

Interim Report January–March 2023



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JANUARY - MARCH 2023

- Revenue increased to SEK 3,962m (3,854).
- Operating profit decreased to SEK 417m (466). The operating margin decreased to 10.5 percent (12.1).
- Profit before tax decreased to SEK 394m (450), and profit after tax decreased to SEK 311m (356).
- Return on equity for the past twelve months amounted to 16.8 percent (22.6).
- Earnings per share amounted to SEK 4.80 (5.20).
- Consolidated cash flow including net investment in properties amounted to SEK 792m (273).
- The number of residential units sold decreased to 479 (995) and housing starts to 214 (808).
- According to IFRS revenue amounted to SEK 4,696m (3,270) and earnings per share to SEK 7.50 (3.00).



For the Group's income statement and balance sheet in accordance with IFRS, IFRS 15 Revenue from Contracts with Customers is applied, which means that revenue and profit/loss from JM's housing development are reported according to the completed contract method, see Note 1 for further information. Segment reporting and project management are reported according to the percentage of completion method. The Group's calculations according to IFRS are presented on pages 18–19. For definitions of key financial figures, see "Definitions Key Financial Figures" at jm.se/en/about-us/investors/

The financial statements are presented in Swedish krona (SEK), which is also the reporting currency for the Parent Company. All amounts are rounded to the nearest million unless otherwise specified. The figures in the report are based on the Group's consolidation system, which is in SEK thousand. Due to rounding of figures in tables, total amounts may not correspond to the sum of the initial rounded whole numbers. Unless otherwise specified, the analysis and comments in this Interim Report are based on JM's segment reporting.

This Interim Report is a translation of the original text in Swedish which is the official version

Group Key Figures

	JANUARY-MARCH		APRIL-MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
ACCORDING TO SEGMENT REPORTING, SEK M				
Revenue	3,962	3,854	16,493	16,385
Operating profit	417	466	2,015	2,064
Operating margin, %	10.5	12.1	12.2	12.6
Profit before tax	394	450	1,938	1,994
Cash flow from operating activities	792	273	258	-261
Return on equity, %			16.8	17.9
Equity/assets ratio, %	54	51		53
Earnings per share, SEK	4.80	5.20	23.10	23.40
Number of residential units sold ^{1) 2)}	479	995	2,143	2,659
Number of housing starts ^{3) 4)}	214	808	2,519	3,113
ACCORDING TO IFRS, SEK M				
Revenue	4,696	3,270	16,003	14,577
Operating profit	648	286	2,340	1,978
Earnings per share, SEK	7.50	3.00	26.70	22.20
¹⁾ Of which rental units and residential care units in JM Property Development	218	-	288	70
²⁾ Of which residential units in JM Finland to investors	-	128	231	359
³⁾ Of which rental units and residential care units in JM Property Development	-	-	166	166
⁴⁾ Of which residential units in JM Finland to investors	-	128	231	359

	3/31/2023	3/31/2022	12/31/2022
RESIDENTIAL UNITS IN CURRENT PRODUCTION			
Number of residential units in current production ^{1) 2)}	6,996	8,276	8,078
Percentage of sold residential units in current production, % ³⁾	55	66	59
Percentage reserved residential units in current production, %	4	11	3
Percentage sold and reserved residential units in current production, %	59	77	62
¹⁾ Of which rental units and residential care units in JM Property Development	507	484	507
²⁾ Of which rental units and residential care units not intended for sale in current production in JM Property Development – not included in the percentage of sold and reserved residential units in current production	289	484	507
³⁾ Percentage of sold residential units expressed as a binding contract with the end customer.			

	3/31/2023	3/31/2022	12/31/2022
UNSOLD UNITS			
Completed production, number of unsold units ¹⁾	161	86	91
Number of unsold units reported in the balance sheet	68	59	63

¹⁾ After final occupancy according to plan.

Challenging housing market in weak economy

The current market conditions, including rising interest rates and inflation as well as customers' rising living costs, have a significant impact on JM's ability to maintain the housing production. As a consequence, we have a low number of housing starts during the quarter. A focus on sales and housing starts continues to be highly prioritized in order for JM to generate stable cash flow. At the same time, the weak economy enables possibilities to acquire land and building rights in attractive locations, which together with continued refinement of our building rights portfolio is strategically important in order to meet future improved demand. However, we are now in a situation where we need to take measures to adapt our costs to a lower production volume.

Necessary transition

The significant decrease in housing sales as a result of the weakened economy is resulting in a lower rate in the number of sold residential units. Because JM always works based on the strategy that there should be a clear demand for planned housing projects, it is necessary to adapt JM's operations to the market conditions that are expected to prevail for the foreseeable future. We are therefore taking measures to dimension our costs and staffing to lower production volumes. It is with a heavy heart that we therefore have now made the assessment that it is necessary to adapt the Group's staffing through a reduction of approximately 200 employees, and at the same time creating conditions for a well dimensioned organization for when the economy improves.

Cautious market and weak sales

In our submarkets, customers have been cautious at the same time as the supply of residential units continues to increase.

The housing operations in Stockholm have had a continued decrease in sales and margin during the quarter. The housing operations in the rest of Sweden also had lower sales, but profitability continued to be good. The prices on the existing home market increased slightly overall during the first quarter.

In Norway, prices on the existing home market increased and are now in line with the corresponding period last year at the same time as material prices are beginning to stabilize. Our operations in Norway, however, are showing continued low margins in current projects due to the recent quarters' high cost pressure and declining sales.

Prices and activity on the Finnish housing market continued to decrease during the first quarter, and the general consumer confidence is low at the same time as interest rates are rising. Despite this, our Finnish operations are continuing to grow with good profitability in current projects.

For JM, it is a long-term social commitment to offer attractive housing for all target groups. We are therefore proud that we during the quarter sold the rental property Kvarter 8, which consists of 218 residential units and is part of the larger development area Söderdalen in Järfälla where JM carries out a numerous of residential projects.

Sustainable development

As one of the leading housing developers in the Nordic region, it is



"We are proud that we during the quarter sold the rental property Kvarter 8"

our ambition to also be a leader in sustainable development. In February, the results were announced for the ranking of Sustainable Companies, which Lund University conducts in collaboration with the Dagens Industri Group. JM ranked 8th among a total of 131 reviewed companies, which can be compared to 17th place last year. JM also earned a respectable 3rd place in the category Consumption Goods. This means that JM was ranked the highest of all housing developers included in the review, a result that we can be very proud of as we continue our journey toward climate-affecting emissions close to zero by 2030.

Accounting of housing development in Sweden

On April 21, the Supreme Administrative Court announced, that it does not intend to grant leave to appeal regarding consolidation of Swedish tenant-owners associations in our accounting according to IFRS. Therefore, the ruling by the Administrative Court of Appeal becomes legally binding and as of 2023 ongoing projects with Swedish tenant-owners associations are consolidated in our accounting in accordance to IFRS. The verdict does not affect JM's segment reporting, project governance or business risk profile. The segment reporting best reflects the economic implications of JM's business at the same time as it correlates well with the internal governance, which is based on the Group's cash flows, risk profile and capital allocation.

