the level of service for our tenants.

78%

satisfied tenants[1)]

[1)] The tenants' experiences of John Mattson's employees, services and products. Questionnaire through the company AktivBo, August–September 2022.

MOVIE WEEKEND FOR COMMUNITY AND SAFETY

The outdoor cinema in Larsberg on Lidingö is based on a long-standing partnership between the municipality of Lidingö Stad and John Mattson. The movie weekend in August 2022 had a total of 2,000 visitors. Arranging this type of meeting place is a part of John Mattson's social sustainability work to strengthen communities, create a more dynamic area and support overall well-being and safety.

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Creating added value

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

Base upgrades secure the building's technical status and tenants do not have to move during the work.

A cornerstone of John Mattson's strategy and business model is to add value to older existing properties. Through upgrading properties, tenants receive an attractive home in apartments that meets modern requirements for safety, functionality and sustainability. The apartments' positive technical status increases the efficiency of property management and provides sustainability gains through energy optimisation. It also contributes to increased tenant satisfaction, increased rental revenues and lower operating expenses.

We have also identified unused spaces, such as laundry rooms and attics, which can be converted to apartments or commercial premises and which will contribute to increased rental revenues and thereby higher property value.

Upgrading with flexibility

John Mattson's strategy for upgrading apartments, the Larsberg model, means that upgrades are carried out in two steps: base upgrades and total upgrades. Base upgrades secure the building's technical status and tenants do not have to move during the work. Total upgrades focus on modernising the remaining aspects of the apartment and replacing kitchen interiors and renovation of all surfaces. Totally upgraded apartments result in higher rental adjustments than base upgraded apartments.

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

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

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TOTAL UPGRADES CREATE VALUE

With a total upgrade, all equipment is modernised to the latest standard, and the apartment is fitted with new surfaces. Many also choose to move to a totally upgraded apartment of another size in another location. In Käppala and Larsberg on Lidingö, for example, the entire portfolio has received base upgrades and total upgrades are ongoing.

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Through new production, John Mattson adds new attributes to areas. New housing provides space for several target groups, and complementing housing by building schools, stores and service properties improves safety in areas. Pictured is Parkhusen in Larsberg on Lidingö.

Densification adds attributes in our areas

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

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

88%

are content in their residential area[1)]

[1)] Questionnaire through the company AktivBo, August–September 2022.

Densification on our own land and through land allocations

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

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

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Long-term quality from new production

We strive to build on land that has already been paved, such as parking spaces, for example. By preserving vegetation and planting new greenery when possible, we contribute to preserving biodiversity. New production also makes it possible to create energy-efficient residential properties with minimal climate impact. By designing new residential areas with appropriate services, we can help our tenants choose a sustainable lifestyle.

Quality and a long-term perspective are important watchwords for John Mattson and have been since the company was founded. 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.

As part of our sustainability efforts, the ambition for all of the new residential properties that John Mattson develops from the start is for them to be environmentally certified according to Svanen, the official environmental certification of the Nordic region.

NODEN – HOUSING WITHOUT CARS

Fanny Jonsson is one of the first tenants that moved into Noden in Vilunda, Upplands Väsby, in October 2022. The focus at Noden is to rent, share or borrow – the property offers several smart solutions for transporting people as well as goods, such as a car and bicycle pool, a refrigerated area for food deliveries and parcel delivery lockers. "The place suits me perfectly. I'm a vegetarian and many of my choices are based on what's good for the environment. It feels good to live in a home that's in line with my values," says Fanny Jonsson.

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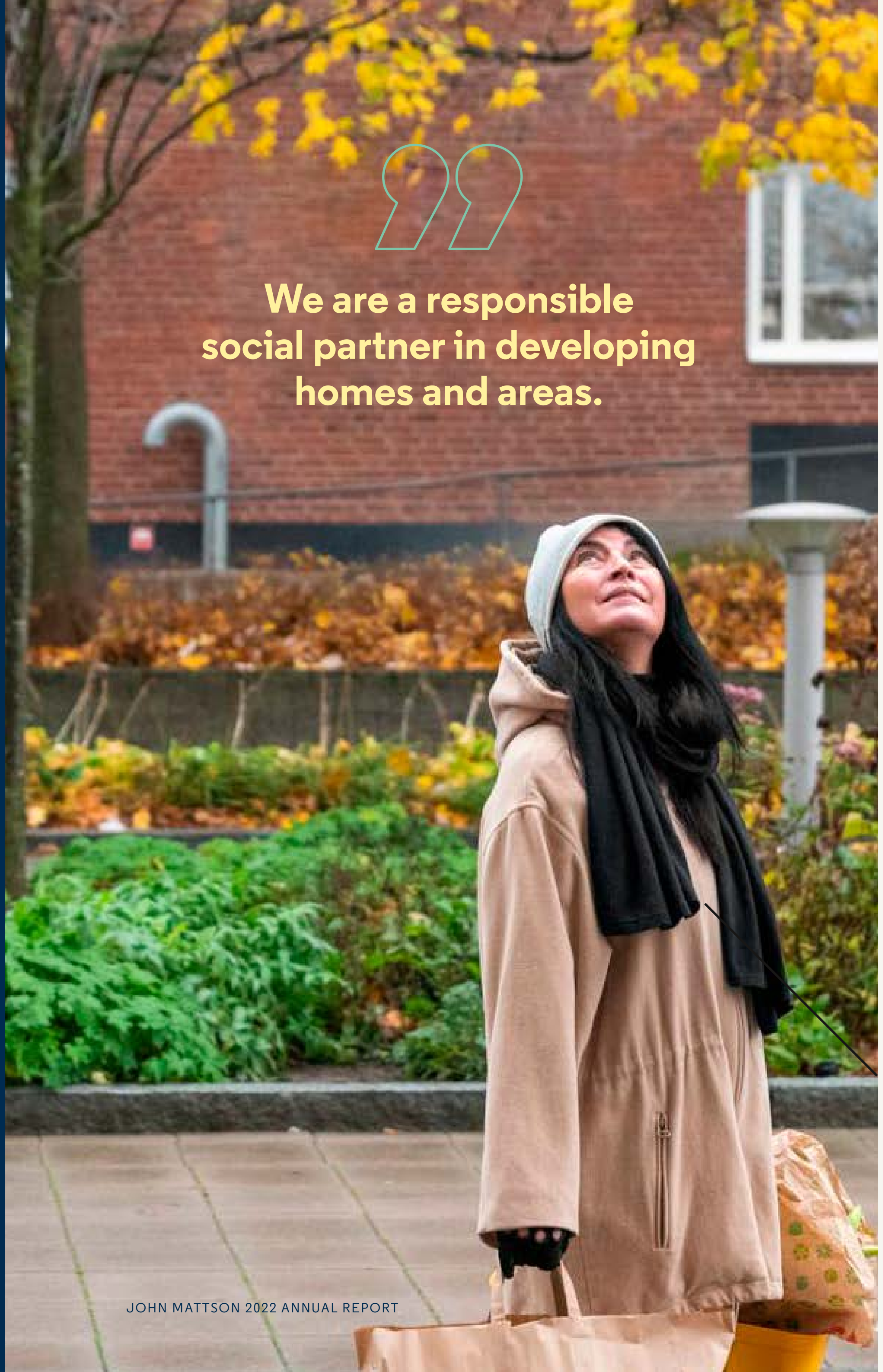

Acquisition of properties and development rights

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

John Mattson has grown geographically and in size in the recent past. The company has gone from only owning properties on 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. The plan prepared at the time of the acquisitions entailed refining the property portfolio through the sale of a few of the acquired properties.

In 2022, three properties were sold in central Stockholm and two on Lidingö.

An attractive partner

John Mattson's long-term and sustainable operational model, in which we assume significant social responsibility and ensure that our areas are developed satisfactorily, makes us a responsible partner for the development of housing and the areas where we operate.

An important success factor for John Mattson is healthy relationships with customers, municipalities, local businesses and other stakeholders. We strive for close collaboration to contribute to creating attractive local communities through our societal sustainability efforts in property management and project development.

Develop local communities through acquisitions

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

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ATTRACTIVE LOCATION BY GULLMARSPLAN

In 2022, John Mattson took possession of three properties by Gullmarsplan in Stockholm consisting of rental apartments and commercial premises. Gullmarsplan is a hub for Stockholm's public transportation and an important part of the Söderstaden development area tying Globenområdet, Slakthusområdet and Gullmarsplan together. John Mattson is present in several locations in the new development area through properties in Slakthusområdet and Johanneshov.

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

Attractive housing in the Stockholm region

During the last few years, John Mattson has gone from owning properties in Lidingö as a family-owned company to a listed company with a presence in five municipalities of Stockholm: Lidingö, Sollentuna, Stockholm, Nacka and Upplands Väsby.

Our properties are in growth municipalities with good market locations and excellent links to public transportation. Our residential properties are of high quality and are well-maintained. With a focus on social sustainability, we are actively working to create safe, attractive areas. Altogether, this creates satisfied customers with high demand for our housing and a high willingness to pay. This leads to low levels of movement among tenants, which in turn keeps maintenance expenses and vacancy risks low. The majority of the properties were built in the 1950s to 1970s, and have good preconditions for adding value.

Property value
SEK 15.7 billion
on 31 December 2022

83%
of the lettable area comprises residential properties

4,515
apartments

35.9 K sq m
total lettable area

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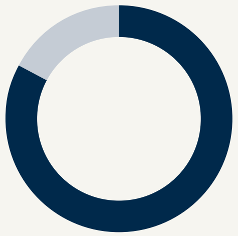
John Mattson's property portfolio, with housing in attractive locations in the Stockholm region, remains strong in an uncertain environment.

John Mattson's Tollare 1:430 property in Nacka includes 49 rental apartments, including LSS housing and two other premises.

PERCENTAGE OF HOUSING/COMMERCIAL PREMISES, AREA



NUMBER OF APARTMENTS PER AREA

Property holdings

31 Dec 2022

	Apartments	Lettable area	Property value		Rental value	
	No.	thousand sq m	SEK m	thousand sq m	SEK m	SEK/sq m
Lidingö	2,288	172	8,052	46,711	310	1,801
North Stockholm	1,068	80	2,015	25,280	102	1,283
City/Bromma	451	48	2,420	49,914	94	1,930
South Stockholm/Nacka	708	59	3,208	54,298	120	2,036
Total properties	**4,515**	**359**	**15,695**	**43,638**	**627**	**1,742**

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John Mattson's largest property portfolio is in Larsberg on Lidingö. The majority of the properties were constructed in the 1960s, but also include new buildings from the turn of the century.

Lidingö

Lidingö is John Mattson's largest property management area, both in terms of number of apartments and in terms of property value. This is where master builder John Mattson built the company's first residential neighbourhood in the 1960s. Lidingö is close to the water, parks and green areas as well as to public transportation. Most of John Mattson's properties are in the areas of Larsberg and Käppala, with a total of nearly 2,000 apartments.

The majority of the properties were constructed in the 1960s, but also include new buildings from the turn of the century. Since 65% of the portfolio has received total upgrades or is newly built, the housing is of a generally high standard. All of the older apartments in Larsberg have received base upgrades and total upgrades are being carried out regularly. The commercial premises house local services and educational premises. John Mattson's headquarters are in Larsberg.

A major base upgrade project was carried out in Käppala from 2019 to 2021. The entire property portfolio has now received base upgrades and total upgrades are ongoing.

The planning process for new housing is underway in Larsberg and possibilities are being investigated in Käppala regarding the construction of loft apartments at existing properties. Read more about development projects on page 27.

John Mattson also owns residential properties in Dalénum, a neighbourhood that grew out of the historic old AGA factory area.

Two properties in Baggeby were sold in the end of 2022. Ownership was transferred in February 2023.

Key metrics, Lidingö	2022
Area, residentials, thousand sq m	164
Rental value, residentials, SEK/sq m	1,732
Economic occupancy rate, residentials, %	98.5
Property value, residentials, SEK/sq m	46,601
Surplus ratio, residentials, %	65

SHARE OF LETTABLE AREA

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Häggvik in the municipality of Sollentuna is a quiet, attractive neighbourhood only a 19-minute commute to Stockholm City from Häggvik train station. John Mattson owns a total of approximately 300 apartments in Häggvik.

North Stockholm

In North Stockholm, John Mattson's property portfolio comprises housing in the municipality of Sollentuna, in the areas of Rotebro, Rotsunda, Häggvik and Tureberg. The company owns approximately 1,000 apartments and commercial premises here. 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). The properties in Rotebro and Rotsunda need renovation. Upgrade plans in Rotebro are underway and are expected to start in 2024. Upgrades of the apartments in Rotsunda are planned for when the upgrades are completed in Rotebro.

In 2022, we completed a housing project in Vilunda in Upplands Väsby. It is the Stockholm region's first apartment building that does not require private parking spaces and which aims to enable sustainable travel for the residents. The property comprises 73 rental apartments in addition to businesses on the ground floors. Read more on pages 18 and 28.

Key metrics, North Stockholm	2022
Area, residentials, thousand sq m	80
Rental value, residentials, SEK/sq m	1,293
Economic occupancy rate, residentials, %	87.3
Property value, residentials, SEK/sq m	25,280
Surplus ratio, residentials, %	41

SHARE OF LETTABLE AREA

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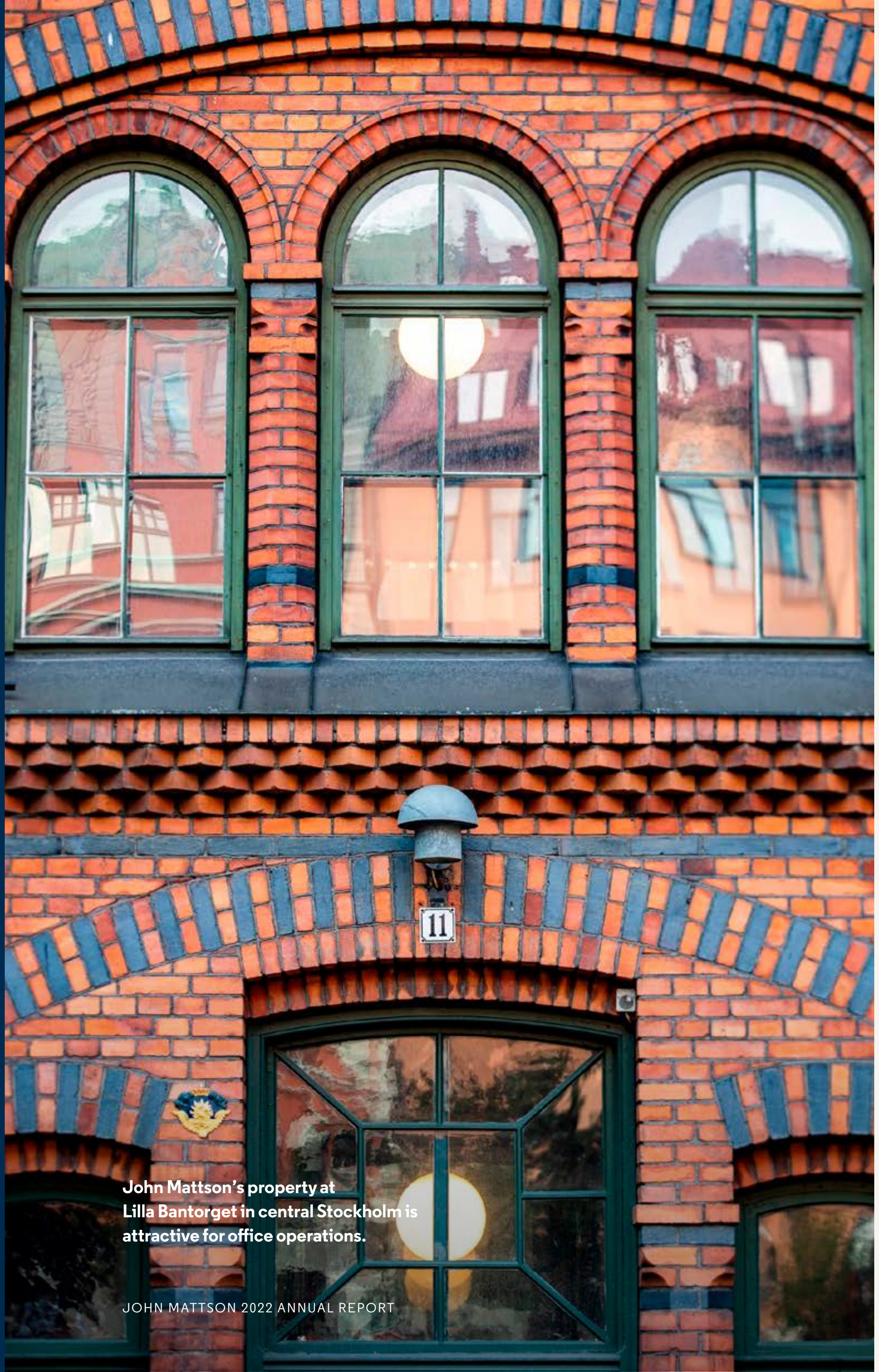

John Mattson's property at Lilla Bantorget in central Stockholm is attractive for office operations.

City/Bromma

In the City/Bromma property management area, John Mattson's property portfolio includes properties in Slakthusområdet, Hammarby Sjöstad, Johanneshov and Abrahamsberg. Residential properties account for 64% of the total lettable area. The buildings were constructed from the end of the 1800s to 2017, with the majority dating back to the 1940s. All of them are well-maintained and in good condition.

In 2022 possession was taken of three properties near the Gullmarsplan bus and Metro station in central Stockholm. Ownership was transferred in late 2021. This includes a total of approximately 12,000 square metres of lettable area, split relatively evenly between rental apartments and commercial premises.

City/Bromma has the largest share of commercial properties in John Mattson's property portfolio, which accounts for 23% of the total lettable area. The commercial properties contain premises for local services, offices and public sector operations.

As part of refining our property portfolio, two properties in Kungsholmen were sold and transferred, primarily consisting of housing, plus one property in Östermalm consisting of premises for elderly care, healthcare and preschools as well as some 30 apartments.

Development properties are located in Abrahamsberg and in Slakthusområdet in Söderstaden, an urban development area comprising Globenområdet, Slakthusområdet and Gullmarsplan-Nynäsvägen. Read more about development projects on page 29.

Key metrics, City/Bromma	2022
Area, residentials, thousand sq m	31
Rental value, residentials, SEK/sq m	1,978
Economic occupancy rate, residentials, %	98.6
Property value, residentials, SEK/sq m	57,027
Surplus ratio, residentials, %[1]	66

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

SHARE OF LETTABLE AREA

- Residential properties
- Commercial properties
- Development properties

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In 2022, John Mattson met its new tenants in properties acquired in 2021 in Hägerstensåsen.

South Stockholm/Nacka

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

Residential properties account for 72% of the total lettable area and mainly comprise properties built in the 1940s and in the first two decades of this century. Commercial properties account for 28% of the total lettable area and mainly comprise offices, nursing and care homes, and local services.

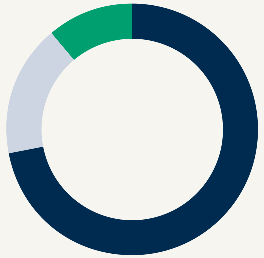
John Mattson has three development properties at different stages of development in South Stockholm/Nacka. Development of a new production project that includes rental apartments, retail premises and LSS housing is ongoing at Örby centrum. The project started in 2021 and occupancy is expected for the second half of 2023. In addition, an upgrade project began for some 70 apartments in Örby centrum in 2022.