Strong financial position

There continues to be uncertainty surrounding the conditions for our future projects. At the same time, we continue to see a considerable interest in our projects and that the housing market has a long-term great need for JM's products. We are well-positioned with an attractive project and building rights portfolio that is refined on an ongoing basis to meet these needs, and our strong financial position gives us freedom of action that allows long-term growth in JM's business. Despite the uncertainty on the global market, the fundamental and long-term conditions for our business continue to be good.

*Johan Skoglund,
President and CEO*

Market, sales and housing starts

JANUARY – MARCH 2023

The slow-down in the economy and the general market conditions have had a considerable impact on the housing market and subsequently JM's operations. The housing market on the Group's submarkets during the first quarter were impacted negatively by a large supply on the existing home market, current global factors such as the war in Ukraine, and continued rising inflation and market rates. Overall, consumers' buying power was weakened and customers continue to be cautious. Often, it takes a long time from when the customer signs the agreement until they move in, which means that the market for newly produced residential units is more exposed than the existing home market when households' finances are weakened.

After falling in 2022, prices have initially stabilized and risen somewhat at the beginning of 2023 on the Swedish and Norwegian submarkets but continued to fall on the Finnish market.

The underlying need for housing continues to be large, but housing starts on the Group's submarkets decreased in the first quarter due to weaker demand.

Sales decreased due to the weak market, and the number of sold residential units in the form of signed contracts decreased to 479 (995). The percentage of sold and reserved residential units in relation to current production amounted to 59 percent (77), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 51 residential units (264), JM Residential Sweden sold 113 (375), JM Norway sold 77 (194),

JM Finland sold 20 (162) and JM Property Development sold 218 (0).

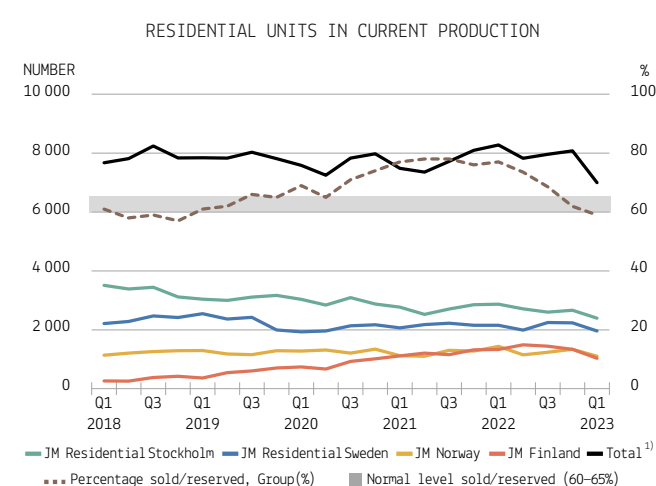
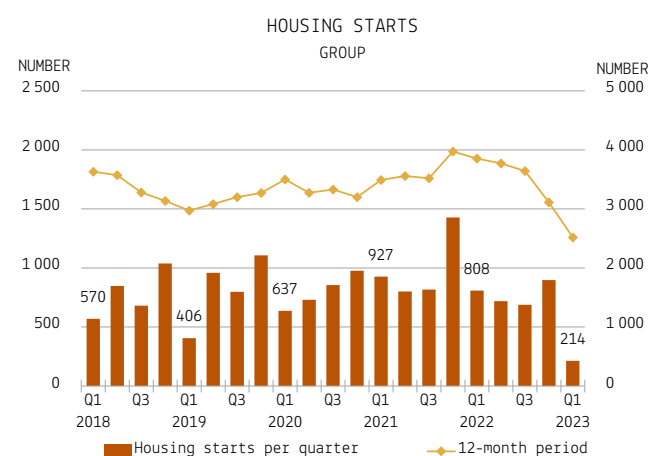
The number of housing starts during the quarter was 214 (808). JM Residential Stockholm started production on 0 residential units (73), JM Residential Sweden on 139 (357), JM Norway on 41 (250), JM Finland on 34 (128) and JM Property Development on 0 (0).

The number of residential units in current production was 6,996 (8,276), of which 507 (484) are rental units in JM Property Development. The carrying amount for project properties amounted to SEK 800m (896), of which properties under development amounted to SEK 777m (872).

Residential building rights

The number of available building rights at the end of the first quarter amounted to 40,500 (36,300), of which 22,400 (19,800) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 8,229m (7,982).

JM acquired development properties for residential units during the first quarter for SEK 86m (141), of which SEK 8m (82) relates to JM Residential Stockholm, SEK 44m (31) to JM Residential Sweden, SEK 0m (18) to JM Norway and SEK 34m (11) to JM Finland.



¹⁾ Including 507 sold rental units and residential care units in JM Property Development where rental units intended for sale are included in the percentage of sold/reserved.

Revenue, operating profit and operating margin

JANUARY–MARCH 2023

Consolidated revenue according to segment reporting for the first quarter increased to SEK 3,962m (3,854). The increase in revenue is primarily attributable to commercial projects in current production and the sale of the rental property Kvarter 8 in Söderdalen, Järfälla, within the segment JM Property Development.

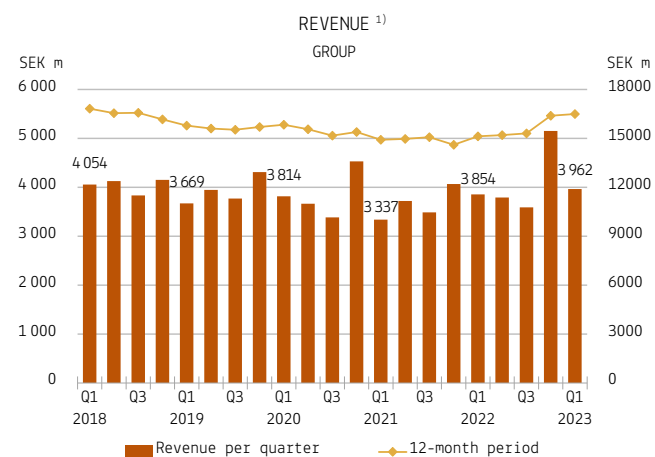
Operating profit according to segment reporting decreased to SEK 417m (466), and the operating margin decreased to 10.5 percent (12.1).

Revenue restated according to IFRS increased to SEK 4,696m (3,270). Operating profit restated according to IFRS increased to SEK 648m (286). The increase is mainly attributable to a high number of people moving into residential projects with good margin and commercial projects in ongoing production, and the sale of the rental property Kvarter 8 in Söderdalen, Järfälla, within the segment JM Property Development.

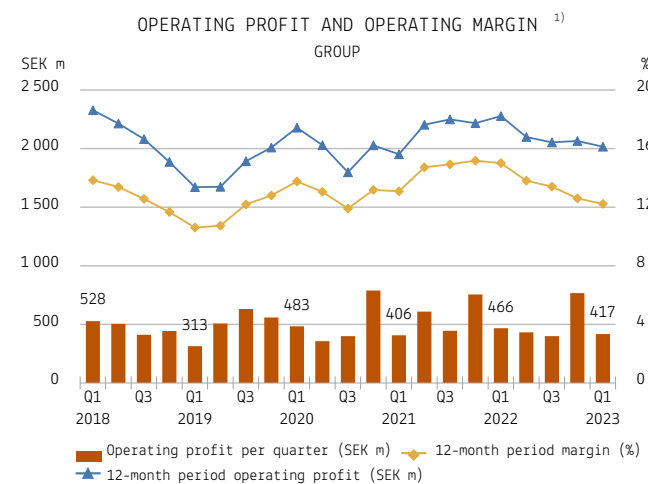
Rental income from JM's project properties was SEK 8m (5). Net operating income was SEK 3m (1).

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY–MARCH		APRIL–MARCH FULL-YEAR	
	2023	2022	2022/2023	2022
JM Residential Stockholm	116	190	647	720
JM Residential Sweden	126	174	635	682
JM Norway	42	73	207	238
JM Finland	38	33	163	158
JM Property Development	104	4	406	306
JM Construction	2	4	10	12
Group-wide expenses	-11	-12	-52	-52
Total	417	466	2,015	2,064
<i>Of which income from joint venture</i>	-4	7	-22	-11

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY–MARCH		APRIL–MARCH FULL-YEAR	
	2023	2022	2022/2023	2022
JM Residential Stockholm	10.6	14.8	13.5	14.5
JM Residential Sweden	11.2	15.5	14.1	15.2
JM Norway	6.7	8.6	6.5	7.0
JM Finland	8.6	8.7	9.1	9.2
JM Property Development	18.3	5.6	23.6	25.0
JM Construction	1.0	1.4	1.0	1.1



¹⁾ According to segment reporting



¹⁾ According to segment reporting

Financial items

JANUARY–MARCH 2023

Net financial items declined slightly compared to the corresponding period of the previous year, primarily attributable to increased interest expenses.

Total interest-bearing liabilities according to segment reporting were SEK 2,033m (2,654), of which the provision for pension liabilities comprised SEK 1,315m (1,802). At the end of the first quarter, the average interest rate for the total interest-bearing loan stock including pension liabilities was 3.8 percent (2.0). The average term for fixed-rate loans excluding the pension liability was 0.3 years (0.3).

Consolidated available liquidity was SEK 5,377m (6 915). Aside from cash and cash equivalents of SEK 2,577m (4,115), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 3.2 years (2.7).

Interest-bearing net receivables including the pension liability according to segment reporting totaled SEK 549m (1,466) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 511m (440). Of these liabilities, SEK 98m (66) were current.

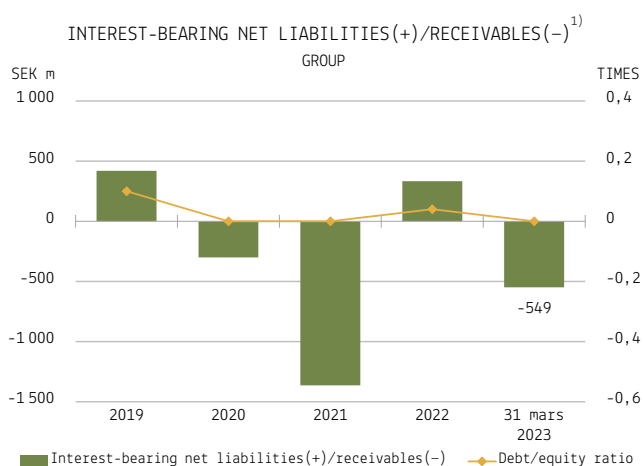
The valuation of financial assets and liabilities shows no significant difference between the carrying amount and fair value.

ACCORDING TO SEGMENT REPORTING, SEK M

	JANUARY–MARCH 2023	APRIL–MARCH 2022	FULL-YEAR 2022/2023	FULL-YEAR 2022
Financial income	11	3	26	19
Financial expenses	-34	-20	-103	-89
Financial income and expenses	-23	-16	-77	-70

ACCORDING TO SEGMENT REPORTING, SEK M

	JANUARY–MARCH 2023	APRIL–MARCH 2022	FULL-YEAR 2022/2023	FULL-YEAR 2022
Interest-bearing net liabilities (+)/receivables(-) at beginning of period	334	-1,363	-1,466	-1,363
Change in interest-bearing liabilities/-receivables	-882	-102	917	1,697
Interest-bearing net liabilities (+)/-receivables (-) at end of period	-549	-1,466	-549	334



¹⁾ According to segment reporting

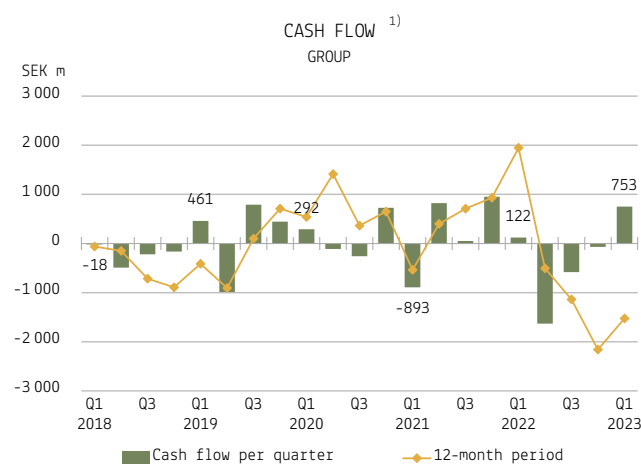
Cash flow

JANUARY–MARCH 2023

Cash flow from operating activities according to segment reporting increased to SEK 792m (273), which is attributable to utilized project financing within the segment JM Property Development. Net investments in development properties resulted in a cash flow of SEK 162m (66). The change in holdings of unsold residential units in the balance sheet resulted in a negative cash flow of SEK -143m (69). Consolidated cash flow attributable to project properties (sales minus investment) during the first quarter was SEK -149m (-83).

	JANUARY–MARCH 2023	APRIL–MARCH 2022	FULL-YEAR 2022/2023	FULL-YEAR 2022
Financial income	11	3	26	19
Financial expenses	-34	-20	-103	-89
Financial income and expenses	-23	-16	-77	-70

	JANUARY–MARCH 2023	APRIL–MARCH 2022	FULL-YEAR 2022/2023	FULL-YEAR 2022
Interest-bearing net liabilities (+)/receivables(-) at beginning of period	334	-1,363	-1,466	-1,363
Change in interest-bearing liabilities/-receivables	-882	-102	917	1,697
Interest-bearing net liabilities (+)/-receivables (-) at end of period	-549	-1,466	-549	334



¹⁾ Total cash flow for the period

JM Residential Stockholm

The JM Residential Stockholm business segment develops residential projects in Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units.

The average prices on the existing home market stabilized during the first quarter. The total supply of residential units continues to be high, but the supply of newly produced residential units is still at a low level.