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

John Mattson's office property at Finnboda kaj in Nacka Municipality includes development rights for residential properties with a possible construction start in 2024. Read more about development projects on page 29.

Key metrics, South Stockholm/Nacka	2022
Area, residentials, thousand sq m	43
Rental value, residentials, SEK/sq m	1,912
Economic occupancy rate, residentials, %	98
Property value, residentials, SEK/sq m	52,724
Surplus ratio, residentials, %	67

SHARE OF LETTABLE AREA



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Development projects

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

In 2022, a new build project wrapped up with a total of 73 new apartments completed. One new production project encompassing 129 new apartments is ongoing. John Mattson also has a project portfolio that will enable the development of just over 600 additional apartments. These projects are in early stages and various phases of the detailed development planning and construction permit process. The challenging market conditions for project operations entail the postponement of planned projects. Ongoing projects are being completed but no new build or upgrade projects are planned for 2023.

John Mattson's total project portfolio and the various phases are presented in the table below.

73
new apartments completed in 2022

129
new apartments in production

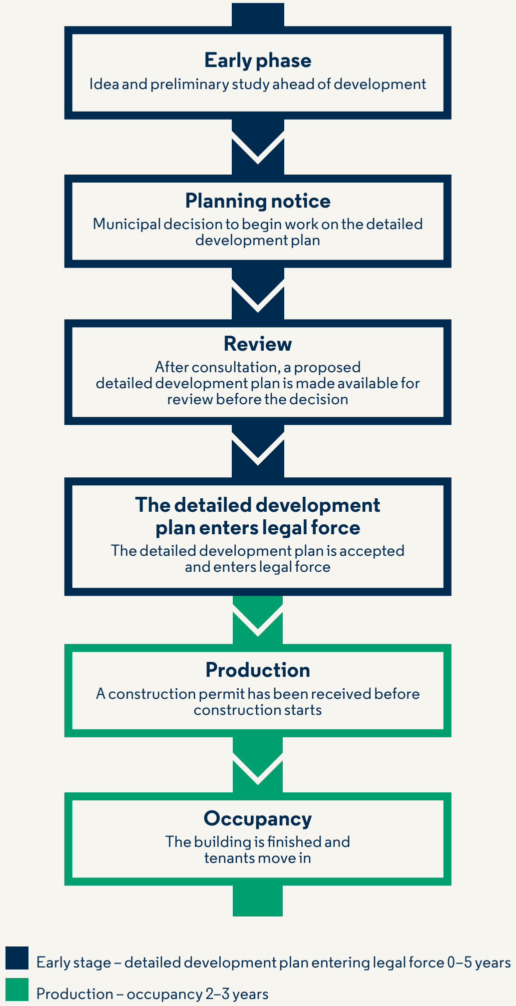
832
total apartments in the development portfolio

DEVELOPMENT PROJECTS

Project	Area	Category	Type	No. of Apts.[1)]	Additional lettable area[1)]	Status	Possible construction start[2)]
Vilunda, Upplands Väsby	North Stockholm	Own management	Rental apartments	73	4,400	Production	Completed
Gengasen, Örby	South Stockholm/Nacka	Own management	Rental apartments	129	8,400	Production	Ongoing
Juno, Käppala	Lidingö	Own management	Rental apartments	50	1,750	Early phase	2024
Geografiboken, Abrahamsberg	City/Bromma	Own management	Nursing and care home	80	5,900	Detailed development plan adopted	2024
Finnboda, Nacka	South Stockholm/Nacka	Own management	Rental apartments	20	1,300	Detailed development plan entered force	2024
Ekporten, Larsberg/Dalénum	Lidingö	Own management	Rental apartments	150	8,500	Detailed development plan in progress	2024
Pincetten, Örnsberg	South Stockholm/Nacka	Own management	Rental apartments and tenant-owner apartments	230	13,500	Detailed development plan in progress	2025
Hjälpslaktaren, Slakthusområdet	City/Bromma	Own management	Rental apartments	100	9,000	Detailed development plan in progress	2026
Total development portfolio				**832**	**52,750**		

1) The number of apartments and the area are assessments by John Mattson and are therefore only preliminary. The figures could change during the course of the project.
2) The possible construction start is an estimate of when the project could start. The detailed development plan for the Geografiboken project has been revoked by the Land and Environment Court.
The City of Stockholm has appealed the case with the Land and Environment Court of Appeal.

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



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Completed projects

VILUNDA, UPPLANDS VÄSBY

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

Type: Rental apartments, commercial premises

Number of apartments: 73

Number of premises: 3

Commercial area: 570 sq m

Production start: Q3 2020

Occupancy: Q4 2022

Ongoing projects

GENGASEN 4, ÖRBY

New production and upgrade project in Örby Centrum that includes rental apartments, retail premises and LSS housing.

NEW PRODUCTION

Type: Rental apartments, retail premises, LSS housing

Number of apartments: 129

Number of premises: 6

Commercial area: 1,449 sq m

Production start: Q3 2021

Occupancy: Gradual move-ins starting Q4 2023

UPGRADES

Number of apartments: 76

Production start: Q2 2022

Occupancy: Gradual occupancy starting Q2 2023

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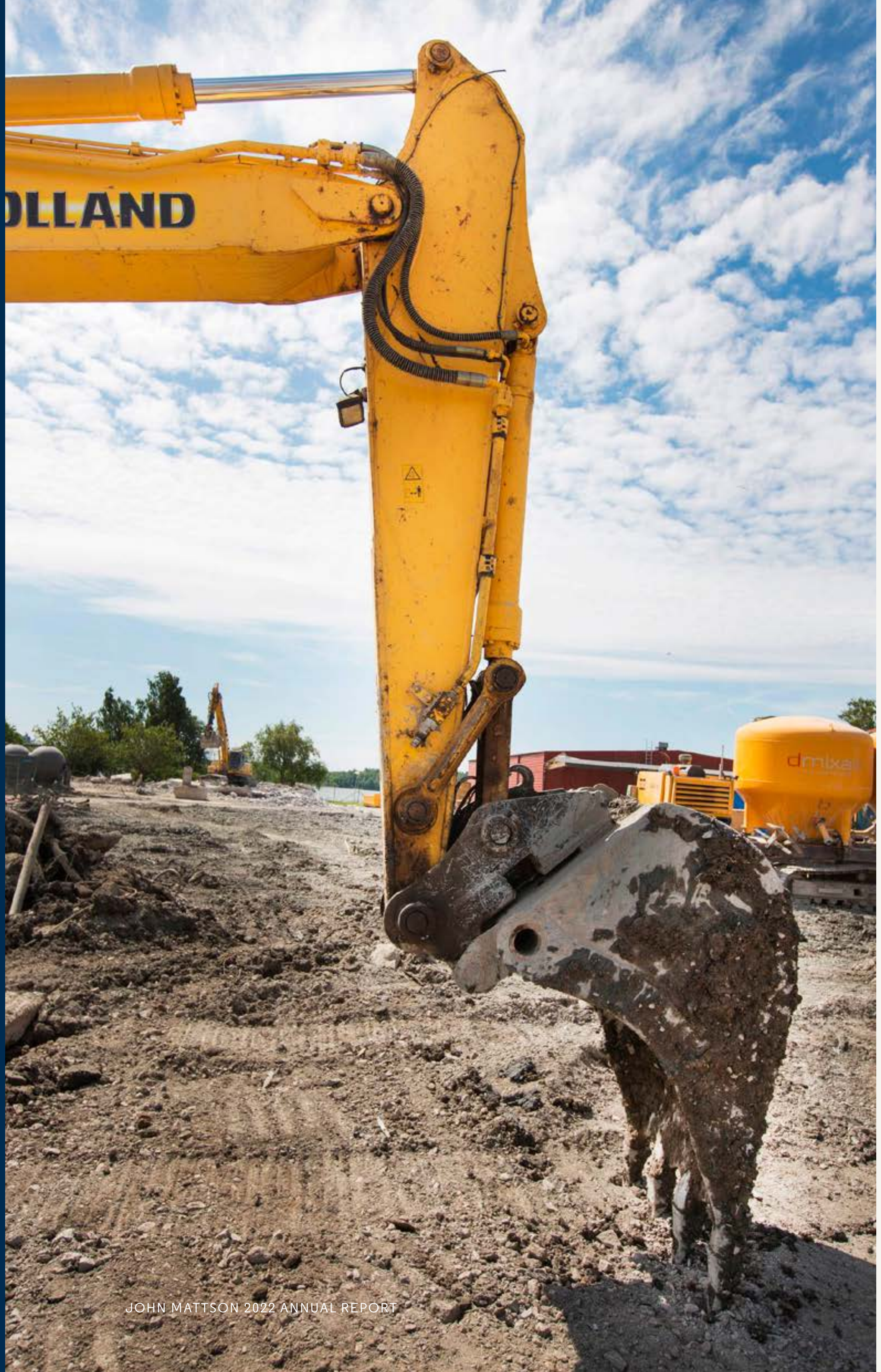

Coming projects

NEW PRODUCTION

Juno, Käppala
Possibilities are being investigated in Käppala regarding the construction of loft apartments at existing properties. The project is at an early stage, with a possible construction start in 2024.

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. The detailed development plan has been revoked by the Land and Environment Court. The City of Stockholm has appealed the case with the Land and Environment Court of Appeal. Possible construction start in 2024.

Finnboda, Nacka
The Sicklaön 37:46 property at Finnboda kaj in Nacka Municipality includes development rights for residential properties, where 20 apartments are being developed with a possible construction start in 2024.

Ekporten, Larsberg/Dalénum
The detailed development plan process for 150 new apartments is ongoing for the Fyrtornet 5 property in Larsberg in Lidingö under the project name of Ekporten. The expected construction start is 2024.

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

Hjälpslaktaren, Slakthusområdet
John Mattson has leasehold properties in Slakthusområdet in Söderstaden comprising almost 6,500 square metres. Planning is underway to develop 100 new apartments and workplaces. Work on the detailed development plan started in spring 2022 with a possible construction start in 2026.

UPGRADES

Rotebro and Rotsunda – Upgrade plans for 283 apartments in Rotebro are underway and are expected to start in 2024. Upgrades of the apartments in Rotsunda are planned for when the upgrades are completed in Rotebro.

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Long-term sustainability targets that support our vision

John Mattson adopted new long-term sustainability targets during the year, including science-based climate targets. The new targets are to steer the company's operations toward more sustainable development and contribute to achieving the vision of "Great neighbourhoods across generations."

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The long-term sustainability targets we set during the year provide a clear roadmap for the way forward. Our climate targets were also approved by the Science Based Targets Initiative (SBTi), which means that our goals are science-based and aligned with the Paris Agreement.

PER NILSSON, CEO

Long-term targets clarify direction

The goal and 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. During the year John Mattson established new long-term sustainability targets for each of the company's four focus areas in sustainability, which will help us achieve our vision. The climate targets were approved in September by Science Based Targets Initiative (SBTi), which means that our goals are science-based and aligned with the Paris Agreement.

Joint development work

Sustainability is an integrated component of John Mattson's business model. By setting clear targets for each of our focus areas, we are further increasing our ambitions for and focus on sustainability.

The company's core values, Code of Conduct and specific policies guide us in our day-to-day work. Dialogues with our key stakeholders – tenants, employees, shareholders, municipalities, suppliers and contractors – are essential for how we will continue to prioritise our work. In autumn 2022, the entire organisation participated in developing tangible initiatives and measures to help reach our established sustainability goals.

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Prioritised sustainability areas

John Mattson's four most material and prioritised sustainability issues 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. Work within the framework of these areas also contributes to several of the UN Sustainable Development Goals. In addition to our focus areas, we view managing sustainability issues such as respect for human rights, anti-corruption and compliance with rules and regulations as hygiene factors. Read more about John Mattson's materiality analysis on page 42.

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

1. Dynamic and safe local communities

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

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.

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.

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 wellbeing and commitment.

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

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1. Dynamic and safe local communities

Neighbourhoods in our areas affect housing, commercial operations, visitors and our own employees. Safe, attractive areas increase tenant satisfaction as well as property values.

As property owners, we have the ability to affect the local communities where we operate. In collaboration with other actors, we can create safe and attractive places where people want to live, relax and work. Safety and security are a precondition for a dynamic and attractive area.

Priorities based on tenants' views

Open dialogues with tenants and recurring surveys are important for helping property owners prioritise the right issues. We carry out an annual tenant survey through the evaluation company AktivBo, where our results are compared with other landlords in the Stockholm region. In 2022, a survey was sent to all our residential tenants in all our areas, with a high rate of response – nearly 63%. All employees, regardless of role, are involved in developing proposals for customised measures based on the findings of the surveys.

In all areas in previous surveys, many tenants requested better digital tools. In 2022, our digital customer service was upgraded and the digital portal for residents is continuously evolving with more and better services.

In Häggvik and Tureberg, which John Mattson acquired in autumn 2021, tenants have primarily requested better safety and maintenance, and a more enjoyable outdoor environment. During the year, John Mattson prioritised measures that will benefit many tenants in these areas, such as lighting and improvements in public spaces, well-functioning laundry rooms and improved waste management.

Goals for safety and attractiveness

We strive for all of our tenants to be satisfied and our goal is to score higher than the industry average in comparable areas when it comes to safety and attractiveness. The tenant survey from 2022 indicated that the results vary between different areas. Close to 81% (81) of all tenants said that they perceive our properties and residential neighbourhoods as safe. The industry average for comparable areas was 80% (80). Since the acquisition of our portfolio in the municipality of Sollentuna, we have focused on safety in these areas, primarily in Rotebro and Tureberg. We work closely with the police, the municipality and other property owners in this area. Even though there is much left to be done, it is gratifying that perceived safety in these areas increased nearly eight percentage points from 2021.

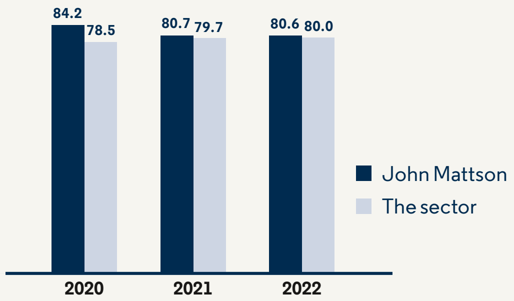
In the survey from 2022, 85% (84[1]) tenants had positive responses to questions about the attractiveness of their residential neighbourhood. Well-being in the area, whether tenants would recommend other people to move there and how favourably they discuss their neighbourhood are part of the Attractive areas measurement.

Model for social sustainability

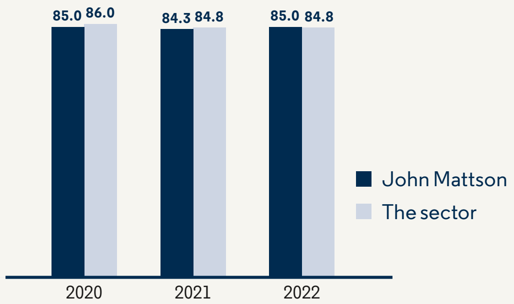
In 2022, we developed a clear model for our work in social sustainability. The model is to help us work even more systematically with social sustainability when it comes to the differences and development phases in our areas. Since conditions vary across all of our areas, different initiatives are prioritised in different areas. Refer to our model for social sustainability below.

[1] The years are not entirely comparable, since the 2022 survey included all areas, while the 2021 survey was carried out in June 2021 and only included Lidingö, Rotebro and Rotsunda – not any of the properties acquired in 2021. A separate acquisition survey was sent out in autumn 2021 for properties acquired in Tureberg and Häggvik to establish baseline values.

SAFETY 2020–2022 INCL. INDUSTRY COMPARISONS (%)[2]



ATTRACTIVENESS 2020–2022 INCL. INDUSTRY COMPARISONS (%)[2]



[2] Share of tenants who perceive their neighbourhood as safe and attractive. Questionnaire through the company AktivBo, August–September 2022. The industry average pertains to private property companies and public housing corporations in the Stockholm region.

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Based on a safe environment

Our model for social sustainability is based on safety and security – these are the basis for creating comfortable, attractive neighbourhoods and for creating a good work environment for those who work there. The foundation of safety efforts in property management include ensuring that it is clean and tidy in and around the buildings, eliminating unsafe areas with better lighting, actively maintaining the outdoor environment, and making doors and locks secure, as well as knowing who lives in our properties.

To a large extent, John Mattson's own property technicians are the ones who work closely with tenants on site. We also work continuously and systematically to combat improper rental conditions such as prohibited subletting, apartment exchange under false pretences and illicit trade with rental contracts. With the help of the national registrar and the Swedish Tax Agency, we investigate whether unauthorised tenants are unlawfully residing in an apartment – very important work to prevent uncertain living conditions and disruptions as well as criminality. In 2022, several leases were revoked due to unlawful subletting.

Collaboration for improved safety

In addition to our own preventative safety measures, our collaborations with the police, municipalities, other property owners and Hyresgästföreningen (Swedish Union of Tenants) are also important. For example, John Mattson participates in Business Improvement District[1] Tureberg, where we work together with the municipality of Sollentuna, the police, the general public and other private players to increase safety. During the year, John Mattson participated in the Citizens' Day events held by the municipality of Sollentuna in Tureberg and Rotebro, with the theme "Health and safety." Our participation in the municipality of Sollentuna's ECS project (Effective Coordination for Safety between the municipality, the police and property companies) is another example of such collaboration, where through the project we provide weekly updates to each other about events in different parts of the municipality.

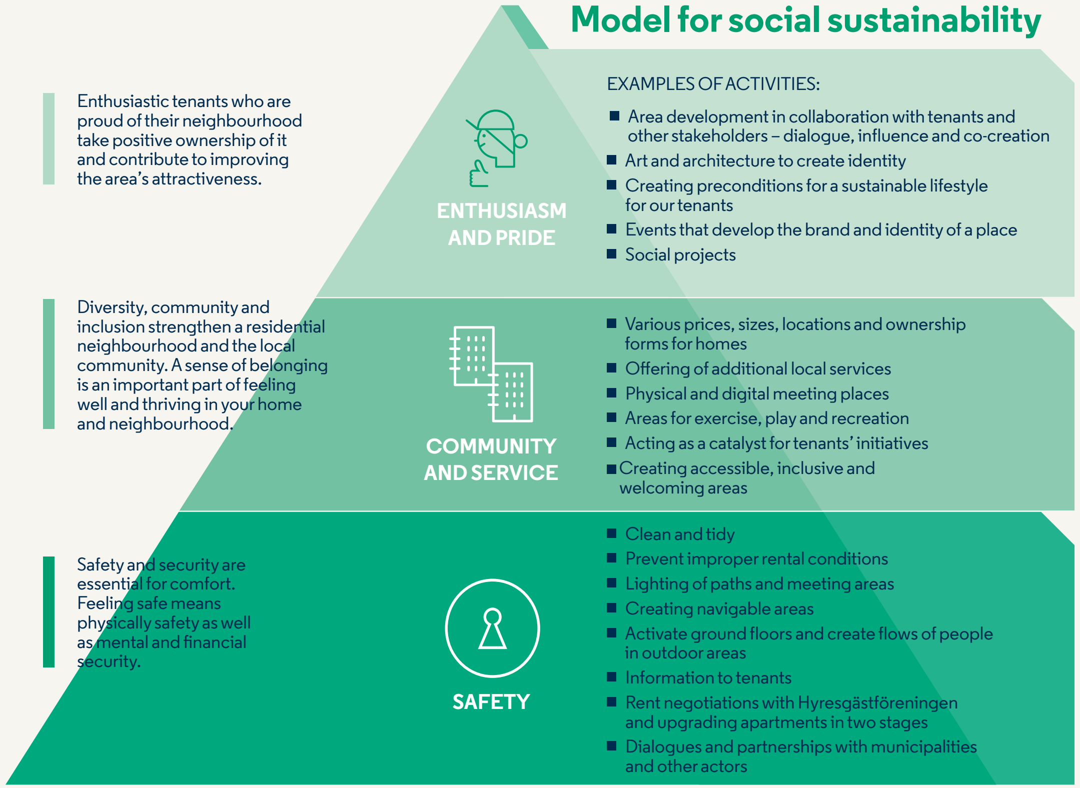
The annual rent levels for residential properties is normally negotiated with Hyresgästföreningen ahead of time. The general housing rent negotiations for 2022 resulted in increases of 1.6–1.8%. Negotiations for 2023 are based on a clear desire on all parts to take responsibility for the difficult economic situation currently affecting individuals as well as companies.