The housing market in Stockholm continued to be cautious during the first quarter. For the business segment's new projects, the higher interest rate and the general uncertainty, among other things, have meant that customers have been very cautious. Customers have shown increased interest in the first quarter, but the willingness to sign a contract early was significantly below normal.

The absence of necessary authority decisions continues to have a negative impact on the business segment's housing starts,

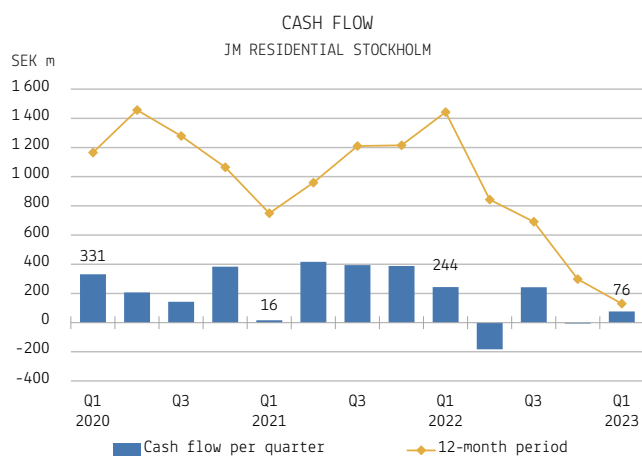
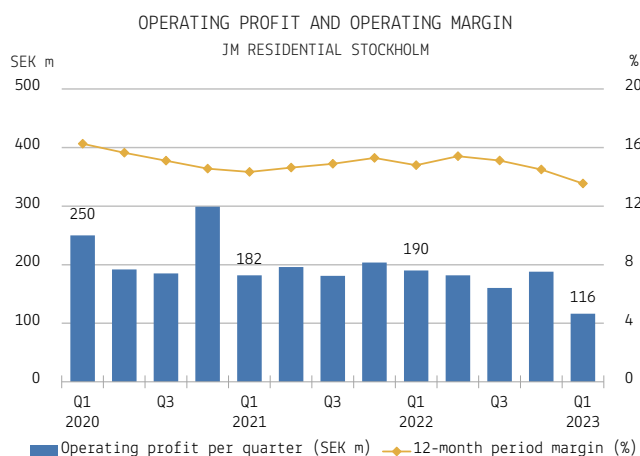
which is why Stockholm did not have any housing starts in the first quarter. This currently concerns one project with a total of 46 residential units. In addition to necessary authority decisions, the weak sales have restricted the business segment's housing starts.

Revenue and operating profit are negatively impacted by the lower sales in recent quarters. However, the number of unsold apartments that were completed in 2023 is limited.

Cash flow is burdened in part by the business unit starting a project that was financed with its own funds.

Around 450 building rights were acquired in Huvudsta, Solna, in the first quarter.

SEK M	JANUARY-MARCH		APRIL-MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Revenue	1,095	1,285	4,776	4,966
Operating profit	116	190	647	720
Operating margin, %	10.6	14.8	13.5	14.5
Average operating capital			4,552	4,494
Return on operating capital, %			14.2	16.0
Operating cash flow	76	244	130	298
Carrying amount, development properties	4,034	3,960		4,033
Number of available building rights	12,900	12,600		12,400
Number of residential units sold	51	264	444	657
Number of housing starts	–	73	648	721
Number of residential units in current production	2,396	2,870		2,665
Number of employees	817	806		804



JM Residential Sweden

The JM Residential Sweden business segment develops residential projects in growth areas in Sweden, excluding Greater Stockholm. Operations include acquisitions of development properties, planning, pre-construction, production and sales of residential units.

Average prices on the existing home market for tenant-owned units remained the same or increased slightly during the first quarter in the business segment's submarkets. Single-family homes followed a similar development, with the exception of Gothenburg, where the average prices decreased.

The supply on the existing home market remains at the same high levels as in the fourth quarter 2022 and has doubled compared to the corresponding period the previous year. At the same time, the supply of newly produced residential units continued to be low, with the exception of Gothenburg.

The sales rate continued to be low in the first quarter. The willingness of customers to sign a contract early in the process was well below normal, and customers continued to be cautious.

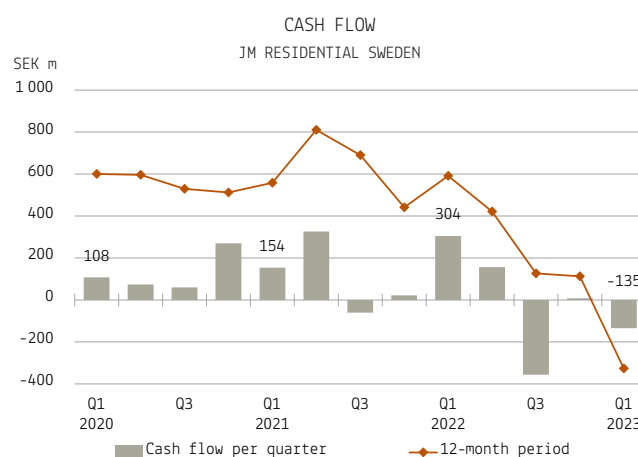
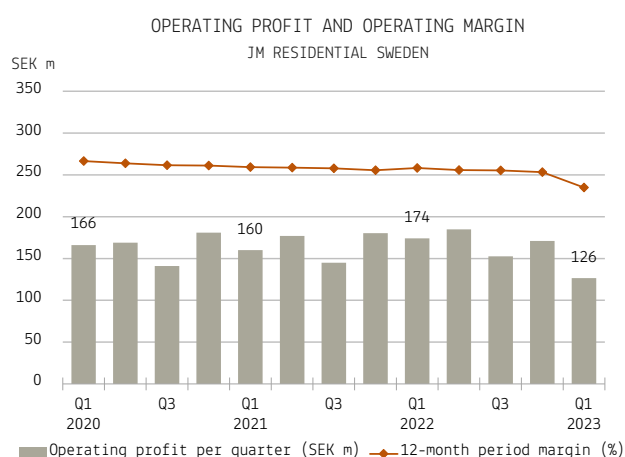
The business segment is demonstrating a lower operating profit and decreased operating margin, which is attributable to the increase in production and financing costs and the decrease in the number of housing starts in recent quarters.

Cash flow for the quarter is burdened by an increase in working capital and an increase in the number of purchased residential units.

Production was started in the first quarter on a total of 139 residential units in apartment buildings in Örebro and Lomma.

In the first quarter, around 200 building rights were acquired and the legal title transferred in Härryda and Norrköping.

SEK M	JANUARY-MARCH		APRIL-MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Revenue	1,129	1,127	4,503	4,500
Operating profit	126	174	635	682
Operating margin, %	11.2	15.5	14.1	15.2
Average operating capital			1,830	1,656
Return on operating capital, %			34.7	41.2
Operating cash flow	-135	304	-326	112
Carrying amount, development properties	2,150	1,553		2,270
Number of available building rights	12,100	10,000		11,500
Number of residential units sold	113	375	684	946
Number of housing starts	139	357	804	1,022
Number of residential units in current production	1,958	2,153		2,234
Number of employees	561	550		568



JM Norway

The business segment develops residential projects in Norway. Operations include acquisitions of development properties, planning, pre-construction and production and sale of residential units. Revenue recognition for the business segment is reported using the percentage of completion method.