Inclusive residential areas

Everyone should feel welcome as our tenant, regardless of background or family composition. Promoting inclusion and diversity strengthens residential neighbourhoods as well as the local community. John Mattson strives to offer rental apartments in different price classes and various sizes and locations to provide more people with an attractive home. We offer everything from studios to four-bedroom apartments and shared living for young people.

Conditions for community

We want residents in our areas to feel excited and proud about the neighbourhood where they live. As property owners, we can help create conditions for community, since this is important for tenants' sense of safety. This includes measures in the physical environment, but also that we affect life in outdoor areas – over and above our responsibility for our buildings and our tenants. Human interaction strengthens relationships and together with other players we regularly carry out activities as a way to take our societal responsibility. The activities are intended to create shared value for the participants and for us as property owners. One example is our popular outdoor movie in Larsberg, which is a long-term partnership with the municipality of Lidingö Stad and was held in August. It lasted for two days and had 2,000 visitors of all ages.



[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.

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2. Responsible material and waste management

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

Science-based climate targets

By 2030, John Mattson will have reduced its greenhouse gas (GHG) emissions in Scope 1 (the company's own direct emissions) and Scope 2 (emissions from purchased energy) by at least 40% compared with the base year of 2021. John Mattson will reduce its GHG emissions from new builds and redevelopments on a per square metre basis to match or better the property sector average. Read more about climate targets on page 41.

Important choices for reduced climate impact

When the properties are renovated or when we build new properties, we select materials with long lifespans and that are possible to maintain.

From a lifecycle perspective, more than half of the carbon emissions from new buildings arise during material production and construction.[1] Decisions in the early stages are therefore essential to reduce a building's climate impact.

To ensure attractive and sustainable buildings, we currently work with project planning guidelines for climate-smart new builds and redevelopments. 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 carried out through climate declarations. 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. To a certain extent, tenants can affect the extent of renovations. Read more about our flexible model for upgrades on page 15.

Responsible waste management

Spillage and waste from the construction and property sector is significant. 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.

An important part of John Mattson's work is also 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. Starting in 2023, all Swedish properties are to sort their food waste according to national goals.

[1] Report from Sweden's construction industries: Reduced climate impact from new apartment buildings.

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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.

Science-based climate targets

By 2030, John Mattson will have reduced its Scope 1 and Scope 2 GHG emissions by at least 40% compared with the base year of 2021. John Mattson will reduce its GHG emissions from new builds and redevelopments on a per square metre basis to match or better the property sector average. Read more about climate targets on page 41.

Own property management reduces environmental and climate impact

We are working continually to maintain and optimise operations to reduce the strain on the environment as well as on operating expenses and to ensure that our systems are sustainable over the long term. Heating is controlled automatically at the properties, adapting to the weather conditions, and only ecolabelled electricity is used for property operations.

Plans for energy efficiency

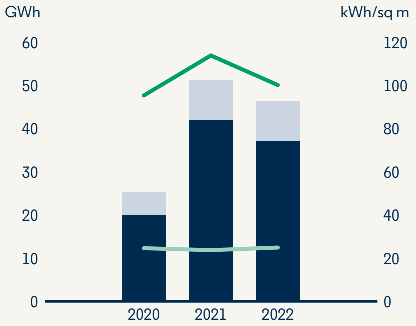
In properties in Lidingö that John Mattson has owned for a longer time, we have worked with energy efficiency for several years. In other acquired properties, where a large portion of the properties were taken possession of in 2021, we introduced initiatives during the year to reduce energy consumption. During the year, a survey was carried out of the property portfolio's energy consumption in order to direct measures and initiatives to where they will have the greatest impact. Read more on page 39. Reducing Scope 2 can be summarised as:

- Gradually optimising energy use at buildings in John Mattson's portfolio to make them more energy-efficient. In phase 1, energy optimisation is planned for the equivalent of 20% of the company's energy consumption. A road map is also being developed for phase 2.
- Adding sustainable energy sources such as solar and geothermal.
- Choosing energy suppliers with sustainable energy sources, including the ability to climate compensate.

Inspire tenants to 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. Occupancy began in October at our innovative housing project in Upplands Väsby. It is Stockholm's first apartment building without private parking spaces, and instead includes a shared economy concept for climate-smart mobility solutions. In autumn and winter, we gave all of our tenants tips about what they can do to reduce energy consumption in their own homes. Regularly installing more charging stations for electric vehicles or coordinating to create carpools are other examples of the inspiration we provide.

ENERGY CONSUMPTION [1]



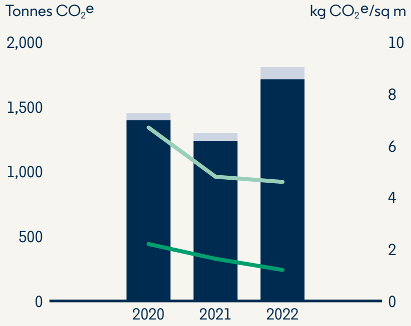
District heating, GWh / Electricity, GWh
District heating use, sq m per kWh
Electricity consumption, kWh per sq m

In 2022, total degree-day corrected district heating usage decreased approximately 12% to 100.1 kWh/sq m Atemp (113.8). The total electricity consumption increased approximately 2% to 24.9 kWh/sq m Atemp (24.5).

Fossil-free vehicle fleet

To reduce our climate impact, we are gradually phasing out fossil-driven company cars in favour of fossil-free alternatives. At the end of the year, 68% (64) of our fleet consisted of vehicles fuelled either by electricity or biogas.

GHG EMISSIONS, PURCHASED ENERGY [1]



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] Figures for 2020 include Larsberg, Käppala, Rotebro and Rotsunda, while 2021 and 2022 include all properties the company owned in 2022.

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4. Healthy and inspiring workplaces

The basis for the comfort and the enthusiasm required for our continued journey is working proactively to ensure that our workplaces are healthy, safe and stimulating.

In 2022, the focus was on integrating the acquired company Hefab in order to create partnership forms and to best put collective employee expertise into practice. We strive to offer a workplace that is characterised by a healthy approach to work, where staff enjoy working and are highly committed, and where each employee has an ability to influence.

Responsible transition

The current market conditions, together with the ongoing consolidation process, have spurred a review of the organisation. Organisational changes were made gradually from October 2022 until February 2023 and the number of employees at John Mattson was reduced approximately 20%. It is important that personnel reductions are handled responsibly and to take good care of the work environment for the employees leaving the company as well as those who will remain in their roles. That is we maintained an open and continuous dialogue throughout the process with all employees as well as unions.

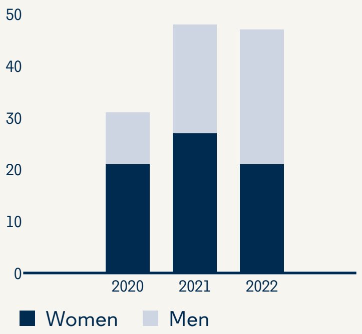
Sustainable leadership

John Mattson's managers have an important role in our continued shared journey. During the year all of the company's managers began a leadership development programme, which will continue throughout 2023. The goal of the programme is a shared leadership platform and to provide the company's managers with the know-how and tools to provide delegated, goal-oriented and performance-raising leadership. Feedback and motivating conversations with employees are an important part of this. Goals based on annual employee conversations are regularly followed up during the year to clearly guide individual and company work toward our goals.

Commitment that grows

In 2022, we implemented a new tool for employee surveys, where weekly measurements are taken throughout the year about leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit and commitment. These continuous surveys allow us to be more proactive. John Mattson's goal is to rank above the average rating for comparable companies in terms of organisational engagement and efficiency. The outcome for the collective value for all of these areas was 7.1 out of 10 for Q4 2022, compared with the industry average of 7.9. We had a positive trend during the year but the reorganisation of the company in the autumn had an effect on the organisation. Considering the organisational transition, the results are stable.

TOTAL NUMBER OF EMPLOYEES (ON 31 DECEMBER 2022)



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 2022, a sustainability-themed conference was held for the entire organisation, where everyone participated in developing action plans for the company's new sustainability targets that were established during the year. To steer the company toward its goals and strengthen the feeling of participation, John Mattson also offers a bonus programme for all employees.

7.1

Engaged employees and an efficient organisation[1]

[1] Employee survey in the fourth quarter of 2022. 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.

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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. Now that the company operates in more areas in the Stockholm region, language expertise and experience from different ethnic and cultural backgrounds will become even more important for the best possible interactions with tenants.

Within gender equality, our goal 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 2022, the gender breakdown was 55/45 men/women at the company, with 66/33 in management and 60/40 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. Health and well-being strengthen employee commitment. To strengthen both of these, all employees are offered a benefits package that includes a preventative healthcare hour, training compensation, message and health check-ups. However, stress remains a risk factor that needs to be counteracted. The collective absenteeism during the year (both long- and short-term) amounted to 4%, a decrease compared to 5% for 2021. John Mattson's long-term goal is for absenteeism to not exceed 3%.

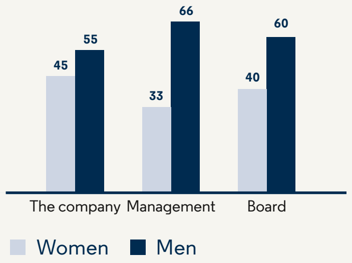
Safe and secure workplaces

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

John Mattson is a member of Håll Nollan, an initiative for zero accidents in the construction industry.

In 2022, work began to implement an emergency and safety app for John Mattson's employees. It is one of several tools for a safer work environment and for effective crisis management.

PROPORTION OF WOMEN/MEN FOR THE COMPANY, MANAGEMENT AND BOARD 2022



Zero

accidents at John Mattson's workplaces[1)]

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

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Road map for science-based climate targets

John Mattson signed on to the Paris Agreement and in 2022 our climate targets were 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 carried out 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 35–36.

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%).

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.
- Carrying out 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**

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Reduced carbon footprint 2022

John Mattson's carbon footprint in 2022 totalled 4,064 tonnes CO_2e (8,912). GHG emissions from new builds and renovations decreased 67% to 1,914 tonnes CO_2e (5,875) due to fewer completed apartments in new build and upgrade projects.

Scope 1: 1.9%
John Mattson's direct GHG emissions

Transportation own service fleet

Company cars in service

Scope 2: 44.5%
Purchased energy

District heating

Property electricity

Scope 3: 53.6%
Other indirect emissions

Upgrades: construction material, transportation and waste management during upgrades

New Production: construction material, transportation and waste management during new production

		Emissions CO_2e (tonnes)		
Total GHG emissions		**2022**	**2021**	**2020**
Own direct emissions (Scope 1)	Transportation [1]	14	18	5
	Company cars in service	0.1	0.1	0.1
	Own production of heat	64	51	–
Purchased energy (Scope 2)	Heating [2]	1,710	2,238	1,393
	Electricity consumption [3]	98	95	54
Own indirect emissions (Scope 3)	Construction material, transportation and waste management during upgrades	344	975	925
	Construction material, transportation and waste management during new production	1,776	5,491	–
	Purchases of goods and services	28	25	21
	Capital goods	2	2	2.3
	Waste management, offices and property management	15	5	5
	Employee commutes	13	12	12
	Transportation, consumable goods	0.2	0.3	0.3
	Total	**4,064**	**8,912**	**2,418**

1) John Mattson's own service vehicles, primarily in conjunction with property maintenance.
2) Heating for the entire property, incl. apartments. Figures for 2020 include Larsberg, Käppala, Rotebro and Rotsunda, while 2021 also includes Häggvik and Tureberg. 2022 includes all of the properties John Mattson owned in 2022.
3) Electricity consumption for John Mattson's offices, commercial spaces and shared spaces (not apartments). Figures for 2020 include Larsberg, Käppala, Rotebro and Rotsunda, while 2021 includes all properties the company owned in 2022.

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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.	●	**80.6% (80.0%)**	80.6% of residents feel safe in our properties and neighbourhoods. The results vary between different areas. The industry average for comparable areas in 2022 was 80.0%. In Rotebro and Tureberg, this figure increased close to eight percentage points compared with 2021.
	Attractive areas according to the residents: above the sector average.	●	**85.0% (84.8%)**	85% of residents consider our neighbourhoods attractive. The industry average for comparable areas in 2022 was 84.8%. 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	By 2030, John Mattson will have reduced its Scope 1 and Scope 2 GHG emissions by at least 40% compared with the base year of 2021.	●	**22% (5.5%/year)**	During the year we reduced our CO_2e emissions 22% compared with 2021. This exceeds the average reduction of 5.5% per year to achieve the target of a reduction of 40% by 2030.
Energy-efficient and fossil-free solutions	John Mattson will reduce its GHG emissions from new builds and redevelopments on a per square metre basis to match or better the property sector average.	●	**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 2022 were aligned with those for the sector thanks to the systematic choices made in our projects.
Healthy and inspiring workplaces	Engaged employees and an efficient organisation: above the average results of comparable companies.	◐	**7.1 (7.9)**	Our weekly employee survey includes questions about leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit and commitment. The outcome for the collective value for all of these areas was 7.1 out of 10 for Q4 2022, compared with the industry average of 7.9.
	John Mattson's 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.	●		Through our tool for measuring well-being in the organisation, we can continuously follow up on employee experiences when it comes to being respected and included. We can detect and immediately follow up on all indications of bullying or harassment. During the fourth quarter of 2022, all employees agreed strongly or somewhat with the statement that they felt respected and included. 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.	●	**Under 2/3**	At the end of 2022, the gender breakdown was 55/45 men/women at the company, with 66/33 in management and 60/40 on the Board of Directors.
	Absenteeism among John Mattson's employees: not exceeding 3%.	◐	**4% (3%)**	The collective absenteeism during the year (long- and short-term) amounted to 4%, an improvement compared to 5% for 2021.
	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.	●	**0 (0)**	No accidents were reported for 2022.

● Target met ◐ Target partially met ○ Target not met

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Materiality analysis 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 analysis.

A mapping was carried out in 2020 and 2021 in order to future-proof operations and more efficiently assess and manage climate-related opportunities and risks throughout the entire value chain. It clearly 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 the company'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 topics have been discussed and their importance confirmed with the Board of John Mattson. Read more about our focus areas and targets and fulfilment on pages 32–38 and page 41. Anti-corruption and human rights are also material issues that need to be managed at a high level, but are hygiene factors for everyone in the sector to manage.

There have been no changes in the materiality analysis since 2021 but biodiversity and water are two issues that have been discussed. These issues are currently not included in the company's most material sustainability issues, 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 will be able to be reported through a whistle-blower function starting in 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 materiality analyses 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 issues and criteria for sustainable financing.

Listed below are the external initiatives and memberships that are primarily connected to our strategic sustainability agenda:

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

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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, 76% is attributable to residential properties in the Stockholm region, which generate stable cash flow with low vacancies. The Board has overriding responsibility for risk management, while operating activities are delegated to the CEO. The management's work with risk management aims to clarify and analyse the risks that the company faces, and as far as possible to prevent or limit any negative effects. Risks are classified as strategic, operational and financial risks as well as risks linked to regulatory compliance.

The primary tools for managing risk are the strategies that the company follows, which are made tangible in processes integrated in daily operations. The work with values and on ensuring a high level of competence within the organisation are also key components in managing risks in daily operations. The prioritised areas for risk management based on John Mattson's operations are detailed below. More information regarding the financial risks is set out in the Administration report on page 51.

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 2022 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 2022.

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. During the year, 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%	+/–31.3
Economic occupancy rate	1 percentage point	+/–6.3
Property expenses	5%	+/–10.1
Underlying market interest rate	1 percentage point	–50.2/+23.6

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

Change in property value	–20%	–10%	0%	10%	20%
Change in value, SEK m	–3,139	–1,570	0	1,570	3,139
Loan-to-value (LTV) ratio, %	70.7	62.8	56.6	51.4	47.1

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Strategic risk

Risk description	Management/possibility
Acquisition risk Competition to acquire properties in attractive locations is intense. The largest strategic risk for John Mattson is the lack of objects at relevant prices, which could pose a hindrance to the desired growth rate.	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.
Planning risk There is a risk that John Mattson is not granted the permits or does not receive the required decisions from municipalities or authorities that allow managing and developing properties in the desired manner. For example, if the decisions received do not encompass the volume of housing units and/or premises that John Mattson had expected. Moreover, there is a risk that decisions are appealed and there are significant delays to planned projects as a consequence. A further risk entails that decision-making practices or the political will or municipality's focus may change in a direction that is less favourable for John Mattson. **Limited development right portfolio** A limited development right portfolio could comprise a risk since it could slow John Mattson's future growth.	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.
Sustainability risks A neglected and unclear sustainability agenda can have a negative impact on stakeholders' opinions of John Mattson and thereby affect the company's ability to meet the goals set. Sustainability-related risks that are deemed the most material for the company's development are: *Negative environmental impact:* In new builds, extensions and redevelopments there is a risk of damaging the environment, surroundings or people as a result of inappropriate handling or use of hazardous materials. Insufficient compliance with environmental legislation and regulations can result in corrective measures, fees or fines and, in some cases, restrictions on the Group's operations. *Climate change:* Rising sea levels, extreme weather with increased incidences of downpours, droughts and water shortages are some of the possible consequences of climate change. For property companies, climate change entails a risk of damage to properties and their surrounding environment. *Social conditions:* Unsafe, marginalised residential areas reduce well-being for our tenants as well as others in the area. A related risk is improper rental conditions, which can cause disruptions in the area and have a negative impact on safety. *Employees:* An employer's brand is essential for retaining and recruiting talented employees. The company risks losing access to expertise if it is not perceived as attractive. A work environment that does not promote physical as well as psychosocial well-being is at risk of workplace accidents and illnesses. *Code of conduct violations:* If employees, consultants or partners violate human rights, are involved in corruption or do not otherwise act ethically and respectfully, then that constitutes a violation of the Code of conduct and risks significant damage to John Mattson's business and brand.	A strategic and transparent approach to sustainability issues based on opportunities and challenges strengthens our long-term competitiveness and provides guidance on future investments and initiatives. *Negative environmental impact and climate change:* • Responsible material choices, reusing materials and interior fittings as well as efficient waste management • The goal is to environmentally certify residential properties according to Svanen for new construction by the company from scratch • Collaboration with suppliers and tenants to have an effect across the entire value chain • Efficient management that reduces energy consumption and impact on the environment • 100% environmentally certified electricity in property operations • Phasing out service vehicles that use fossil fuels and installation of charging stations for tenants • Science-based climate targets for 2030, with 2021 as the base year • Climate screening of properties to enable proactive management of physical climate risks • Mapping completed of climate-related emissions in the value chain • We are following research and development and climate risk assessments and reports *Social conditions:* • Continuous communication with tenants and regular tenant surveys • Premises management with close tenant contact • Rental apartments in different price classes and various sizes and locations • Systematic work to prevent improper rental conditions • Working together with municipalities, the police, other property owners and organisations to increase safety and well-being. • Safety measures and activities to promote well-being *Employees:* • Performance appraisals and employee surveys • Goal-oriented equality and equal treatment efforts • Preventative health and wellness work • Proactive work for safe and secure construction sites • Continuous reinforcement of the company's core values in areas that involve all employees *Code of conduct violations:* • Annual review of the code of conduct is for everyone. The purchaser is responsible for making sure external partners are up-to-date • Specific policies to supplement the Code • Continuous reinforcement of the company's core values in areas that involve all employees • Whistle-blower function to follow up irregularities (work in progress)

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Operational risks

Risk description

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

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

Management/possibility

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

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

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

Financial risk

Risk description

Changes in value
John Mattson initially recognises its properties at fair value with changes in value recognised in profit or loss. This can entail volatility in earnings. The market value of properties is determined by market supply and demand, and is also based on the property's assessed net operating income.