The price level on the existing home market increased during the first three months of the year. At the end of the quarter, prices were somewhat lower than for the corresponding period of the previous year. Relief in the mortgage regulations has had a positive impact on demand on the housing market during the first quarter.

The sale of residential units on the existing home market was at a good level during the quarter compared to the same period last year.

Net sales of newly produced residential units during the three-month period December 2022 to February 2023, however, amounted to 48 percent of the corresponding period last year.

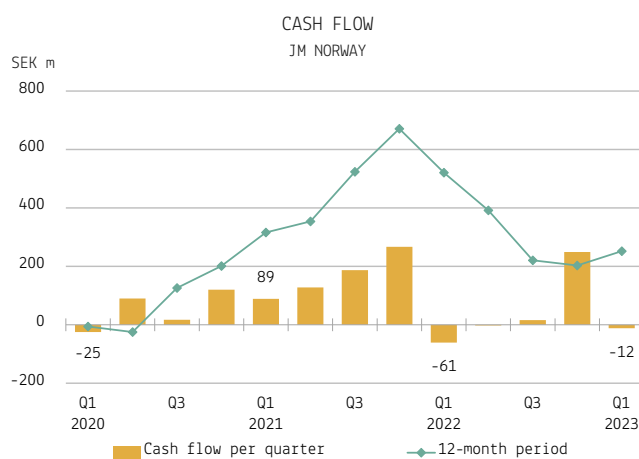
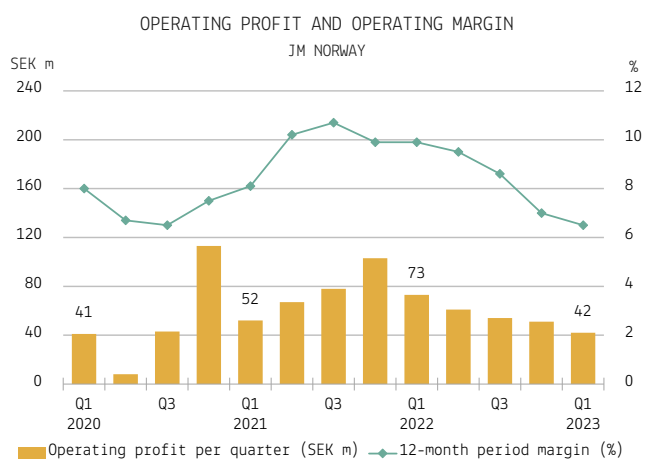
Demand for our residential units during the first quarter was lower than normal, and the number of residential units sold was lower compared to last year. Material prices, with the exception of cement and concrete, have stabilized during the quarter at a continued high level.

Operating profit and the operating margin is weakened by lower sales and higher production expenses in recent quarters.

Increased operating capital has had a negative impact on cash flow.

Production was started in the first quarter on a total of 41 residential units in Oslo.

SEK M	JANUARY-MARCH		APRIL-MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Revenue	632	856	3,168	3,392
Operating profit	42	73	207	238
Operating margin, %	6.7	8.6	6.5	7.0
Average operating capital			2,110	2,158
Return on operating capital, %			9.8	11.0
Operating cash flow	-12	-61	252	203
Carrying amount, development properties	957	1,443		1,034
Carrying amount, project properties	17	18		18
Number of available building rights	6,900	7,400		7,100
Number of residential units sold	77	194	410	527
Number of housing starts	41	250	396	605
Number of residential units in current production	1,105	1,436		1,335
Number of employees	360	373		370



JM Finland

The business segment develops residential projects in Finland. Operations include acquisitions of development properties, planning, pre-construction and production and sale of residential units. Revenue recognition for the business segment is reported using the percentage of completion method.

The activity on the housing market in the Helsinki region continued to be low during the first quarter. The ongoing war in Ukraine, inflation and the rapidly rising interest rates impacted customers' willingness to buy homes. The market is characterized by cautiousness, and customers' confidence in the future continues to be low. The price level on the existing home market in the Helsinki region decreased during the first three months.

Sales were lower than in the corresponding period last year and sales periods were longer.

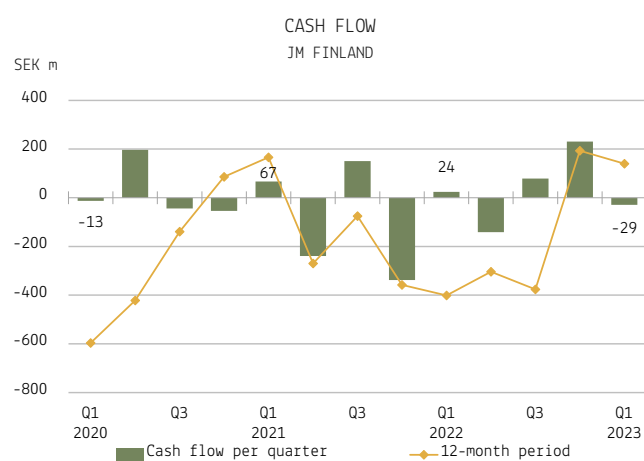
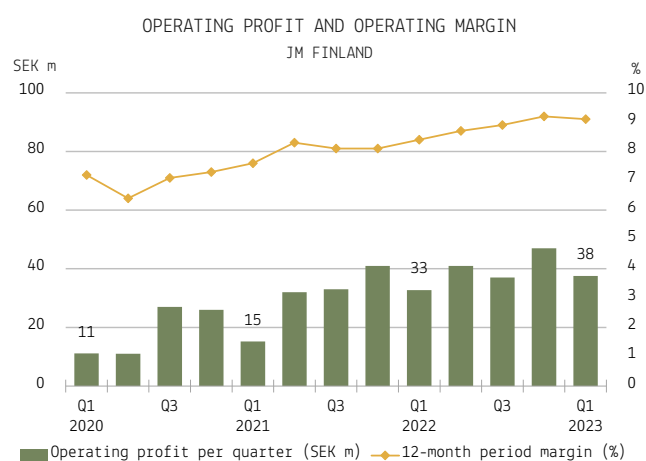
The business unit is reporting stable profit and margin.

Cash flow for the first quarter is burdened temporarily by an increase in working capital.

Due to current market conditions and the decrease in sales, housing starts decreased, and during the first quarter production started on a total of 34 residential units in Haga, Helsinki.

Around 190 building rights were acquired in Espoo during the first quarter.