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

Management/possibility

Of John Mattson's rental value, 76% is attributable to residential properties in the Stockholm region, which generate stable cash flows with low vacancies. Investment properties, which comprise 98% of the total property value, are subject to external valuation each quarter by Cushman & Wakefield. Development rights are valued internally on a quarterly basis.

John Mattson's financial policy sets out how financial operations should be conducted, how the associated risks should be limited and defines the risks that the company is permitted to take. The financial policy is followed up continuously by management, the Audit and Finance Committee and the Board. The company's overall financial risk limitation is that the loan-to-value ratio should not persistently exceed 50%. The company believes that having a positive cash flow in the business is important for achieving the company's long-term objectives. Accordingly, the company has set a target that the interest coverage ratio should not persistently be below 1.5.

In order to limit the interest-rate risk, derivative agreements are entered into in the form of interest-rate swaps. In order to limit refinancing risk, John Mattson endeavours to have an average remaining maturity for its interest-bearing liabilities in excess of two years as well as having several lenders.
Disposable liquidity, which comprises unutilised overdraft facilities and cash balances, amounted to SEK 202.7 million (262.6) at the end of the period. Moreover, a credit facility for SEK 25 million and an unutilised construction credit of SEK 304 million are in place for future financing needs.

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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 3.1 billion at the end of the year.

Class of shares

John Mattson has one class of shares, common shares, and each share entitles the holder to one vote. The share capital amounted to SEK 12,632,321 and the number of shares totalled 37,896,965.

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 2022, the price stood at SEK 83.10. The year's highest price for the John Mattson share was SEK 197.80 on 4 January and the year's lowest price was SEK 67.80 on 1 December.

Trading and turnover

In 2022, stock turnover amounted to 12.7 million shares with a total value of SEK 1.2 billion. Of these, 87.6% were traded on Nasdaq Stockholm and the rest in other marketplaces.

Shareholder structure

At the end of the year, there were 2,535 known shareholders of John Mattson. The three largest shareholders are AB Borudan Ett, Tagehus Holding AB and Carnegie Fonder, who collectively own 59.13% of the John Mattson shares. Foreign ownership of John Mattson shares amounted to 8.40% at the end of the year.

Net asset value

By the end of the year, NAV amounted to SEK 174.02 per share (175.90). NAV increased 3.10% compared with 31 December 2021. NNNAV amounted to SEK 6,142.3 million (5,765.1) or SEK 162.08 per share (158.54) 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.

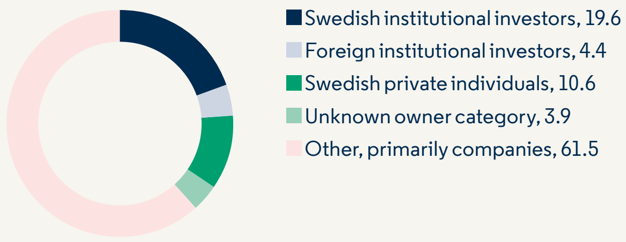
Information for the stock market

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.

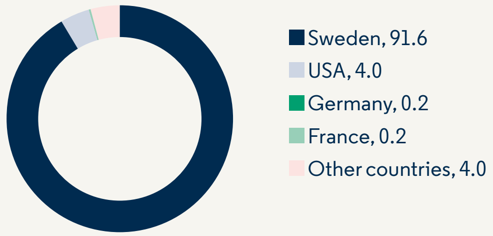
Shareholders 31 Dec 2022

	No. of shares	Percentage
AB Borudan Ett	14,351,055	37.9%
Tagehus Holding AB	4,786,698	12.6%
Carnegie Fonder	3,270,000	8.6%
PriorNilsson Fonder	1,743,681	4.6%
Bergamottträdet 9 Holding AB	1,532,138	4.0%
Fidelity Investments (FMR)	1,497,999	3.8%
Other shareholders	10,715,394	28.4%
Total	**37,896,965**	**100.0%**
Of which, foreign shareholders	**3,202,133**	**8.4%**

SHAREHOLDER CATEGORIES, 31 DEC 2022, %



SHAREHOLDING BY COUNTRY, 31 DEC 2022, %



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

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Shareholder structure 31 Dec 2022

Size class	No. of shares	Capital/ votes	No. of known shareholders	Share of known shareholders
1–1,000	317,457	0.8%	2,248	88.7%
1,001–10,000	658,120	1.7%	190	7.5%
10,001–100,000	2,059,636	5.4%	70	2.8%
100,001–2,000,000	11,048,056	29.0%	24	0.9%
2,000,001–4,000,000	3,270,000	8.6%	1	0.0%
4,000,001–	19,137,753	50.5%	2	0.1%
Unknown holding	1,405,943	3.9%	0	0.0%
Total	**37,896,965**	**100.0%**	**2,535**	**100.0%**

Share-related key metrics

	2022	2021
Income from property management, SEK/share	4.1	2.98
Growth in income from property management, SEK/share, %	37.56	6.0
Profit after tax attributable to Parent Company shareholders, SEK/share	3.3	38.21
NAV, SEK/share	174.02	175.90
Growth in NAV, SEK/share, %	–1.1	36.1
NNNAV, SEK/share	162.14	158.54
Equity attributable to Parent Company shareholders, SEK/share	146.09	141.45
Market capitalisation at the end of the period, SEK/share	83.1	199.40
Market capitalisation (SEK/share)/NAV, SEK/share at the end of the period	0.48	1.13
Average No. of shares during the period	**37,537,496**	**34,600,537**
No. of shares outstanding at the end of period	**37,896,965**	**36,364,827**

Analysts that monitor John Mattson

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

Development of share capital

Year	Event	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

1) Two non-cash issues of 672,208 and 859,930 shares respectively, were decided in February 2022 in conjunction with the acquisition of properties. The shares were registered on 3 February and 5 May. On 30 September, the number of shares totalled 37,896,965.

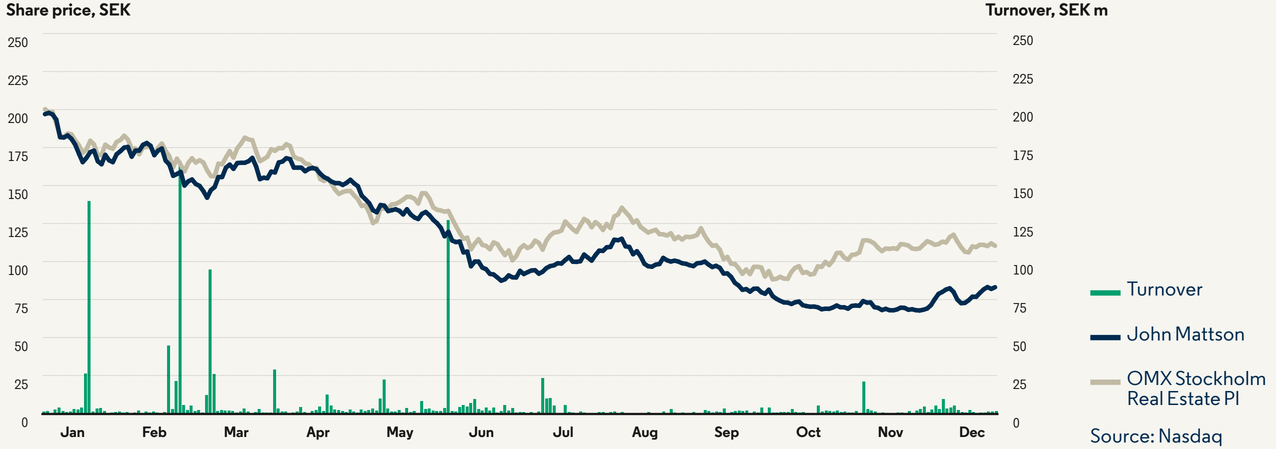
2) On 30 September 2022, the quotient value of the shares was SEK 0.33 per share (SEK 0.33).

Net asset value

	31 Dec 2022		31 Dec 2021	
	SEK m	SEK/share[1]	SEK m	SEK/share[1]
Equity attributable to Parent Company shareholders, according to balance sheet	5,536.2	146.09	5,143.9	141.45
Add back				
Derivatives according to balance sheet	–239.4	–6.32	25.2	0.69
Deferred tax liability in balance sheet	1,298.0	34.25	1,227.5	33.76
NAV	**6,594.8**	**174.02**	**6,396.6**	**175.90**
Less:				
Derivatives according to balance sheet	239.4	6.32	–25.2	–0.69
Estimated actual deferred tax liability	–691.9	–18.26	–606.3	–16.67
NNNAV	**6,142.3**	**162.08**	**5,765.1**	**158.54**

1) The key metrics per share have been restated to take into account the 3:1 share split resolved by the AGM on 11 March 2019.

SHARE PRICE PERFORMANCE 3 JANUARY–30 DECEMBER 2022



MENU

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Financial information

Art has a long-standing place in John Mattson's neighbourhoods. We believe that art fosters well-being, pride and a sense of community. Here is Hans Lannér's mosaic "Välkommen hem" (Eng: "Welcome home") at Larsbergsvägen 30 in Lidingö.

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Good possibilities to manage new market conditions

Naturally, these comments from the Chairman pertain to John Mattson and the property market in Sweden. However, it is difficult not to focus first and foremost on the situation in our operating environment, in particular the situation in Ukraine. The ongoing war in Europe is resulting in great human suffering. Hopefully, 2023 will bring a brighter outlook, but that remains to be seen.

The war has entailed substantial changes for the property sector. Interest rates have risen dramatically, and high inflation has increased electricity and other operating expenses. Property yield requirements have also increased, thereby lowering property values. At the same time, rental revenues have increased, with resulting increases in property values.

Restructuring and adapting

In 2022, John Mattson acted proactively and quickly adapted to the new market conditions. The property portfolio has been streamlined and LTV ratios lowered through divestments, planned new production and base upgrades have been temporarily deferred, a forceful cost-saving programme encompassing organisational changes has been launched, and actions have been taken to make financing more sustainable. These adjustments also comprise a natural step following the strong growth of recent years, which has created the preconditions for more efficient and value-creating operations going forward.

Strengths in terms of the organisation, the property portfolio and the owners

What did not change during the year is John Mattson's fantastic organisation, its properties in excellent locations in and around Stockholm, and its long-term, financially strong principal shareholders. My view is that John Mattson is remarkable as a property company in these three categories.

John Mattson has now been a listed company for almost four years. The company's two owners prior to the listing, AB Borudan Ett and Tagehus Holding AB, are both family companies with strong master builder traditions. Both these of these shareholders currently hold more shares in John Mattson than prior to the IPO and generally have very long-term investment horizons. In troubled times such as these, I view this as a strength for John Mattson.

Remains a long-term and responsible player

Despite recent focus on creating near-term value, John Mattson's long-term growth strategy remains firm. When the market turns, conditions are favourable for continuing to deliver on the growth strategy in line with the position the company has taken over the years.

The company's growth strategy builds on creating value within our strategic cornerstones: property management, refinement, densification and acquisition, even if we will have to be very cautious with acquisitions in the immediate future. This breadth means that we are not dependent on one set of circumstances for our growth, and we can reinvest the created value in operations, thereby resulting in growth with balanced risk-taking.

John Mattson also creates value in social sustainability through application of a holistic perspective and has shown in recent years, in areas with challenges in terms of perceived insecurity, that the company can make a difference.

Appreciation to the Board, management and staff

The Boards work proceeded as per its annual cycle during the year, but was more demanding than in other years. My fellow Board members have shown considerable commitment and we encountered numerous issues, many linked to the current conditions in the world around us.

I would like to thank the entire management team at John Mattson for their excellent collaboration, and especially Per Nilsson for his first year as CEO of John Mattson. My appreciation also extends to all other employees for their excellent efforts during the year and for their commitment. Without you, it would have been impossible to restructure the business in such a short time.

Finally, I would also like to pass on my appreciation for my three years as Chairman of this fine company. It has been an honour to lead the company during its strong growth journey and I wish my successor every success in the continued journey.

Johan Ljungberg, Chairman of the Board

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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 2022–31 Dec 2022 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 2021.

Information about the operations

John Mattson has been active in property management and property development for more than 50 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 4,515 rental apartments with a lettable area of 359,700 sq m (356,600), broken down as 83% residential and 17% commercial premises. At the end of 2022, a development project was ongoing at the Gengasen property in Örby.

As of 31 December 2022, the breakdown of lettable area between property management areas was as follows: Lidingö 48%, City/Bromma 13%, North Stockholm 22% and South Stockholm/Nacka 16%.

In 2022, the company took possession of three properties at Gullmarsplan, which were acquired in November 2021. In June 2022, the company old three properties in central Stockholm. Based on the underlying property value, the purchase consideration for the sold properties amounted to a total of SEK 1,030 million. In November 2022, an agreement was signed for the sale of two properties in Lidingö at a property value of SEK 262 million, with the buyer taking possession in February 2023.

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 10%, including distributions to shareholders, over a business cycle.
- An average annual growth in income from property management per share of not less than 10% over a business cycle.

The previous target of attaining a property value corresponding to at least SEK 10 billion by 2023 has been removed since this target had already been met by the end of 2021.

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 comprised the acquisitions of properties at Gullmarsplan. Moreover, major investments were made in the new build project in Upplands Väsby with occupancy in autumn 2022 and in the Gengasen property in Örby.

Over the year, 86 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.

During the year, total investments amounted to SEK 1,001.2 million (6,398.4), of which SEK 643.2 million (6,143.8) pertained to acquisitions. Investments in new builds amounted to SEK 276.0 million (95.9) and pertained primarily to the new build projects in Upplands Väsby and Örby centrum. Investments in upgrades amounted to SEK 27.8 million (116.3) and encompassed upgrades to 86 apartments (339).

Organisation

John Mattson's organisation consists of 47 (45) employees, of whom 21 (27) are women. As of 31 December 2022, the company's management group consisted of the Chief Executive Officer, Chief Financial Officer, Head of Business and Project Development 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. Moreover, the heads of the two property management areas are also co-opted to the executive management. 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

Each year, external valuations are conducted of all of the Group's properties, with some 25% of the property portfolio valued externally each quarter by Cushman & Wakefield. More information about John Mattson's investment properties can be found in Note 13.

Significant events during the year

- Per Nilsson assumed his role as CEO in January 2022.
- In February 2022, possession was taken of three properties at Gullmarsplan with an underlying property value of SEK 670 million that were partly paid for through two non-cash issues in February and May 2022.

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- An agreement was signed in June 2022 for the sale of three properties in central Stockholm with an underlying property value of SEK 1,030 million.
- The Board of Directors adopted new long-term sustainability targets during the year, including science-based climate targets.
- In October, the company announced the implementation of a major reorganisation and cost-savings programme with the objective of increasing income from property management by approximately SEK 50 million from 2023 onward.
- In November 2022, an agreement was contracted for the sale of two properties in Lidingö at a property value of SEK 262 million, with the buyer taking possession in February 2023.

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 43–45 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 2022, the loan-to-value ratio was 56.6% (58.0) and the interest coverage ratio was 1.9 (2.2).

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 2.6 years (2.0) at the end of 2022.

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 2.8 years (2.1) at the end of 2022.

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 160 million (160), of which SEK 0.0 million (124.9) had been utilised at the end of 2022. Moreover, an unutilised construction credit of SEK 304 million and a credit facility for SEK 25 million are in place for future financing needs.

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. The dividend policy has been adjusted after the balance-sheet date. See below under the heading Events after the balance-sheet date.

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 5–6, 11, 30–44 and 56. John Mattson has high ambitions and actively works with its long-term sustainability agenda in all areas of operation. Refer to pages 30–42 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 2022 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

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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 55–58 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 620.9 million (407.9), corresponding to SEK 1,726 per sq m (1,658). The total revenue increase of SEK 213.0 million was mainly attributable to the full-year effect from acquired properties, which increased revenue by SEK 195.4 million for the year. The increase in revenue was also due to completed upgrades and infill development, which increased revenue by about SEK 11.2 million.

Rental revenues for residential properties totalled SEK 463.9 million (329.0), corresponding to SEK 1,563 per sq m (1,537). The general annual housing rent negotiations for 2022 resulted in increases of 1.6–1.8%.

Property expenses

Property expenses totalled SEK 223.1 million (158.0), corresponding to SEK 620 per sq m (618), which is a cost increase of SEK 2 per sq m.

Operating expenses amounted to SEK 141.2 million (97.7), SEK 45.3 million of which pertained to properties acquired during the year. The increase in costs was mainly due to higher operating and maintenance expenses attributable to acquired properties and higher costs for media due to price rises.

Maintenance expenses amounted to SEK 35.2 million (25.3), where approximately SEK 11.5 million of the increase pertained to properties acquired during the year.

Property administration expenses amounted to SEK 33.1 million (27.7), mainly attributable to larger property holdings and higher costs in conjunction with the integration of completed acquisitions. Property administration costs included restructuring costs in the fourth quarter of SEK 3.2 million, the majority of which pertained to personnel and integration costs.

Central administration costs

Central administration costs comprise costs for company management, business development and central support functions. During the year, central administration costs amounted to SEK 58.8 million (56.8). The year-on-year cost increase was primarily attributable to restructuring costs resulting from the previously announced action plan and integration. Central administration costs included restructuring costs in the fourth quarter of SEK 5.5 million, the majority of which pertained to personnel and integration costs.

Changes in value

Properties

Changes in property values amounted to a loss of SEK 225.1 million (gain: 1,539.0). Realised changes in the value of divested properties in the period amounted to a loss of SEK 13.9 million (gain: 0.9). Unrealised changes in property values amounted to a loss of SEK 211.1 million (gain: 1,538.2).

The average valuation yield for the Group was 2.9% (2.7). The value changes were also attributable to value creation in the property management and project development operations.

Derivatives

In total, the company has contracted interest-rate swaps to a nominal value of SEK 4,788.6 million (2,343.0), corresponding to 61.7% (37.1) of interest-bearing liabilities with a floating Stibor interest rate. The interest-rate swaps expire between 2023 and 2030. 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 239.4 million (negative: 25.2). Unrealised changes in derivative values resulted in a change in value of SEK 264.6 million (negative: 48.0), primarily as a result of changed long-term market interest rates, which led to an increase in the interest-rate derivatives' value during the year.

Net financial items

Net financial items amounted to an expense of SEK 185.2 million (expense: 89.9). The year-on-year increase in net financial items was largely attributable to higher interest expenses. Capitalised financial expenses for ongoing projects amounted to SEK 2.0 million (2.6). The average interest rate, including the effects of interest-rate derivatives, was 2.54% (1.35). The interest coverage ratio was a multiple of 1.9 (2.2) at the end of the year.

Tax for the year

Current tax for the period was an expense of SEK 0.2 million (expense: 3.0). Deferred tax amounted to an expense of SEK 70.5 million (expense: 356.9) and was impacted by unrealised changes in net property and derivative values of SEK 53.5 million (negative: 326.9). The Group's loss carryforwards are estimated at SEK 359.3 million (533.4), and comprise the basis for the Group's deferred tax assets.

Balance sheet

At the end of the period, property value totalled SEK 15,695.5 million (15,894.5 on 31 December 2021). The property value has decreased SEK 198.9 million compared with the end of last year, which was primarily due to divestments, acquisitions, unrealised changes in value, and investments in new builds and investment properties.

Investment properties

During the period, total investments amounted to SEK 1,001.2 million (6,398.4), of which SEK 643.2 million (6,143.8) pertained to acquisitions. Investments in new builds amounted to SEK 276.0 million (95.9), and mainly pertained to the new build projects in Upplands Väsby and Örby centrum. Investments in implemented upgrades amounted to SEK 27.8 million (116.3) and encompassed 86 apartments (339).

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 2022, the total estimated value of the right-of-use assets and liabilities was SEK 345.2 million (332.8).

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 13.9 million (20.2). Central administration and marketing costs amounted to SEK 43.5 million (36.5). The loss before appropriations and tax amounted SEK 90.3 million (loss: 35.7).

Outlook for 2023

- Continued consolidation of the company's operations was initiated in 2022 with increased focus on property management operations.

Events after the balance-sheet date

In conjunction with the publication of the year-end report on 22 February, an adjustment was announced of the existing dividend policy to the following:

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.

Ownership of the properties Galeasen 2 and Barkassen 1 was transferred in February.

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Multi-year review

Group, SEK million	2022	2021	2020	2019	2018
Property-related key metrics					
Surplus ratio, %	64.1	61.3	66.7	60.4	47.3
Rental value at the end of the period, SEK m	626.6	609.7	336.5	275.1	257.4
Rental value, apartments, at the end of the period, SEK/sq m	1,610	1,557	1,485	1,485	1,411
Economic occupancy rate at the end of the period, %	95.9	95.6	94.5	94.9	96.5
Lettable area at the end of the period, thousand sq m	359.7	355.5	215.9	171.5	169.1
Investments in new builds, extensions and redevelopments, SEK m	358.0	254.6	217.4	160.1	287.5
Property value, at the end of the period, SEK/sq m	43,638	44,710	36,861	37,124	35,339
Total number of apartments	4,515	4,414	2,829	2,251	2,177
No. of upgraded apartments during the period	86	339	368	65	375
Key financial metrics					
Rental revenues, SEK m	620.9	407.9	294.0	253.0	218.3
Net operating income, SEK m	397.8	249.8	196.0	152.8	103.2
Income from property management, SEK m	153.9	103.1	94.7	64.9	23.7
EBT, SEK m	193.0	1,692.3	608.1	235.2	233.4
Profit for the year, SEK m	122.7	1,332.5	478.8	178.8	222.3
Cash flow from operating activities, SEK m	-4.6	121.1	115.9	46.2	21.9
Equity, SEK m	5,641.5	5,250.2	3,413.7	2,934.8	2,756.0
No. of employees	52.0	45	30	25	24
LTV ratio at the end of the period, %	56.6	58.0	44.7	40.7	41.0
Average interest rate at the end of the period, %	2.5	1.4	1.5	1.9	1.9
Interest coverage ratio during the period, multiple	1.9	2.2	2.6	2.3	1.6
Fixed-interest tenor, at the end of the period, years	2.6	2.0	2.2	3.2	3.5
Loan-to-maturity at the end of the period, years	2.8	2.1	2.3	2.4	3.3
NAV, SEK m	6,594.8	6,396.6	4,352.0	3,739.6	3,509.3
NNNAV, SEK m	6,142.3	5,765.1	4,007.2	3,480.2	3,267.4

Group, SEK million	2022	2021	2020	2019	2018
Share-related key metrics (in SEK)[1)]					
Average number of shares	37,537,496	34,600,537	33,670,032	33,670,032	31,860,153
No. of shares outstanding at the end of period	37,896,965	36,364,827	33,670,032	33,670,032	33,670,032
Income from property management, SEK/share	4.10	2.98	2.81	1.93	0.74
Growth in income from property management, SEK/share, %	37.6	6.0	45.8	159.0	–21.0
Adjusted income from property management, SEK/share, growth, %[2)]	37.6	13.9	26.5	63.6	44.1
Profit for the year, SEK/share	3.30	38.21	14.22	5.31	6.98
NAV, SEK/share	174.02	175.90	129.25	111.07	104.23
Growth in NAV, SEK/share, %	–1.1	36.1	16.4	6.6	7.3
NNNAV, SEK/share	162.08	158.54	119.01	103.36	97.04
Equity, SEK/share	146.09	141.45	101.39	87.16	81.85

Parent Company		2021	2020	2019	2018
Net sales, SEK m	13.9	20.2	13.5	8.4	64.3
Equity, SEK m	1,845.7	1,637.5	1,231.7	1,245.3	1,254.3
Total assets, SEK m	5,664.2	5,725.5	1,993.5	1,807.2	1,768.3
Equity/assets ratio, %	30.6%	28.6%	61.8%	68.9%	70.9%
Number of employees	6	6	6	5	0

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

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.

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Proposed appropriation of profits

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

Share premium reserve	855,597,939
Retained earnings	1,037,941,964
Profit/loss for the year	–60,480,208
	1,833,059,695
To be appropriated as follows:	
To be carried forward	1,833,059,695
	1,833,059,695

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Corporate Governance Report 2022

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 2022.

Shareholders

For information about the ownership structure, see pages 46–47 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.

2022 Annual General Meeting

At John Mattson's 2022 AGM, a resolution was passed authorising the Board to decide on the new issue of shares. The existing Board members were re-elected, with Johan Ljungberg re-elected as Chairman of the Board and Ernst & Young AB re-elected as the company's auditor with Katrine Söderberg as Auditor-in-Charge. A decision was also made to not distribute any dividend for the 2021 financial year. The minutes from the AGM are available on John Mattson's website.

2023 Annual General Meeting

John Mattson's AGM on 21 April 2023 will be held at 2:00 p.m. at 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 2022, the Board of Directors comprised a total of five persons, of whom two were women (40%) and three men (60%). 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 2023 AGM

The Nomination Committee held seven minuted meetings in 2022 and 2023. 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.

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The Nomination Committee ahead of the 2023 AGM

- Katarina Wallin, appointed by AB Borudan Ett (Chairman of the Nomination Committee)
- Johan Ljungberg, appointed by Tagehus Holding AB
- Simon Blecher, appointed by Carnegie Fonder

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 2022, it was decided to re-elect Johan Ljungberg, Ulrika Danielsson, Håkan Blixt, Christer Olofsson and Ingela Lindh as Board members. Johan Ljungberg was re-elected as 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 59.

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 41 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 topics 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. Work started in 2022 on establishing a whistle-blower function through which employees and external parties can report irregularities anonymously. In 2023, a separate supplier policy will also be developed to clarify John Mattson's requirements for the company's suppliers and to enable increased collaboration on sustainability issues.

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 32–38.

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 2022

In 2022, John Mattson's Board of Directors held 23 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 2022 evaluation has been carried out with each Board member giving responses to a questionnaire. In addition, the Chairman of the Board has had some individual contact with particular Board members. The purpose of the evaluation is to gain an insight into the opinions of the Board members concerning how the work of the Board is run and which measures that can be implemented to make the work of the Board more efficient. The aim is also to gain an insight into what type of issues that the Board believe should be given more attention, and in which areas there may be a requirement for additional experience and competence on the Board. The results of the evaluation have been reported within the Board and have been submitted to the Nomination Committee by the Board of Directors.

Remuneration Committee

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

		Meeting participation			
Board Member	Fee (SEK thousand)	Board	Audit and Finance Committee	Remuneration Committee	Independent
Johan Ljungberg	435	23/23	5/5	3/3	No[1]
Håkan Blixt	230	23/23	5/5	3/3	Yes
Ulrika Danielsson	255	23/23	5/5	3/3	No[1]
Ingela Lindh	190	23/23	–	–	Yes
Christer Olofsson	190	23/23	–	–	Yes

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

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continually evaluates the remuneration conditions of leading executives against the background of applicable market conditions. The Committee prepares items within these areas to be decided on by the Board. The Remuneration Committee currently consists of three Board members: Johan Ljungberg (Chairman), Ulrika Danielsson and Håkan Blixt, who are all considered independent in relation to the company and its senior executives. The Committee's members 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 2022, the Remuneration Committee held three meetings. The members of the Committee were present at all of the meetings. Issues addressed at the meetings included the company's guidelines for remuneration of senior executives and remuneration levels to the CEO and other senior executives as well as the company's incentive programmes for all employees.

Audit and Finance Committee

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

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

The Audit and Finance Committee meets at least four times a year. In 2022, the Audit and Finance Committee held five 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 2022, 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 2023 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 pages 59–60.

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 and the Head of Communications. Moreover, the heads of the two property management areas (Maria Wirén and Fredrik Ward) are also co-opted to the executive 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 2022 financial year, remuneration for the CEO and other senior executives has been distributed in accordance with the table in Note 7.

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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 in an individual case, if there are particular reasons to do so. Should such a departure be made, information about and the reason for the departure will be reported at the next AGM.

Incentive programme and bonus programme
All of John Mattson's permanent employees (including senior executives) participate in a bonus programme within which they have the opportunity to receive an annual performance-based bonus no higher than one month's fixed salary. The outcome of the bonus depends on a defined increase in income from property management per share 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 2022, Ernst & Young were elected as auditors with Authorised Public Accountant Katrine Söderberg as Auditor-in-Charge for the period until the 2023 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 2022 financial year, total remuneration to the company's auditor amounted to SEK 2.4 million.

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

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

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

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

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

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

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

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

John Mattson applied the Code with no deviations in the 2022 financial year.

MENU

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Board of Directors

JOHAN LJUNGBERG
Member of the Board since 2018, Chairman of the Board since 2020. Member of the Audit and Finance Committee and Chairman of the Remuneration Committee.
Born: 1972.
Training and education: Civil Engineering, KTH Royal Technical Institute and Tufts University.
Other current assignments: Chief Executive Officer and Chairman of Tagehus Holding AB, Chairman and Board member of companies in the Tagehus group, Chairman of Atrium Ljungberg AB and Board member of K2A Knaust & Andersson Fastigheter AB.
Shareholding in the Company
(including any shareholding of related parties): 4,786,698 shares through majority shareholding in Tagehus Holding AB.
Independence status: Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.

HÅKAN BLIXT
Member of the Board since 2012.
Member of the Audit and Finance Committee and
of the Remuneration Committee.
Born: 1957.
Training and education: Master of Science in Geodesy and Geoinformatics, KTH Royal Institute of Technology.
Other current assignments: Board member of SveaReal Holding AB (and its subsidiaries). Board member of Håkan Blixt Ensemble AB.
Shareholding in the Company
(including any shareholding of related parties): 4,000 shares.
Independence status: Independent in relation to the company, its senior executives and major shareholders.

ULRIKA DANIELSSON
Member of the Board since 2018.
Chairman of the Audit and Finance Committee
and Board member of the Remuneration Committee.
Born: 1972.
Training and education: Master of Science in Business Administration from the Gothenburg School of Business, Economics and Law.
Other current assignments: CFO of Atrium Ljungberg AB and Board member of Infranord AB.
Shareholding in the Company
(including any shareholding of related parties): –
Independence status: Independent in relation to the company and its senior executives. Not independent in relation to the company's major shareholders.

CHRISTER OLOFSSON
Member of the Board since 2015.
Born: 1951.
Training and education: Master of Science in Civil Engineering, KTH Royal Institute of Technology.
Other current assignments: Board member of Olofsson & Partners AB and Olofs Holding AB.
Shareholding in the Company
(including any shareholding of related parties): 5,000 shares.
Independence status: Independent in relation to the company, its senior executives and major shareholders.

INGELA LINDH
Member of the Board since 2021.
Born: 1959.
Training and education: M.Sc. Architecture, KTH Royal Institute of Technology.
Other current assignments: Chairman and Board member of Aktiebolaget Svensk Byggtjänst, Musikaliska Nybrokajen AB, Fastighetsägarna Sverige Aktiebolag, In&Ut Reda AB and of subsidiaries to M-street AB. Board member of Sisu IES Holding Oy and of subsidiaries to Bodin Holding AB.
Shareholding in the Company
(including any shareholding of related parties): –
Independence status: Independent in relation to the company, its senior executives and major shareholders.

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Management

PER NILSSON
Chief Executive Officer.
Employed since 2022, CEO since 2022.
Born: 1978.
Training and education: M.Sc. in Industrial Economics from KTH Royal Institute of Technology in Stockholm.
Other current assignments: –
Shareholding in the Company: 1,442 shares.

MARI EDBERG
Head of Communications.
Senior executive since 2020.
Born: 1964.
Training and education: Bachelor of Science Business Administration, Uppsala University.
Other current assignments: –
Shareholding in the Company: –

DANIEL FORNBRANDT
Head of Business and Project Development.
Senior executive since 2020.
Born: 1979.
Training and education: Master of Science in Business Administration and Economics, Uppsala University.
Other current assignments: Board member of trade and industry in Lidingö.
Shareholding in the Company: 8,125 shares.

MATTIAS LUNDSTRÖM
Chief Financial Officer
Senior executive since 2022.
Born: 1971.
Training and education: MScIB, International Finance, University of Groningen, The Netherlands and Bachelor of Business, Management and Marketing, Griffith University, Australia.
Other current assignments: –
Shareholding in the Company: 1,000 shares.

Co-opted

Maria Wirén, Head of Property Management Residential, and Fredrik Ward, Head of Property Management Commercial and Technology are co-opted members of Group management from November 2022.

In 2022, John Mattson's management included Christina Hansson, Head of Property Management and Martin Landerby, Head of Project Development and Technology. As acting CFO, Lars Ingman was a member of Group management from January to September 2022.

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Financial statements and notes

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Consolidated income statement

Amounts in SEK m	Note	2022	2021
Rental revenues	4	620.9	407.9
Operating expenses	5, 12	–141.2	–97.7
Maintenance	5, 12	–35.2	–25.3
Property tax		–13.6	–7.3
Property administration	5, 7, 12	–33.1	–27.7
Net operating income		**397.8**	**249.8**
Central administration costs	5, 6, 7	–58.8	–56.8
Interest income		1.6	0.1
Interest expense lease liability	8	–10.6	–4.4
Interest expense	9	–176.1	–85.6
Income from property management		**153.9**	**103.1**
Participation in profits of associates	10	0.0	2.2
Change in value of investment properties	13	–225.1	1,539.0
Change in the value of interest-rate derivatives	14	264.6	48.0
EBT		**193.4**	**1,692.3**
Current tax	11	–0.2	–3.0
Deferred tax	11	–70.5	–356.9
Profit for the year		**122.7**	**1,332.5**
Earnings per share before and after dilution		**3.30**	**38.21**

Consolidated statement of comprehensive income

Amounts in SEK m	Note	2022	2021
Profit for the year		122.7	1,332.5
Comprehensive income for the year		**122.7**	**1,332.5**
Comprehensive income for the year attributable to:			
Parent Company shareholders		123.7	1,322.0
Non-controlling interests		–1.0	10.5
Average No. of shares, thousand		37,538	34,601
Earnings per share (SEK)[1]	17	3.30	38.21

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

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.

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Consolidated balance sheet

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment			
Investment properties	13	15,695.5	15,894.5
Right-of-use assets, leaseholds	8	345.2	332.8
Derivatives	14, 20	226.5	–
Plant and equipment	12	9.7	9.4
Financial assets			
Other non-current receivables	14	–	2.4
Other non-current securities holdings	14	2.3	0.1
Total non-current assets		**16,279.4**	**16,239.2**
Current assets			
Rent receivables and accounts receivable	14, 20	1.9	2.7
Derivatives	14, 20	12.9	–
Other receivables		55.9	54.1
Prepaid expenses and accrued income		18.0	22.2
Cash and cash equivalents	15	47.6	227.5
Total current assets		**136.4**	**306.6**
TOTAL ASSETS		**16,415.8**	**16,545.7**

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity	18		
Share capital		12.6	12.1
Other contributed capital		1,038.0	770.1
Retained earnings, including net profit for the year		4,485.5	4,361.8
Total equity attributable to Parent Company shareholders		**5,536.1**	**5,143.9**
Non-controlling interests		105.3	106.2
Total equity		**5,641.5**	**5,250.2**
Non-current liabilities			
Interest-bearing liabilities	14, 19, 20	6,363.9	6,224.6
Provisions for pensions	7	1.4	1.8
Lease liability	8	345.3	332.8
Other non-current liabilities		7.0	10.1
Deferred tax liability	11	1,298.0	1,227.5
Derivatives	14, 20	–	25.2
Total non-current liabilities		**8,015.6**	**7,821.9**
Current liabilities			
Interest-bearing liabilities	19, 20	2,559.9	3,221.9
Accounts payable	14, 20	82.5	81.5
Other current liabilities	21	19.3	53.9
Accrued expenses and deferred income	14, 20, 22	97.1	116.4
Total current liabilities		**2,758.8**	**3,473.7**
TOTAL EQUITY AND LIABILITIES		**16,415.8**	**16,545.7**

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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 2021	**11.2**	**362.8**	**3,039.7**	**3,413.7**	**–**	**3,413.7**
Profit for the year	–	–	1,322.0	1,322.0	10.5	1,332.5
Other comprehensive income for the year	–	–	–	–	–	–
Comprehensive income for the year	**–**	**–**	**1,322.0**	**1,322.0**	**10.5**	**1,332.5**
Closing equity, 31 Dec 2021	**12.1**	**770.1**	**4,361.8**	**5,143.9**	**106.3**	**5,250.2**
Opening equity, 1 Jan 2022	**12.1**	**770.1**	**4,361.8**	**5,143.9**	**106.3**	**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	–	268.4
Closing equity, 31 Dec 2022	**12.6**	**1,038.0**	**4,485.5**	**5,536.0**	**105.3**	**5,641.5**

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

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

Consolidated cash-flow statement

Amounts in SEK m	Note	2022	2021
Operating activities			
EBT		193.4	1,692.3
Adjustment for non-cash items	23		
Change in value of investment properties		225.1	–1,538.2
Changes in derivative values		–264.6	–48.0
Depreciation and disposals		3.9	3.0
Other non-cash items, etc.		1.5	–1.8
Taxes paid	11	–0.2	–5.6
Cash flow from operating activities before changes in working capital		**159.1**	**101.7**
Cash flow from changes in working capital			
Change in operating receivables		8.9	12.3
Change in operating liabilities		–172.6	7.1
Cash flow from operating activities		**–4.6**	**121.1**
Investing activities			
Acquisition of investment properties, asset acquisitions[1]		–263.9	–3,994.2
Investments in equipment		–5.4	–4.4
Investments in investment properties, etc.		–358.0	–254.6
Divestment of investment properties.		874.9	1.0
Cash flow from investing activities		**247.6**	**–4,252.1**

[1] **Specification of acquisitions of investment properties, asset acquisitions**	**2022**	**2021**
Investment properties	643.2	6,143.8
Operating receivables	5.7	39.0
Cash and cash equivalents	6.8	294.7
Deferred tax in accrual reserves	0.0	–6.8
Liabilities assumed	–116.6	–142.5
Assumed interest-bearing liabilities	0.0	–1,533.1
Less: Previously recognised participation in profits of associates	0.0	–2.2
Net assets acquired	**539.0**	**4,792.9**
New share issue	–268.4	–408.2
Acquired non-controlling interest	0.0	–95.8
Purchase price paid	**270.7**	**4,288.9**
Less: Cash and cash equivalents in acquired operations	–6.8	–294.7
Net impact on cash and cash equivalents (positive = decrease)	**263.9**	**3,994.2**

Amounts in SEK m	Note	2022	2021
Financing activities			
Borrowings		2,161.8	4,363.7
Repayments of borrowings		–2,584.5	–11.2
Cash flow from financing activities		**–422.8**	**4,352.5**
Cash flow for the year		**–179.8**	**221.5**
Opening balance, cash and cash equivalents		227.5	6.0
Closing balance, cash and cash equivalents	15	**47.6**	**227.5**
Additional cash-flow statement disclosures			
Interest received		1.6	0.1
Interest paid		–173.8	–85.6

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Notes to the consolidated financial statements

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

Note 1. Significant accounting policies

This annual report and these consolidated financial statements encompass the Swedish Parent Company, John Mattson 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 23 March 2023 and they will be presented for adoption by the Annual General Meeting on 21 April 2023.