SEK M	JANUARY-MARCH		APRIL-MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Revenue	439	375	1,792	1,729
Operating profit	38	33	163	158
Operating margin, %	8.6	8.7	9.1	9.2
Average operating capital			1,644	1,618
Return on operating capital, %			9.9	9.8
Operating cash flow	-29	24	140	193
Carrying amount, development properties	1,040	951		1,046
Number of available building rights	6,900	5,000		6,800
Number of residential units sold ¹⁾	20	162	317	459
Number of housing starts ²⁾	34	128	505	599
Number of residential units in current production	1,030	1,333		1,337
Number of employees	192	182		201
¹⁾ Of which residential units to investors	-	128	231	359
²⁾ Of which residential units to investors	-	128	231	359



JM Property Development

The JM Property Development business segment primarily develops rental and residential care units and commercial properties in Greater Stockholm. The business segment's entire portfolio comprises project development properties. The operations include JM@home, which offers economic and technical management services to tenant-owners associations.

Revenue increased compared to last year due to the business segment's two commercial projects in current production, which will be recognized gradually, and sales of the rental property Kvarter 8 in Söderdalen, Järfälla. The project includes 218 residential units, is in current production and will be recognized gradually, with occupancy planned for third quarter 2024.

Contracting revenue and sales of services amounted to SEK 558m (68), and rental income to 8m (5). The operating profit amounted to SEK 104m (4), of which net rental income for project properties amounted to SEK 3m (0).

Cash flow was boosted by project financing and the downpayment received for sold properties under construction.

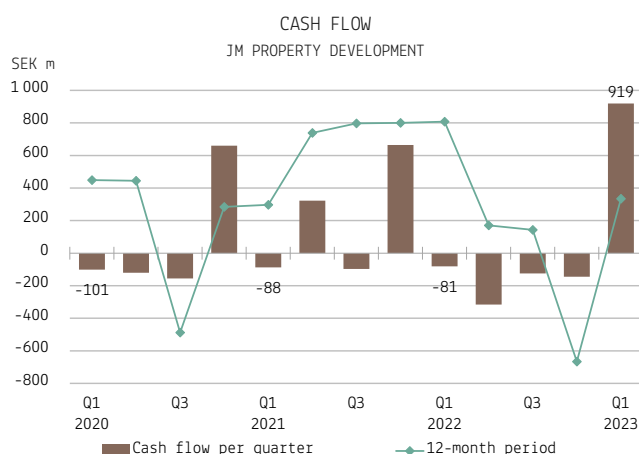
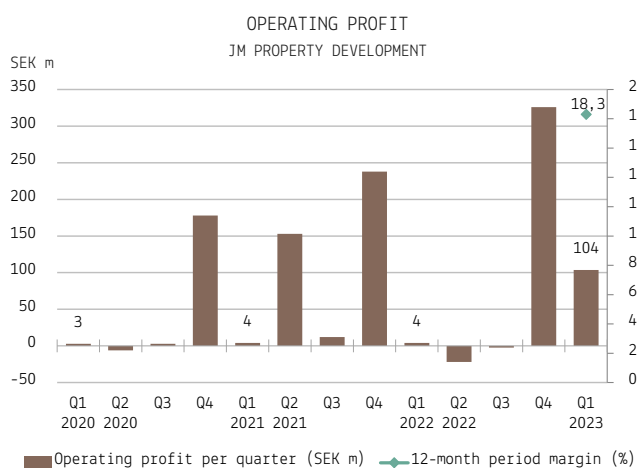
Production is ongoing on an additional two rental projects in JM's own balance sheet: Igelsta in Södertälje, with 96 rental units, and Dyrvers Kulle in Sundbyberg, with 123 rental units.

Production is ongoing for two commercial projects; the office project K1 Karlbergs Strand in Solna, covering approximately 20,000 m², which is estimated to be completed in the first quarter 2025, and the residential care building Pilhamns Gårdar, with 70 residential care units, estimated to be completed in the third quarter 2024.

SEK M	JANUARY-MARCH		APRIL-MARCH		FULL-YEAR	
	2023	2022	2022/2023	2022	2022	2022
Revenue	566	73	1,717	1,224		
Operating profit ¹⁾	104	4	406	306		
Operating margin, %	18.3	5.6	23.6	25.0		
Average operating capital			1,355	1,325		
Return on operating capital, %			29.9	23.1		
Operating cash flow	919	-81	334	-666		
Carrying amount, development properties	-	10		-		
Carrying amount, project properties	783	878		914		
Number of available building rights ²⁾	1,700	1,300		1,700		
Number of residential units sold ²⁾	218	-	288	70		
Number of housing starts ²⁾	-	-	166	166		
Number of residential units in current production ²⁾	507	484		507		
Number of employees	77	78		80		
	-4	7	-22	-11		

¹⁾ Of which income from joint venture

²⁾ Refers to units and residential care units.



JM Construction

The JM Construction business segment carries out construction work for external and internal customers in the Greater Stockholm area. The business segment focuses on projects that have synergies with residential project development.

Demand on the civil engineering market in Stockholm was slightly lower than at the end of 2022, with continued high competition for assignments.

Business segment revenue decreased compared to last year due to lower internal and external activity for JM in its civil engineering operations. The operating margin continued to be burdened by increased material costs in contracts previously entered into that could not be fully passed on to orderers.

The period's cash flow is in balance.

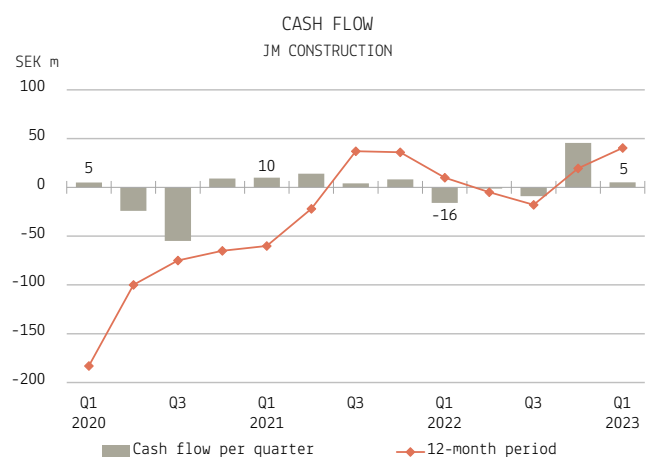
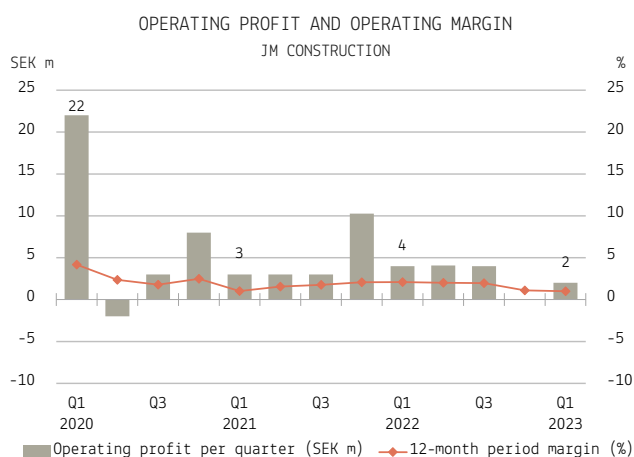
The business segment received during the first quarter a number of external assignments and allocation decisions, for

example water and wastewater work in Farsta Telestaden for new development for Stockholm Vatten AB.