Applied rules and regulations

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

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

Currency

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

Classification

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

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

Consolidation

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

Acquisitions

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

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

Segment reporting

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

Revenue

Rental revenues

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

Rental revenues comprise invoiced rent including indexation, supplementary billing for investments and property tax and supplementary billing in the form of extra services such as heating, electricity, water, waste disposal, snow clearance, etc. John Mattson has analysed this to determine whether the company acts as principal

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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. Under IFRS 16, leaseholds are treated as perpetual leases and recognised at fair value and are not written down. The value of the right-of-use asset remains intact until the next renegotiation of the respective ground rent. The Group is also a lessee in respect of a few leases concerning office equipment, where all of the underlying assets are classified as low value. Lease payments arising from these leases are recognised as a cost on a straight-line basis over the lease term. Expenses for ground rents are recognised 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, property development and financing, are classified as central administration costs.

Remuneration of employees

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

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension obligations are secured through insurance with Alecta. For the 2022 financial year, the Group did not have access to information to enable it to recognise its proportional share of the plan. As a result, it was not possible to recognise it as a defined-benefit plan. Accordingly, the ITP 2 Pension Plan is recognised as a defined-contribution plan.

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

Financial income and expenses

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

Taxes

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

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

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

Investment properties

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

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

Unrealised changes in value are recognised in 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.

Property, plant and equipment

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

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

Additional expenditure

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

Depreciation policies

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

Plant and equipment	3–5 years

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

Impairment of non-financial assets

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

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

Financial instruments

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

Recognition and derecognition

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

Classification and measurement

Financial assets

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

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

Financial liabilities

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

Derivatives

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

Impairment of financial assets

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

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

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

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

Cash and cash equivalents

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

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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 2023 or later are assessed as having no impact on John Mattson's financial statements.

Note 3. Significant estimates and assessments

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

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

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

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

More information is available in the section "Credit risk" in Note 20.

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

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.

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Note 4. Rental revenues

All rental contracts are classified as operating leases.

Rental revenues	2022	2021
Housing	470.3	329.2
Premises, garages	146.9	75.4
Other revenue	3.8	3.3
Rental revenues as per income statement	**620.9**	**407.9**

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 2022–31 Dec 2022	1 Jan 2021–31 Dec 2021
Contractual rental revenues within 1 year	114.0	48.4
Contractual rental revenues between 1 and 5 years	223.0	128.0
Contractual rental revenues later than 5 years	116.0	30.2
Total premises	**453.0**	**206.6**

Contractual future rental revenues from housing and parking [1]	2022	2021
Housing	117.6	88.0
Parking	24.8	21.0
Total housing and parking	**123.0**	**109.0**

[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	2022	2021
Lidingö	311.9	284.7
North Stockholm	96.2	52.0
City/Bromma	95.7	33.6
South Stockholm/Nacka	117.1	37.7
Total rental revenues	**620.9**	**407.9**

SEK/sq m [1]	2022	2021
Lidingö	1,809	1,651
North Stockholm	1,206	1,277
City/Bromma	1,973	1,953
South Stockholm/Nacka	1,982	1,921
Total	**1,726**	**1,658**

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

Note 5. Expenses by type of cost

Operating expenses	2022	2021
Tariff-based operating expenses	74.6	40.8
Property upkeep	19.8	13.3
Other	46.8	43.7
Total	**141.2**	**97.7**
Property administration		
Personnel costs	18.1	14.5
Office-related expenses	6.2	5.2
Other	8.8	7.9
Total	**33.1**	**27.7**
Central administration costs		
Personnel costs	23.6	31.0
Advisory services	4.4	4.4
Audit costs	2.5	1.7
Other expenses	28.3	19.7
Total	**58.8**	**56.8**

Property expenses, SEK m	2022	2021
Lidingö	104.6	96.9
North Stockholm	55.0	35.6
City/Bromma	29.1	11.3
South Stockholm/Nacka	34.4	14.2
Total property expenses	**223.1**	**158.0**

	Lidingö		North Stockholm		City/Bromma		South Stockholm/Nacka		Total	
SEK/sq m [1]	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Operating expenses	398	361	444	512	351	325	343	367	393	389
Maintenance	80	79	123	177	111	156	107	133	98	120
Property tax	33	26	34	34	53	43	44	48	38	33
Property administration	97	97	89	97	84	90	88	91	92	95
Total	**607**	**562**	**690**	**820**	**599**	**614**	**582**	**639**	**620**	**637**

[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	2022	2021
Auditing assignment	2.4	1.7
Other auditing activities	–	–
Tax advice	–	–
Other services	0.1	0.1
Total	**2.5**	**1.9**

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Note 7. Employees and personnel costs

	2022		2021	
	Avg. No. of employees	Of whom men, %	Avg. No. of employees	Of whom men, %
Parent Company	6	60	6	33
Subsidiaries	47	47	39	40
Total in Group	**52**	**48**	**45**	**39**

	2022		2021	
Gender distribution, Board of Directors and senior executives	No. on the balance-sheet date	Of whom men, %	No. on the balance-sheet date	Of whom men, %
Board Members	5	60	5	60
Chief Executive Officer	1	100	1	–
Other senior executives	5	60	5	33
Total in Group	**11**	**45**	**11**	**45**

	2022	2021
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	12.3	11.2
Social security contributions	7.1	7.7
(of which, pension costs)	2.6	8.0
Total	**19.4**	**18.9**
Other employees		
Salaries and other remuneration	24.6	18.9
Social security contributions	10.4	13.9
(of which, pension costs)	2.3	1.4
Total	**35.0**	**32.8**
Total in Group	**54.3**	**51.7**

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 2022 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 2022, Alecta's surpluses measured in the form of the collective consolidation level for defined-benefit plans was preliminarily set at 172% (confirmed for 2021 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 2022, the cost of defined-contribution pensions amounted to SEK 7.4 million (9.4).

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 (5)	**6.4**	**0.4**	**1.9**	**–**	**8.7**
Total	**10.2**	**0.7**	**2.6**	**–**	**13.4**

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

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.

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

The Group's leaseholds comprise the most material leases where John Mattson is lessee. The Group is also a lessee in respect of a few leases concerning office equipment, where all of the underlying assets are classified as low value. The year's lease payments for these amounted to SEK 0.3 million (2.4). 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 345.2 million (332.8).

Maturity analysis of ground rent	2022	2021
Due in 1 year	0.8	0.6
Due in 2–5 years	5.7	3.5
Due after 5 years	4.1	4.1
Total	**10.6**	**8.2**

Note 9. Financial expenses

	2022	2021
Ground rent	–10.6	–4.4
Interest expense, external creditors	–172.5	–83.6
Other financial expenses	–2.2	–2.1
Total	**–185.2**	**–90.0**

The interest rate used for the borrowing costs that are to be capitalised is the weighted average interest rate that applies to the company's general borrowing during the financial year: 2.54% (1.35). In 2022, interest expense of SEK 2.1 million was capitalised.

Note 10. Participation in profits of associates

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

Note 11. Tax

Tax recognised in profit or loss

Current tax	2022	2021
Current tax on profit for the year	–0.2	–3.0
	–0.2	–3.0
Deferred tax		
Deferred tax relating to temporary differences, at applicable tax rate	–70.3	–370.3
Deferred tax on loss carryforwards, at applicable tax rate	–0.2	13.5
	–70.6	–357.0
Tax recognised in profit or loss	**–70.7**	**–359.9**

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

Effective tax Reconciliation of effective tax rate	2022	2021
EBT	**193.4**	**1,692.3**
Tax according to the Parent Company's current tax rate 20.6%	–39.8	–348.6
Tax effect of:		
Non-taxable revenues	0.0	0.2
Non-deductible interest expenses	–24.6	–10.5
Non-deductible costs	0.0	–0.7
Other	–6.3	–0.2
Recognised tax	**–70.7**	**–359.9**
Effective tax rate, %	36.6%	21.3%

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 2022	31 Dec 2021
Loss carryforwards	74.9	109.9
Derivatives	–49.3	5.2
Investment properties	–1,315.8	–1,335.7
Untaxed reserves	–7.7	–6.8
Carrying amount	**–1,297.9**	**–1,227.5**

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Gross changes	Investment properties	Untaxed reserves	Loss carryforwards	Derivatives	Total
Opening carrying amount, 1 Jan 2022	**–1,335.7**	**–6.8**	**109.8**	**5.2**	**–1,227.6**
Recognised:					
The year's change in profit or loss according to applicable tax rates	19.9	–1.0	–35.0	–54.5	–70.5
Closing carrying amount, 31 Dec 2022	**–1,315.8**	**–7.8**	**74.8**	**–49.3**	**–1,298.1**
Opening carrying amount, 1 Jan 2021	**–975.1**	**–1.5**	**96.4**	**15.1**	**–865.1**
Recognised:					
The year's change in profit or loss according to applicable tax rates	–322.3	–0.1	13.5	–9.9	–318.9
Assumed in conjunction with acquisitions	–38.3	–5.2	–	–	–43.5
Closing carrying amount, 31 Dec 2021	**–1,335.7**	**–6.8**	**109.9**	**5.2**	**–1,227.5**

All fiscal loss carryforwards have been recognised in the balance sheet as deferred tax assets. Total loss carryforwards amounted to SEK 364.7 million (533.4).

Tax calculation for the Group	2022 Tax base, current tax	2022 Tax base, deferred tax	2021 Tax base, current tax	2021 Tax base, deferred tax
Income from property management	153.9	–	103.1	–
Tax deductible				
depreciation	–91.8	91.8	–59.7	59.7
new builds and redevelopments	0.0	0.0	–151.2	151.2
Other fiscal adjustments	107.5	28.4	55.9	1.0
Taxable income from property management	**169.6**	**120.2**	**–51.8**	**211.8**
Changes in property values	0.0	–211.1	0.9	1,538.2
Changes in derivative values	–	264.6	–	48.0
Taxable earnings before loss carryforwards	**169.6**	**173.7**	**–50.9**	**1,798.0**
Loss carryforwards, opening balance	–533.4	533.4	–468.0	468.0
Loss carryforwards, closing balance	364.7	–364.7	533.4	–533.4
Taxable profit	**1.0**	**342.3**	**14.5**	**1,732.6**
Tax on profit for the year	–0.2	–70.5	–3.0	–356.9
Tax recognised in profit or loss	**–0.2**	**–70.5**	**–3.0**	**–356.9**

Current tax for the period was an expense of SEK 0.2 million (expense: 3.0). Deferred tax amounted to an expense of SEK 70.5 million (expense: 356.9) and was primarily impacted by unrealised value changes on properties and derivatives in a net amount of SEK 53.5 million (negative: 326.9).

Other fiscal adjustments are not included in non-deductible interest expenses of SEK 119.2 million (51.0), for which the tax value has not been capitalised. The Group's accumulated loss carryforwards are estimated at SEK 364.7 million (533.4), and comprise the basis for the Group's deferred tax assets. The deferred tax liability pertains primarily to temporary differences between the fair values and the fiscal residual values of properties. The properties' fair values exceed their fiscal values by SEK 11,663.1 million (11,658.0). 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 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**	

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

[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.

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Note 12. Property, plant and equipment

Plant and equipment	31 Dec 2022	31 Dec 2021
Opening balance, cost	**24.0**	**15.7**
Plant and equipment assumed via acquisitions	–	1.9
Purchases during the year	5.5	7.1
Sales and disposals	–3.5	–0.8
Closing balance, cost	**26.0**	**24.0**
Opening balance, accumulated depreciation	**–14.6**	**–9.5**
Depreciation assumed via acquisitions	–	–1.9
Depreciation for the year	–4.2	–3.6
Sales and disposals	2.5	0.5
Closing balance, accumulated depreciation	**–16.3**	**–14.6**
Closing carrying amount	**9.7**	**9.4**

Note 13. Investment properties

All of the Group's properties are held to generate rental revenues and capital appreciation, and are therefore classified as investment properties. Investment properties are recognised at fair value; i.e. estimated market value on the balance-sheet date. Fair values are established by assessing the market value of each individual object. 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. 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 2023 to December 2032. For an assessment of residual value at the end of the calculation horizon, net operating income for 2033 has been calculated. 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 assumed inflation of 4.0% (2.0) for 2023 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 and yield requirements.

Change in property value	31 Dec 2022	31 Dec 2021
Property value at the beginning of the period	**15,894.5**	**7,957.9**
+ Acquisitions	643.2	6,143.8
+ Investments in new builds	276.0	95.9
+ Investments in base upgrades	27.8	116.3
+ Other investments in existing property	54.1	42.4
- Sales	–989.0	1,538.2
+/- Unrealised changes in value	–211.1	1,538.2
Closing balance, property value	**15,695.5**	**15,894.5**

Specification of changes in value	31 Dec 2022	31 Dec 2021
Change in net operating income	266.6	125.5
Ongoing projects/development rights	260.3	152.4
Yield requirement	–778.8	986.0
Acquired properties	26.8	274.2
Total	**–225.1**	**1,538.2**

Changes in property values amounted to a loss of SEK 225.1 million (gain: 1,538.2). Realised changes in the value of divested properties in the period amounted to a loss of SEK 13.9 million (gain: 0.9). On 31 December 2022, unrealised changes in value amounted to a loss of SEK 211.1 million (gain: 1,538.2) and are recognised in profit or loss on the row "Change in value of investment properties."

	31 Dec 2022	31 Dec 2021
Tax assessment value, investment properties	6,736.8	6,833.3
Fiscal residual value	4,823.9	4,236.5

Valuation model

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

Rent payments

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

Operating and maintenance payments

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

Investment requirements

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

Valuation assumptions	31 Dec 2022	31 Dec 2021
Calculation period, number of years	10–15	10–15
Annual inflation, %	2.0	2.0
Cost of capital, %	4.0–8.5	3.7–7.5
Required yield, residual value, %		
Housing, %	1.9–5.9	1.7–3.8
Commercial, %	3.2–6.3	2.7–5.5
Long-term vacancy rate, %		
Housing, %	0.0–4.8	0.0–4.8
Commercial, %	0.5–5.5	0.5–5.7

Cost of capital

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

Residual value

Residual value is the property's market value at the end of the calculation period less any remaining capital liability. The market value is essentially based on the property's yield capacity and value performance after the calculation period has ended and has been

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assessed on the basis of forecast net operating income for the first year after the calculation period has ended.

Sensitivity analysis, fair value SEK m		31 Dec 2022	31 Dec 2021
Market rent	**+/–1%**	**342.5**	**214.4**
Housing	+/–1%	302.3	199.4
Commercial	+/–1%	40.3	14.9
Property expenses	**+/– SEK 50 sq m**	**651.0**	**693.2**
Housing	+/– SEK 50 sq m	597.7	637.7
Commercial	+/– SEK 50 sq m	53.3	55.5
Long-term vacancy rate	**+/–2%**	**688.1**	**428.7**
Housing	+/–2%	606.5	398.8
Commercial	+/–2%	81.6	29.9
Yield requirement, exit	**–0.1%**	**557.7**	**647.3**
Housing	–0.1%	503.5	584.0
Commercial	–0.1%	54.2	63.3
Yield requirement, exit	**+0.1%**	**–581.0**	**–596.7**
Housing	+0.1%	–529.3	–537.6
Commercial	+0.1%	–51.8	–59.1

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

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 25.

Note 14. 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. For 2022, the total change in value for derivatives amounted to SEK 264.6 million (48.0) and was recognised in profit or loss. The positive change in value was attributable to fixed interest rates with long maturities rising in the period. To establish fair values, market interest rates for the respective tenors are used as per their market notations on the closing date. Interest-rate swaps are measured by discounting future cash flows to present values. As of 31 December 2022, the market value of the interest-rate derivative portfolio was SEK 239.4 million (negative: 25.2) 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 2022, fair value amounted to SEK 8,629.2 million. For 2021, fair value was calculated as corresponding to the carrying amounts.

Note 15. Cash and cash equivalents

	31 Dec 2022	31 Dec 2021
Cash at bank and in hand	47.6	227.5
Carrying amount	**47.6**	**227.5**

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Note 16. Group companies

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

The company was listed on Nasdaq, Mid Cap as of 5 June 2019.

Company	Principal activity	31 Dec 2022	31 Dec 2021
John Mattson Fastighetsföretagen AB (publ.)	Parent Company of the Group	Parent Company	Parent Company
John Mattson Fastighets AB	Letting and property management	100%	100%
John Mattson Tomt AB	Dormant company	Indirectly wholly owned	Indirectly wholly owned
John Mattson Projekt AB	Dormant company	Indirectly wholly owned	Indirectly wholly owned
John Mattson Skolfastigheter AB	Letting of commercial premises	100%	100%
John Mattson Butiksfastigheter AB	Letting of commercial premises	100%	100%
John Mattson Parkering AB	Letting, parking spaces	100%	100%
John Mattson Dalenum AB	Letting of residential and commercial premises	100%	100%
John Mattson Käppala AB	Main partner in limited partnerships	100%	100%
John Mattson Juno Herkules KB	Letting of residential and commercial premises	Indirectly wholly owned[1]	Indirectly wholly owned[1]
John Mattson Sollentuna Holding AB	Holding company	–	100%
John Mattson Rotebro and Rotsunda AB	Letting of residential and commercial premises	100%	100%
John Mattson Stockholm Holding AB	Holding company	100%	100%
Hjälpslaktaren 1 Fastighets AB	Letting of commercial premises	Indirectly wholly owned	Indirectly wholly owned
Hjälpslaktaren 2 Fastighets AB	Letting of commercial premises	Indirectly wholly owned	Indirectly wholly owned
Hjälpslaktaren 8 Fastighets AB	Letting of commercial premises	Indirectly wholly owned	Indirectly wholly owned
John Mattson Sicklaön AB	Main partner in limited partnerships	100%	100%
John Mattson Sicklaön KB	Letting of commercial premises	Indirectly wholly owned	Indirectly wholly owned
John Mattson Väsby Holding	Holding company	100%	100%
John Mattson Vilunda AB	Letting of residential and commercial premises	100%	100%
John Mattson Häggvik Tureberg	Letting of residential and commercial premises	100%	100%
Hefab AB	Letting of residentials and property management	97.49%	97.49%

Company	Principal activity	31 Dec 2022	31 Dec 2021
Efib AB	Letting of residential and commercial premises	99.95%	99.95%
Gullmars Holding	Holding company	100%	–
Gravyren 1 Fastighets AB	Letting of residential and commercial premises	100%	–
Gullmars Fastighetsförvaltning KB	Letting of residential and commercial premises	99.9%	–
Hägerstens Enskilda Fastighetsäg. Förv. 1 AB	Holding company	100%	100%
HEFAB Likriktaren 3 AB	Letting of commercial premises	100%	100%
HEFAB Likriktaren 4 AB	Letting of commercial premises	100%	100%
Hägerstens Enskilda Fastighetsäg. Förv. 2 AB	Holding company	100%	100%
Örby Centrum Fastighets AB	Project development	100%	100%
HEFAB Johanneshov AB	Letting of residential properties	100%	100%
HEFAB Skattsedeln AB	Letting of residential and commercial premises	100%	100%
HEFAB Högdalen AB	Letting of residential properties	100%	100%
HEFAB Örnsberg AB	Project development	100%	100%
Hägerstens Enskilda Fastighetsäg. Förv. 3 AB	Holding company	100%	100%
HEFAB Lilla Bantorget AB	Letting of residential and commercial premises	100%	100%
HEFAB Lilla Katrineberg 4 AB	Letting of commercial premises	100%	100%
Hägerstens Enskilda Fastighetsäg. Parkering AB	Letting of garages	100%	100%
HEFAB Traneberg Fastighets AB	Letting of residential properties	100%	100%
HEFAB Tollare AB	Letting of residential and commercial premises	100%	100%
Hägerungen Fastighets AB	Dormant company	100%	100%
Hägerungen Lilla Katrineberg 4 AB	Dormant company	100%	100%
EFIB Ulvsunda	Letting of residential and commercial premises	100%	100%
Efib Geografiboken AB	Letting of residential properties	100%	100%

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

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Note 17. Earnings per share

In conjunction with the acquisition of properties by Gullmarsplan, 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 2022, the registered share capital encompassed 37,896,965 shares (36,364,827) with a quotient value of SEK 0.33 (0.33). The calculation of earnings per share has been based on net profit for the year attributable to the Parent Company's shareholders, totalling SEK 123.7 million (1,322.0). This was divided by the weighted average number of shares at the time, namely 37,537,496 shares (33,670,032). 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 2022	31 Dec 2021
Profit for the year/Comprehensive income for the year	123.7	1,322.0
Average number of shares outstanding before dilution effects	37,537,496	34,600,537
Earnings per share before and after dilution (SEK)	**3.30**	**38.21**

Note 18. Equity

Share capital

As per 31 December 2022, the registered share capital amounted to 37,896,965 common shares (36,364,827). 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 2022	31 Dec 2021
No. of shares outstanding at the beginning of the year	**36,364,827**	**33,670,032**
Issues	1,532,138	2,694,795
No. of shares outstanding at year end	**37,896,965**	**36,364,827**

Note 19. Borrowings

	31 Dec 2022	31 Dec 2021
Non-current		
Liabilities to credit institutions	6,363.9	6,224.6
Carrying amount	**6,363.9**	**6,224.6**
Current		
Liabilities to credit institutions	2,559.9	3,221.9
Carrying amount	**2,559.9**	**3,221.9**
Total borrowings	**8,923.8**	**9,446.5**

Total borrowings includes liabilities to credit institutions and other borrowing against collateral of SEK 8,923.8 million (9,446.5). Collateral for bank loans consisted of property deeds on the Group's investment properties. Collateral for construction credit comprises Parent Company guarantees.

Note 20. Financial risk

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

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

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

Credit risk

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

Reserve for expected credit losses

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

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

Rent receivables and accounts receivable

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

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

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

	31 Dec 2022	31 Dec 2021
Not past-due accounts receivable	0.1	0.8
Past-due accounts receivable 1–30 days	0.3	0.5
Past-due accounts receivable 31–90 days	0.9	1.0
Past-due accounts receivable 90 days	0.2	0.4
Carrying amount	**1.5**	**2.7**

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Reserve for expected credit losses

	31 Dec 2022	31 Dec 2021
Opening carrying amount	**1.1**	**1.1**
Write-offs for the year	0.4	0.4
Year's other changes	–0.4	–0.4
Closing carrying amount	**1.2**	**1.2**

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

Market risk

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

Interest-rate risk

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

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

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

Altogether, John Mattson has contracted interest-rate swaps to a nominal value of SEK 4,789 million (2,343).

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	0%	1,714	1,385	16%	0	–
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**

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

	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	5,747	1.36	61%	3,232	3,222	34%	154	–
1–2 years	632	0.99	7%	3,261	3,136	33%	471	–
2–3 years	393	1.57	4%	922	922	10%	0	–
3–4 years	823	1.58	9%	630	630	7%	668	–
4–5 years	170	0.52	2%	555	555	6%	350	–
>5 years	1,681	1.37	18%	981	981	10%	700	–
Total	**9,446**	**1.35**	**100%**	**9,582**	**9,446**	**100%**	**2,343**	**0.89**

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

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

	31 Dec 2022	31 Dec 2021
Market interest rate +1%, SEK m	–50.2	–49.3
Market interest rate –1%, SEK m	23.6	14.1

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 2022	31 Dec 2021
Market interest rate +1%, SEK m	130.3	79.2
Market interest rate -1%, SEK m	–138.1	–85.5

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling its obligations associated with financial liabilities. This risk is managed through overdraft facilities totalling SEK 160 million (160), of which SEK 0,0 million (124.9) had been utilised at the end of 2022. In addition, there is one construction credit of SEK 400 million, of which SEK 96 million had been utilised at the end of 2022.

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.

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31 Dec 2022

Analysis of tenors	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Accounts payable	95.3	–	–	–	–	95.3
Interest-bearing liabilities	1,393.5	1,393.5	3,032.5	4,239.7	–	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	10,390.9

31 Dec 2021

Analysis of tenors	<6 months	6–12 months	1–3 years	3–5 years	>5 years	Total
Accounts payable	81.5	–	–	–	–	81.5
Interest-bearing liabilities	1,674.7	1,674.7	4,313.0	2,421.7	–	10,084.1
Derivatives	0.5	–	2.3	18.0	6.6	27.4
Total	**1,756.7**	**1,674.7**	**4,315.3**	**2,439.7**	**6.6**	**10,193.0**

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

Financing risk

Financing risk entails difficulties in securing financing, or that financing is only available at highly unfavourable terms at a given point in time. To ensure requirements of financing and liquidity, John Mattson endeavours to continuously renegotiate credits and, where required, add new credits. As collateral for borrowings, John Mattson provides property deeds. Risk is also managed by having a low loan-to-value ratio, which amounted to 56.6% (58.0) 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 2022	Utilised, 31 Dec 2022	Amount, 31 Dec 2021	Utilised, 31 Dec 2021
Binding loan agreements with banks	8,352.5	8,398.9	8,921.6	8,921.6
Credit commitments and overdraft facilities	1,060.0	524.9	660.0	524.9
Total	**9,412.5**	**8,923.8**	**9,581.6**	**9,446.5**

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 2022:

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

Note 21. Other liabilities

	31 Dec 2022	31 Dec 2021
Employee withholding taxes and social security expenses	4.4	4.0
VAT	1.2	1.7
Tax liability	9.4	15.4
Other items	4.4	32.8
Carrying amount	**19.3**	**53.9**

Note 22. Accrued expenses and deferred income

	31 Dec 2022	31 Dec 2021
Prepaid rental revenues	59.1	56.4
Accrued interest expense	13.1	8.8
Accrued salaries, holiday pay and social security expenses	5.1	7.0
Accrued project expenses	–	16.6
Other accrued expenses and deferred income	19.8	27.5
Carrying amount	**97.1**	**116.4**

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Note 23. Cash-flow statement

Adjustment for non-cash items	2022	2021
Depreciation	3.9	3.0
Unrealised change in value of investment properties	225.1	–1,538.2
Unrealised changes in derivative values	–264.6	–48.0
Gain on sales of non-current assets	–	–2.0
Provisions for pensions	1.3	–2.0
Carrying amount	**–34.3**	**–1,585.1**

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	–662.0	–	2,559.9
Non-current interest-bearing liabilities	6,224.6	3,205.5	–	6,363.9
	9,446.5	**2,543.5**	**0.0**	**8,923.8**

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

Note 24. Pledged assets and contingent liabilities

Pledged assets	31 Dec 2022	31 Dec 2021
Property deeds	8,827.5	6,423.1
Chattel mortgages	96.4	–
Endowment policies to secure pensions	–	–
Total	**8,923.8**	**6,423.1**

Contingent liabilities	31 Dec 2022	31 Dec 2021
Contingent liabilities, pensions	–	0.0
Total	**–**	**0.0**

Note 25. Transactions with related parties

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

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

Note 26. Events after the balance-sheet date

In conjunction with the publication of the year-end report on 22 February, an adjustment was announced of the existing dividend policy to the following: 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.

Ownership of the properties Galeasen 2 and Barkassen 1 was transferred in February.

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Parent Company income statement

Amounts in SEK m	Note	2022	2021
Revenue		13.9	20.2
Central administration and marketing costs	9	–43.5	–36.5
EBIT		**–29.6**	**–16.3**
Interest income	10	4.5	1.7
Interest expense	11	–65.1	–21.1
Loss after financial items		**–90.3**	**–35.7**
Appropriations	12	29.8	36.2
EBT		**–60.5**	**0.5**
Tax	13	0.0	–2.9
Profit/loss for the year		**–60.5**	**–2.4**

Parent Company statement of comprehensive income

Amounts in SEK m	Note	2022	2021
Profit/loss for the year		–60.5	–2.4
Comprehensive income for the year		**–60.5**	**–2.4**

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Parent Company balance sheet

Amounts in SEK m	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Property, plant and equipment			
Plant and equipment	3	0.9	1.5
Financial assets			
Participations in Group companies	4	5,320.5	5,317.5
Deferred tax assets	5	3.0	3.0
Total non-current assets		**5,324.4**	**5,322.0**
Current assets			
Receivables from Group companies	6	323.6	387.4
Other receivables	8	10.1	1.0
Prepaid expenses and accrued income	8	1.4	5.2
Cash and cash equivalents	7	4.7	9.9
Total current assets		**339.8**	**403.5**
TOTAL ASSETS		**5,664.2**	**5,725.5**
EQUITY AND LIABILITIES			
Equity	14		
Restricted equity			
Share capital		12.6	12.1
Non-restricted equity			
Share premium reserve		855.6	857.7
Retained earnings		1,037.9	770.1
Profit/loss for the year		–60.5	–2.4
Total equity		**1,845.7**	**1,637.5**
Non-current liabilities			
Non-current interest-bearing liabilities	15	475.0	1,800.0
Total non-current liabilities		**475.0**	**1,800.0**
Current liabilities			
Accounts payable	8	3.6	2.6
Liabilities to Group companies	8	2,430.8	977.7
Current interest-bearing liabilities	15	893.1	1,300.0
Other current liabilities	8	8.0	2.7
Accrued expenses and deferred income	8	8.1	5.0
Total current liabilities		**3,343.5**	**2,288.0**
TOTAL EQUITY AND LIABILITIES		**5,664.2**	**5,725.5**

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 2021	**11.2**	**362.8**	**871.3**	**–13.6**	**1,231.7**
Transfer, preceding year's earnings	–	–	–13.6	13.6	–
New share issue	0.9	407.3	–	–	408.2
Profit/loss for the year	–	–	–	–2.4	–2.4
Other comprehensive income for the year	–	–	–	–	–
Comprehensive income for the year	**–**	**–**	**–**	**–2.4**	**–2.4**
Transactions with owners	–	–	–	–	–
Total	–	–	–	–	–
Closing equity, 31 Dec 2021	**12.1**	**770.1**	**857.7**	**–2.4**	**1,637.5**
Opening equity, 1 Jan 2022	12.1	770.1	857.7	–2.4	1,637.5
Transfer, preceding year's earnings	–	–	–2.4	2.4	–
New share issue	–	–	–	–	–
Profit/loss for the year	–	–	–	–60.5	–60.5
Other comprehensive income for the year	–	–	–	–	–
Comprehensive income for the year	**12.1**	**770.1**	**–**	**–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**	**1,038.2**	**855.3**	**–60.5**	**1,845.7**

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Parent Company cash-flow statement

Amounts in SEK m	Note	2022	2021
Operating activities			
EBT		–60.5	0.5
Adjustment for non-cash items			
Depreciation and disposals		0.8	0.8
Cash flow from operating activities before changes in working capital		**–59.7**	**1.3**
Cash flow from changes in working capital			
Change in operating receivables		58.5	–253.7
Change in operating liabilities		1,433.3	227.4
Cash flow from operating activities		**1,538.2**	**–25.1**
Investing activities			
Acquisition of subsidiaries		0.0	–3,508.2
Investments in equipment		–0.9	–0.9
Disposal of equipment		–	–
Cash flow from investing activities		**–0.9**	**–3,509.0**
Financing activities			
Borrowings		–	3,100.0
Repayments of borrowings		–1,731.9	–
New share issue		268.7	407.3
Shareholder contributions paid		–3.0	–5.3
Group contributions received/paid		29.8	36.2
Cash flow from financing activities		**–1,542.5**	**3,538.2**
Cash flow for the year		**–5.1**	**4.1**
Opening balance, cash and cash equivalents		9.9	5.9
Closing balance, cash and cash equivalents	7	**4.8**	**9.9**
Additional cash-flow statement disclosures			
Interest received		4.5	1.7
Interest paid		65.1	21.1

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Parent Company notes

Note 1. Significant accounting policies

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

Participations in subsidiaries

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

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

Group and shareholder contributions

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

Revenue

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

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

Leases

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

Financial instruments

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

Impairment of financial assets

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

Taxes

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

Note 2. Significant estimates and assessments

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

Note 3. Property, plant and equipment

Plant and equipment	31 Dec 2022	31 Dec 2021
Opening balance, cost	**2.6**	**1.8**
Purchases during the year	0.5	0.9
Sales and disposals	–0.3	–0.1
Closing balance, cost	**2.7**	**2.6**
Opening balance, accumulated depreciation	**–1.1**	**–0.3**
Depreciation for the year	–0.9	–0.8
Sales and disposals	0.2	0.0
Closing balance, accumulated depreciation	**–1.8**	**–1.1**
Closing balance, planned residual value	**0.9**	**1.5**

Note 4. Participations in Group companies

	31 Dec 2022	31 Dec 2021
Opening balance, cost	5,317.7	1,804.2
Shareholders' contributions	3.0	5.3
Acquisitions	0.0	3,508.2
Closing balance, cost	**5,320.5**	**5,317.5**

No impairment was carried out for Participations in Group companies.

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cont. Note 4

Company	Corp. Reg. No.	Registered office	Principal activity	Owned percentage	31 Dec 2022	31 Dec 2021
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	0.1
John Mattson Dalenum AB	556909-1472	Lidingö	Letting and property management	100%	28.5	28.4
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	100%	4.0	4.0
John Mattson Rotebro and Rotsunda AB	559087-2478	Lidingö	Letting and property management	100%	130.1	130.1
John Mattson Stockholm Holding AB	559251-3286	Lidingö	Holding company	100%	1.3	1.3
John Mattson Sicklaön AB	559305-4926	Lidingö	Main partner in limited partnerships	100%	0.6	0.5
John Mattson Väsby Holding	559314-1376	Lidingö	Holding company	100%	2.9	0.2
Hefab AB	556304-8510	Stockholm	Letting and property management	97.49%	2,079.3	2,079.3
Efib AB	556262-1853	Bromma	Letting and property management	99.95%	1,425.5	1,425.5
John Mattson Häggvik Tureberg	559087-2494	Lidingö	Letting and property management	100%	3.0	3.0
					5,320.3	**5,317.5**

Note 5. Deferred tax assets and tax liabilities

31 Dec 2022	Assets	Liabilities	Net
Loss carryforwards	3.0	–	3.0
Total	**3.0**	**0.0**	**3.0**

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

Reconciliation of net change in deferred tax	31 Dec 2022	31 Dec 2021
At start of year	–3.0	–5.9
Recognised in profit or loss	0.0	2.9
Recognised in other comprehensive income	–	–
At year end	**–3.0**	**–3.0**

Note 6. Receivables from Group companies

	31 Dec 2022	31 Dec 2021
Opening balance, cost	387.4	174.0
Receivables removed	–63.8	–
Additional receivables	–	213.4
Closing balance, accumulated cost	**323.6**	**387.4**
Closing carrying amount	**694.6**	**387.4**

Note 7. Cash and cash equivalents

	31 Dec 2022	31 Dec 2021
Cash at bank and in hand	4.7	9.9
Carrying amount	**4.7**	**9.9**

Note 8. Financial instruments

Fair value estimation

Interest-bearing receivables and liabilities

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

Current receivables and liabilities

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

Fair value measurement

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

Reserve for expected credit losses

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

Note 9. Employees and personnel costs

	2022	2021
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	–14.0	–12.8
Social security contributions	–4.7	–7.4
(of which, pension costs)	–2.6	–4.2
Total	**–18.7**	**–20.2**

During the year, the average number of employees in the Parent Company amounted to six (six) of whom 60% (33) 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.

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Note 10. Interest income and similar profit/loss items

	2022	2021
Interest income from subsidiaries	1.3	1.4
Interest income from Group companies	3.2	0.2
Other interest income	0.0	0.0
Total	**4.5**	**1.7**

Note 11. Interest expense and similar profit/loss items

	2022	2021
Interest expense to subsidiaries	–19.9	–5.0
Interest expense to Group companies	–4.1	–0.7
Other interest expense on liabilities to credit institutions	–40.2	–13.4
Other financial expenses	–0.9	–2.0
Total	**–65.1**	**–21.1**

Note 12. Appropriations

	2022	2021
Group contributions paid	–	–
Group contributions received	29.8	36.2
Total	**29.8**	**36.2**

Note 13. Tax

	2022	2021
Current tax	–	–
Change in deferred tax relating to temporary differences	0.0	2.9
Recognised tax	**0.0**	**2.9**

Reconciliation of effective tax rate	2022	2021
EBT	**–60.5**	**0.5**
Tax according to the Parent Company's current tax rate (20.6%)	12.5	–0.1
Tax effect of:		
Non-deductible costs	–12.5	–2.8
Other	–	–
Recognised tax	**0.0**	**–2.9**

Note 14. Equity

As per 31 December 2022, the registered share capital amounted to 37,896,965 common shares (36,364,827). Holders of common shares are entitled to receive dividends that will be determined in the future and the shareholding entitles the holder to one vote per share at general meetings. All shares carry the same rights to John Mattson's remaining net assets. All shares are fully paid up and no shares are reserved for transfer. No shares are held by the company itself or by its subsidiaries. The quotient value of the shares is SEK 0.33 per share (0.33).

Note 15. Borrowings

	31 Dec 2022	31 Dec 2021
Non-current		
Liabilities to credit institutions	475.0	1,800.0
Liabilities to owners	0.0	0.0
Carrying amount	**475.0**	**1,800.0**
Current		
Liabilities to credit institutions	893.1	1,300.0
Liabilities to owners	0.0	0.0
Carrying amount	**893.1**	**1,300.0**
Total borrowings	**1,368.1**	**3,100.0**

Note 16. Transactions with related parties

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

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

	Sales of goods/ services	Purchases of goods/ services	Interest	Receivables on the balance-sheet date	Liability on the balance-sheet date
Group companies					
2022	13.7	–5.0	–19.5	323.6	2,536.9
2021	20.2	–4.3	–4.0	387.4	977.7

Note 17. Auditors' fees

Ernst & Young AB	2022	2021
Auditing assignment	0.3	0.2
Other auditing activities	0.0	–
Tax advice	0.0	–
Other services	0.0	0.1
Total	**0.3**	**0.3**

Note 18. Events after the balance-sheet date

In conjunction with the publication of the year-end report on 22 February, an adjustment was announced of the existing dividend policy to the following: 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.