The largest ongoing external assignments are infrastructure projects in Tyresö (Tyresö Municipality), detailing work in Norra Djurgårdsstaden (City of Stockholm), and groundworks and conduit work in Ursvik Västra (City of Sundbyberg).

The business segment also has several ongoing Group-internal projects in JM's larger development areas, such as Igelsta in Södertälje, Kabelverket in Älvsjö, Stockholm and Södertälje in Järfälla.

SEK M	JANUARY-MARCH		APRIL-MARCH	FULL-YEAR	
	2023	2022	2022/2023	2022	
Revenue ¹⁾	197	262	1,012	1,077	
Operating profit	2	4	10	12	
Operating margin, %	1.0	1.4	1.0	1.1	
Operating cash flow	5	-16	40	20	
Carrying amount, development properties	10	13		10	
Number of employees	250	260		259	
¹⁾ Of which intra-Group	96	124	477	505	



Sustainable development

Sustainability is an integrated part of JM's residential and urban development, from the acquisition of land and throughout the entire design phase until the customers move in and are living in Swan Ecolabel homes in areas that promote a sustainable lifestyle. Structured work environment initiatives, efforts to prevent accidents, quality-assured supplier chains, and active efforts to improve diversity and equal opportunity are central components of JM's sustainability work.

JM works continuously to develop and follow up on the ongoing sustainability work within the Group at the same time as new initiatives are regularly evaluated and implemented. From climate calculations made from the Group's completed projects, data is obtained about the number of kilograms of carbon dioxide equivalents (kg CO₂e) per m² of gross floor area (GFA). This information is an important part of JM's work towards climate-affecting emissions close to zero by 2030.

During the quarter, JM started a new recycling initiative. In a land allocation agreement signed with the City of Gothenburg for the development of student housing in Gamlestaden, Gothenburg, JM will use recycled material to the greatest extent possible in a project.

The outcome of JM's key ratios indicates stability in the Group's sustainability work. For construction waste, which is a challenge for both the industry as a whole and JM, the outcome for the first quarter 2023 is very positive. JM makes the assessment that the measures implemented in 2022, in the form of better follow-up tools for projects and waste as an incentive for variable salaries, are beginning to generate results.

JM is continuing to deliver residential units with low energy consumption. The outcome figures for Sweden indicate a decline, which is due to stricter requirements from the authorities. The authorities have continuously tightened the requirements on energy consumption in recent years, which is also reflected in the figures. In Norway, only one project was completed during the quarter, and this project achieved an exceptionally low energy consumption thanks to a specific choice of air heating system.

During the quarter, twelve projects were completed, of which nine received Swan Ecolabel certification, amounting to 75 percent, compared to 81 percent for full-year 2022.

JM is pursuing an ambitious goal of no serious accidents at our workplaces. Despite this, two serious accidents occurred in Sweden during the first quarter. The work to risk assess, prevent and follow up on the work environment and safety at JM's workplaces continues to be a major focus area for the operations and management.

GOALS 2030	OPERATIONAL TARGET 2023	JAN-MAR 2023	FY 2022	FY 2021
JM has the industry's best work environment and zero workplace accidents	No serious (according to national work environment authority's definition) accidents for own staff or subcontractors	2 (Sweden) – (Norway) – (Finland)	9 (Sweden) 2 (Norway) – (Finland)	7 (Sweden) – (Norway) – (Finland)
20% women among JM's wage-earners	Percentage of women among JM's wage-earners at least 10%	7.5%	8.0%	6.8%
JM is striving for an even gender distribution and diversity among its employees (at least 40/60 women/men)	Even gender distribution among salaried employees, at least 35/65 women/men	39/61	39/61	39/61
	Even gender distribution among managers, at least 35/65 women/men	30/70	30/70	30/70
Total amount of construction waste reduced to 15 kg/GFA (gross floor area) by 2030 ¹⁾	Total amount of construction waste reduced to max 25/GFA excl. garage	29 (Sweden) 24 (Norway)	35 (Sweden) 33 (Norway)	36 (Sweden) 28 (Norway)
JM's operations have climate-affecting emissions close to zero ^{1) 2)}	The estimated energy needed for residential units is at least 10% below the applicable norm in Sweden	16%	19%	23%
	The estimated energy needed for residential units is at least 25% below the applicable norm in Norway	55%	34%	34%
All properties must receive Swan Ecolabel certification	All completed projects during the project will receive Swan Ecolabel certification	7 (Sweden) 1 (Norway) 1 (Finland)	20 (Sweden) 14 (Norway) 5 (Finland)	30 (Sweden) – (Norway) – (Finland)

¹⁾ Data for JM Finland has been developed recently and will be reported when a longer time series is available.

²⁾ As calculation methods and data gathering develop, more key ratios will be added, primarily with regard to climate-affecting emissions in JM's production.

Other information

Risks and uncertainty factors

JM's risks and risk management are presented in 2022 Annual and Sustainability Report on pages 14–18, 76 and 80–81. The risk assessment has not changed from what is presented there.

Buy-back, elimination and holdings of own shares

Following the AGM on March 31, 2022, 3,774,001 shares were repurchased for SEK 700m. Holdings of treasury shares subsequently total 3,774,001. The number of outstanding shares, excluding holdings of treasury shares, at March 31, 2023, totals 64,504,840. During the first quarter 2023, JM has not bought back any own shares.

The AGM on March 30, 2023, resolved for all holdings of treasury shares be eliminated through a decrease in the share capital for appropriation to unrestricted equity and at the same time to conduct a bonus issue for the same amount.

The AGM also resolved to authorize the Board of Directors, during the period up to the next AGM and on one or more occasions, to decide to buy back shares so that the Company's holdings do not at any point in time exceed 10 percent of all the shares in the Company. Acquisition should take place on Nasdaq Stockholm within the applicable share-price interval at the time of purchase.

Dividend

The AGM on March 30, 2023, resolved on a dividend for 2022 of SEK 14.00 (13.50) per share for a total of SEK 903m (922). The dividend was sent on Thursday, April 6, 2023.

Personnel

The number of employees in the first quarter amounted to 2,457 (2,453). The number of wage-earners amounted to 913 (870), and the number of salaried employees was 1,544 (1,583).

Related parties

No significant transactions with related parties occurred during the period other than the normal transactions between JM's Group companies and joint arrangements. The transactions occurred at market terms.

Significant events after the end of the quarter

At the beginning of April, the local planning for Marieviks Udde came into legal force. JM is planning to build a total of four residential blocks with approximately 660 residential units. Production is planned to start during the first quarter 2025, and first occupancy is preliminarily planned for the first quarter 2027.