Ownership of the properties Galeasen 2 and Barkassen 1 was transferred in February.

Note 19. Proposed appropriation of profits

The following profit is at the disposal of the Annual General Meeting (SEK):	
Share premium reserve	855,597,939
Retained earnings	1,037,941,964
Profit/loss for the year	–60,480,208
	1,833,059,695
The Board proposes that the earnings be appropriated as follows:	
To be carried forward	1,833,059,695
	1,833,059,695

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Assurance of the Board

John Mattson Fastighetsföretagen AB (publ.)
556802-2858

To the best of the Board of Directors' and the Chief Executive Officer's 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, 23 March 2023

Johan Ljungberg
Chairman of the Board

Ingela Lindh
Board Member

Håkan Blixt
Board Member

Christer Olofsson
Board Member

Ulrika Danielsson
Board Member

Per Nilsson
Chief Executive Officer

Our Auditor's Report was submitted on 23 March 2023
Ernst & Young AB

Katrine Söderberg
Authorised Public Accountant

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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 55–58 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 50–58 and 62–87 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 2022 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 2022 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 55–58. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for opinions

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

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

Key audit matters

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

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

Valuation of investment properties

Description

The fair value of the Groups investment properties amounted to SEK 15 695,5 million on 31 December 2022. Unrealized change in investment properties during the year, recognized in the group's income statement is –211,1 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 every quarter, which means that the entire property portfolio is valued externally every year. 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 made in connection with the property valuations, we assess this area to be a key audit matter in our audit.

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

How our audit addressed this key audit matter

In our audit we have evaluated the group´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 group's valuation skills.

We have with support from EY 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 group 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 1–49, 59–61 and 91–99. 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.

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

Report on other legal and regulatory requirements
Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of John Mattson Fastighetsföretagen AB (publ) for the year 2022 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.

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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 2022.

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

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

The procedures mainly include a 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 55–58 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 April 28, 2022 and has been the company's auditor since April 28, 2021.

Stockholm, 23 March 2023
Ernst & Young AB

Katrine Söderberg
Authorised Public Accountant

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Property list

John Mattson Fastighetsföretagen AB (publ)
556802-2858

Property holdings 31 Dec 2022

					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**
Lidingö							
Bodals gård 1	Larsbergsvägen 8	8,292	1934/2009	–	–	2,886	2,886
Fyrskeppet 1	Larsbergsvägen 9	3,009	1966/2018	62	4,570	–	4,570
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
Sjöjungfrun 2	Larsbergsvägen 10–30	17,131	1967/2015	150	14,276	1,545	15,821
Fyrbåken 1	Larsbergsvägen 19–21	6,915	1967/2018	124	9,231	244	9,475
Farleden 2	Larsbergsvägen 32–42	7,170	1967/2018	93	9,106	29	9,135
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 6	Larsbergsvägen 27	3,290	1968/2015	64	4,768	33	4,801
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
Fyrtornet 5	Larsbergsvägen 29	4,025	1968/2012	–	–	1,531	1,531
Fyrmästaren 2	Larsbergstorg 4–6	724	1968/2016	34	1,813	905	2,718
Radiofyren 1	Agavägen 1	14,387	2011/2015	–	–	3,698	3,698
Klockbojen 4	Larsbergstorg 7–9, Agavägen 14–34, Agavägen 40	11,558	1967 1969/2014 2019	224	12,623	1,778	14,401
Klockbojen 2	Agavägen 36–38	3,203	2018	80	4,898	–	4,898
Barkassen 1	Barkassvägen 5–15	3,334	1956/2018	56	3,448	132	3,580
Galeasen 2	Farkostvägen 6	2,574	1954/2013	27	2,107	14	2,121
Tryckregulatorn 1	Perioskopvägen 1–9 Ackumulatorv. 12–14 Agavägen 60–64	5,200	2015	146	8,770	450	9,220
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
Total Lidingö		**173,212**		**2,288**	**157,583**	**14,791**	**172,374**

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					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							
Ringaren 2	Ytterbyvägen 4B, 4C	1,949	1992	14	1,171	5	1,176
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
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 Kung Hans väg 185–191, 171–183, 159–169	20,004	1976	72	5,448	–	5,448
Regeln 1, Riset 1, Runan 1	Drabantstigen 1–5, 2, 4, 7–11	3,879	1972/2013	84	4,552	183	4,735
Riset 3, Ryttaren 1, Röken 3	Skvadronsvägen 1, 3 Rotsunda torg 1–7, Staffans Väg 16 Rotsunda torg 2, 4	5,195	1972/2016	66	4,185	1,041	5,226
Rosten 1, Ränseln 1, Röken 1, Röken 2	Rusthållarevägen 18, 20, 13–17, 3–11 Skvadronsvägen 2–6	6,196	1972	93	5,593	1,090	6,683
Spettet 3	Häggviksvägen 12–16, Minervavägen 1	3,582	2002	84	5,615	–	5,615
Spettet 4	Häggviksvägen 18, Studievägen 2–16, Svartbäcksvägen 2	9,258	1958	59	3,460	1,957	5 41
Sångaren 7	Västervägen 25–31	5,167	1946	21	1,130	96	1,226
Skålen 2	Västervägen 1–23	10,575	1949	72	3,960	463	4,423
Skopan 1	Skälbyvägen 18A–B	1,693	1952	15	1,192	–	1,192
Skivan 1	Skälbyvägen 1–15	5,567	1974	54	3,231	721	3,952
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**	**12,671**	**79,720**
City/Bromma							
Hjälpslaktaren 1	Halllvägen 13	3,582	1960	–	–	1,901	1,901
Hjälpslaktaren 2	Halllvägen 11, Styckmästaregatan 2	9,258	1960	–	–	1,970	1,970
Hjälpslaktaren 8	Slakthusgatan 8	5,167	1935	–	–	2,620	2,620
Gravyren 1	Gullmarsplan 2	268	1946	19	1,563	384	1,947
Vinjetten 6	Gullmarsplan 1–5	1,586	1950	39	2,849	1,501	4,350
Kopparsticket 8	Gullmarsplan 4–6	3,630	1947	21	1,750	3,686	5,436
Almanackan 4	Plåtslagarvägen 14–16	5,567	1974	12	654	40	694
Geografiboken 1	Abrahamsbergsvägen 87–91	3,205	1971	40	3,765	928	4,693
Historieboken 1	Grundläggarvägen 24	2,654	1971	11	977	77	1,054
Naturläran 7	Arkitektsvägen 51	–	1960	11	977	64	1,041
Åmen 1	Stopvägen 78–82	840	1960	18	780	120	900
Årsboken 1	Arkitektsvägen 42–46	–	1935	18	1,026	125	1,151
Burspråket 5	Burspråkvägen 11	636	1939	19	594	79	673
Frisen 1	Skulptörvägen 24	1,125	1945	22	850	65	915
Portalen 10	Burspråkvägen 10–18	2,175	1942	56	2,623	130	2,753
Vävstolen 8	Spinnrocksvägen 2–8	1,367	1944	28	1,277	149	1,426

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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
Mältplåten 1	Hammarby Allé 94–102	3,393	2005	110	6,999	844	7,843
Fulufjället 1	Sulitelmavägen 17–21	1,317	2017	27	1,623	–	1,623
Klassrummet 1	Lilla Bantorget 11	441	1873	–	–	1,131	1,131
Lilla Katrineberg 4	Katrinebergsbacken 35	3,226	1993	–	–	2,308	2,308
Generatorn 16	Lintavägen 4	–	1958	–	–	2,060	2,060
Total City/Bromma		**49,437**		**451**	**28,307**	**20,182**	**48,489**
South Stockholm/Nacka							
Nacka Sicklaön 37:46	Östra Finnbodavägen 29	10,575	1949	–	–	1,400	1,400
Faktorn 7	Bokbindarvägen 74	1,730	1945	24	1,367	38	1,405
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
Skattsedeln 10	Sedelvägen 20–34	6,089	1995	97	7,134	278	7,412
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
Gradhyveln 2	Bordsvägen 36–40	2,027	1948	25	1,413	18	1,431
Blåklockan 2	Midsommarvägen 11	886	1938	23	997	174	1,171
Tollare 1:430	Sockenvägen 40–42	5,251	2018	49	2,376	614	2,990
Gengasen 4	Stigtomtavägen 3–43	8,236	1968	68	5,070	10	5,080
Likriktaren 3	Mikrofonvägen 28	5,615	2003	–	–	5,298	5,298
Likriktaren 4	Mikrofonvägen 30	3,481	1999	–	–	2,150	2,150
Skattsedeln 9	Sparbanksvägen 30	1,198	1994	29	–	2,488	2,488
Skattsedeln 11	Sedelvägen 40	858	1995	–	–	–	–
Skattsedeln 15	Valutavägen 37	1,246	2021	44	1,752	956	2,708
Värnskatten 7	Valutavägen 88–92	3,585	2020	88	4,928	701	5,629
Trappsteget 2	Stenkvistavägen 17	1,107	2021	72	4,448	–	4,448
Skattsedeln 8	Sparbanksvägen 31	1,017	–	–	–	–	–
Total South Stockholm/Nacka		**65,481**		**708**	**43,819**	**15,269**	**59,088**
Total		**384,401**		**4,515**	**296,758**	**62,913**	**359,671**

[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.

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Reconciliation tables

Reconciliation tables		Jan–Dec 2022	Jan–Dec 2021
NNNAV, SEK/share			
A	EPRA NNNAV at the end of the period, SEK m	6,142.3	5,765.1
B	Number of shares outstanding at the end of the period, thousand	37,897	36,365
A/B	**NNNAV, SEK/share**	**162.08**	**158.54**
LTV ratio at the end of the period, %			
A	Interest-bearing debt, excluding lease liabilities for leasehold properties, at the end of the period according to balance sheet, SEK m	8,923.8	9,446.5
B	Cash and cash equivalents at the end of the period according to balance sheet, SEK m	47.6	227.5
C	Investment properties according to balance sheet at the end of the period, SEK m	15,695.5	15,894.5
(A-B)/C	**LTV ratio at the end of the period, %**	**56.6**	**58.0**
Equity, SEK/share			
A	Equity according to balance sheet at the end of the period, SEK m	5,536.2	5,143.9
B	Number of shares outstanding at the end of the period, thousand	37,897	36,365
A/B	**Equity, SEK/share**	**146.09**	**141.45**
Economic occupancy rate at the end of the period, %			
A	Annualised contract value at the end of the period, SEK m	601.0	582.9
B	Annualised vacancy value at the end of the period, SEK m	25.6	26.9
A/(A+B)	**Economic occupancy rate during the period, %**	**95.9**	**95.6**
Property value, at the end of the period, SEK/sq m			
A	Investment properties according to balance sheet at the end of the period, SEK m	15,695.5	15,894.5
B	Carrying amount of ongoing projects at the end of the period, SEK m	0.0	0.0
C	Lettable area at the end of the period, thousand sq m	359.7	355.5
(A-B)/C	**Property value, at the end of the period, SEK/sq m**	**43,638**	**44,710**
Income from property management, SEK/share			
A	Income from property management during the period, SEK m	153.9	103.1
B	Average number of shares outstanding during the period, thousand	37,537	34,601
A/B	**Income from property management, SEK/share**	**4.10**	**2.98**
Income from property management, SEK m			
A	Profit for the year	122.7	1,332.5
B	Current and deferred tax	70.7	359.9
C	Change in value of investment properties and interest-rate derivatives	39.5	1,587.0

Reconciliation tables		Jan–Dec 2022	Jan–Dec 2021
D	Participation in profits of associates	–	2.2
A+B-C-D	**Income from property management, SEK m**	**153.9**	**103.1**
Average interest rate at the end of the period, %			
A	Annualised interest expense, excluding interest under IFRS 16 Leases, at the end of the period, SEK m	227.1	127.2
B	Interest-bearing debt, excluding lease liabilities under IFRS 16 Leases, at the end of the period, SEK m	8,923.8	9,446.5
A/B	**Average interest rate at the end of the period, %**	**2.5**	**1.3**
Rental value at the end of the period, SEK m			
A	Annualised contract value at the end of the period, SEK m	601.0	582.9
B	Annualised vacancy value at the end of the period, SEK m	25.6	26.9
A+B	**Rental value at the end of the period, SEK m**	**626.6**	**609.7**
Rental value, apartments, at the end of the period, SEK/sq m			
A	Annualised contract value, apartments, at the end of the period, SEK m	464.1	444.5
B	Annualised vacancy value, apartments, at the end of the period, SEK m	13.7	10.9
C	Lettable area of apartments at the end of the period, thousand sq m	296.8	292.4
A/B	**Rental value, apartments, at the end of the period, SEK/sq m**	**1,610**	**1.6**
NAV, SEK/share			
A	EPRA NAV at the end of the period, SEK m	6,594.8	6,396.6
B	Number of shares outstanding at the end of the period, thousand	37,897	36,365
A/B	**EPRA NAV, SEK/share**	**174.02**	**175.90**
NAV and NNNAV, SEK m			
A	Equity according to balance sheet at the end of the period, SEK m	5,536.2	5,143.9
B	Derivatives according to the balance sheet at the end of the period, SEK m	–239.4	25.2
C	Deferred tax liabilities according to the balance sheet at the end of the period, SEK m	1,298.0	1,227.5
A+B+C=D	**EPRA NAV, SEK m**	**6,594.8**	**6,396.6**
B	Derivatives according to the balance sheet at the end of the period, SEK m	239.4	–25.2
E	Estimated actual deferred tax liability at the end of the period, SEK m	–691.9	–606.3
D-B-E	**EPRA NNNAV, SEK m**	**6,142.3**	**5,765.1**
Net interest-bearing liabilities at the end of the period, SEK m			
A	Annualised interest-bearing liabilities, excluding lease liabilities for leasehold properties, at the end of the period, SEK m	8,923.8	9,446.5
B	Cash and cash equivalents at the end of the period, SEK m	47.6	227.5
A-B	**Net interest-bearing liabilities at the end of the period, SEK m**	**8,876.1**	**9,219.0**

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Reconciliation tables		Jan–Dec 2022	Jan–Dec 2021
Interest coverage ratio during the period, multiple			
A	Income from property management during the period according to income statement, SEK m	153.9	103.1
B	Financial expenses during the period, excluding ground rents recognised as an interest expense under IFRS 16, SEK m	173.9	85.5
(A-B)/-B	**Interest coverage ratio during the period, multiple**	**1.9**	**2.2**
Growth in income from property management, SEK/share, %			
A	Income from property management, SEK/share during the period	4.10	2.98
B	Income from property management, SEK/share during the preceding period	2.98	2.81
A/B–1	**Growth in income from property management, SEK/share, %**	**37.6**	**6.0**
Growth in NAV, SEK/share, %			
A	EPRA NAV at the end of the period, SEK/share	174.02	175.90
B	EPRA NAV at the end of preceding 12-month period, SEK/share	175.90	129.25
A/B–1	**Growth in NAV, SEK/share, %**	**–1.1**	**36.1**
Surplus ratio during the period, %			
A	Net operating income during the period according to income statement, SEK m	397.8	249.8
B	Rental revenues during the period according to income statement	620.9	407.9
A/B	**Surplus ratio during the period, %**	**64.1**	**61.3**

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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.

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.

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Financial calendar 2023

Annual General Meeting	21 April
Interim report January–March	5 May
Interim report January–June	17 August
Interim Report January–September	9 November

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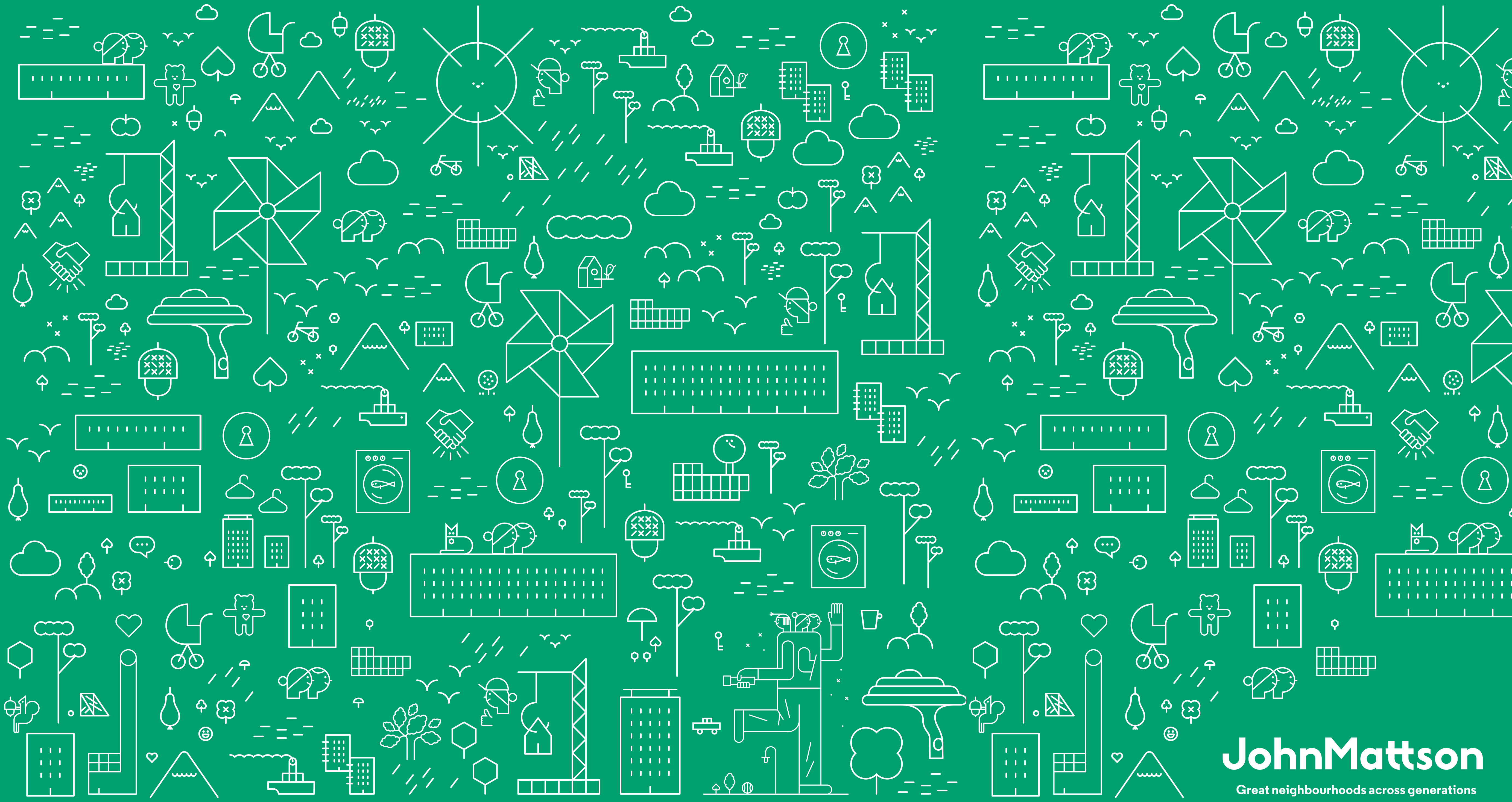

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Great neighbourhoods across generations