The Supreme Administrative Court announced on April 21, 2023, that it does not intend to hear the case between JM and Finansinspektionen with regard to JM's annual report for 2017. The decision by the Supreme Administrative Court to not grant leave to appeal thus closes the matter, and the ruling by the Administrative Court of Appeal becomes legally binding. Under this ruling, the tenant-owners associations that are formed through JM's residential development must be consolidated in JM's consolidated financial statements in accordance with IFRS. The change to the accounting principle is applied as of the first quarter 2023, see Note 1 for further information.

In order to dimension the operations to the lower production volumes resulting from the deteriorating economy, JM has on April 26, announced a potential reduction in Group staffing by approximately 200 employees.

Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Revenue	3,962	3,854	16,493	16,385
Production and operating costs	-3,290	-3,140	-13,365	-13,216
Gross profit	673	714	3,128	3,169
Selling and administrative expenses	-252	-255	-1,091	-1,094
Gains/losses on the sale of property, etc. ¹⁾	-4	7	-22	-11
Operating profit	417	466	2,015	2,064
Financial income and expenses	-23	-16	-77	-70
Profit before tax	394	450	1,938	1,994
Taxes	-83	-94	-408	-419
Profit for the period	311	356	1,531	1,575
Other comprehensive income	-3	63	502	568
Comprehensive income for the period	308	418	2,033	2,143
Diluted earnings per share (SEK)	4.80	5.20	23.10	23.40
Average number of shares, diluted	64,815,685	68,794,513	66,409,014	67,384,072
¹⁾ Of which income from joint venture	-4	7	-22	-11

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	3/31/2023	3/31/2022	12/31/2022
ASSETS			
Non-current assets	339	351	351
Project properties	800	896	932
Development properties	8,239	7,995	8,465
Participations in tenant-owners associations, etc.	363	330	308
Current receivables ¹⁾	4,856	3,770	5,225
Cash and cash equivalents	2,577	4,115	1,840
Total current assets	16,835	17,105	16,771
Total assets	17,175	17,457	17,122
EQUITY AND LIABILITIES ²⁾			
Equity	9,314	8,904	9,006
Non-current interest-bearing liabilities	257	193	268
Other non-current liabilities	413	374	414
Non-current provisions	2,591	3,066	2,717
Total non-current liabilities	3,261	3,633	3,399
Current interest-bearing liabilities	461	658	507
Other current liabilities	4,013	4,118	4,088
Current provisions	126	144	122
Total current liabilities	4,600	4,920	4,717
Total equity and liabilities	17,175	17,457	17,122
¹⁾ Of which receivables from property sales	74	15	55
²⁾ Of which liabilities for property acquisition	535	464	516

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH		FULL-YEAR
	2023	2022	2022
Opening balance at beginning of the period	9,006	8,608	8,608
Total comprehensive income for the period	308	418	2,143
Dividend	–	–	–922
Conversion of convertible loan	–	1	1
Repurchase of shares	–	–124	–825
Equity component of convertible debentures	–	–	–
Closing balance at end of the period	9,314	8,904	9,006

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Cash flow from operating activities before change in working capital and taxes ¹⁾²⁾	170	485	1,234	1,550
Tax paid	–153	–151	–534	–532
Investment in development properties	–67	–365	–1,572	–1,871
Payment on account for development properties	229	431	1,335	1,538
Investment in project properties	–149	–83	–861	–795
Sale of project properties	–	–	79	79
Change in current liabilities/receivables	762	–45	576	–230
Cash flow from operating activities	792	273	258	–261
Cash flow from investing activities	1	–6	–22	–29
Loans raised	62	271	329	538
Amortization of liabilities	–101	–292	–469	–661
Buy-back of shares	–	–124	–700	–825
Dividends	–	–	–922	–922
Cash flow from financing activities	–39	–146	–1,763	–1,869
Cash flow for the period	753	122	–1,527	–2,159
Cash and cash equivalents at end of the period	2,577	4,115	2,577	1,840
¹⁾ Of which investment in participations in tenant-owners associations and freehold residential units	–306	–21	–538	–252
²⁾ Of which the sale of participations in tenant-owners associations and freehold residential units	163	90	414	340

GROUP KEY FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Operating margin	10.5	12.1	12.2	12.6
Return on equity			16.8	17.9
Return on capital employed			17.8	18.6
Debt/equity ratio, multiple	–	–		–
Equity/assets ratio	54	51		53

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–MARCH 2023	APRIL–MARCH 2022 ^{*)}	FULL-YEAR 2022 ^{*)}
Revenue	4,696	3,270	16,003
Production and operating costs	-3,790	-2,734	-12,536
Gross profit	907	536	3,467
Selling and administrative expenses	-255	-258	-1,105
Gains/losses on the sale of property, etc. ¹⁾	-4	7	-22
Operating profit	648	286	2,340
Financial income and expenses	-30	-21	-97
Profit before tax	618	265	2,243
Taxes	-131	-56	-395
Profit for the period	488	209	1,773
Other comprehensive income			
<i>Items that will be reclassified as income</i>			
Translation differences from the translation of foreign operations	-91	83	-27
<i>Items that will not be reclassified as income</i>			
Restatement of defined-benefit pensions	124	-34	673
Tax attributable to other comprehensive income	-26	7	-139
Comprehensive income for the period	495	265	2,281
Net profit for the period is attributable to shareholders of the Parent Company	488	209	1,773
Comprehensive income for the period is attributable to shareholders of the Parent Company	495	265	2,281
Earnings per share, basic, is attributable to shareholders of the Parent Company, SEK	7,60	3,00	26,80
Earnings per share, diluted, is attributable to shareholders of the Parent Company, SEK	7,50	3,00	26,70
<i>Number of outstanding shares at end of the period</i>	64,504,840	68,277,119	64,504,840
<i>Average number of shares, basic</i>	64,504,840	68,459,245	66,098,169
<i>Average number of shares, diluted</i>	64,815,685	68,794,513	66,409,014
¹⁾ Of which income from joint venture	-4	7	-22

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	3/31/2023	3/31/2022 ^{*)}	12/31/2022 ^{*)}
ASSETS			
Non-current assets¹⁾	551	599	565
Project properties	800	896	932
Development properties	8,239	7,995	8,465
Utilization of site leasehold rights	536	287	513
Participations in tenant-owners associations, etc.	363	330	308
Work in progress	14,289	13,171	15,217
Current receivables	4,232	3,153	3,767
Cash and cash equivalents ²⁾	2,777	4,723	2,151
Total current assets	31,236	30,555	31,354
Total assets	31,788	31,153	31,919
EQUITY AND LIABILITIES^{3) 4) 5)}			
Equity	8,535	7,876	8,039
Non-current interest-bearing liabilities	901	636	892
Other non-current liabilities	413	374	414
Non-current provisions	2,393	2,803	2,468
Total non-current liabilities	3,706	3,813	3,774
Current interest-bearing liabilities	14,858	14,723	15,480
Other current liabilities	4,563	4,598	4,504
Current provisions	126	144	122
Total current liabilities	19,547	19,464	20,105
Total equity and liabilities	31,788	31,153	31,919
Pledged assets	6,273	7,154	7,418
Contingent liabilities	1,998	1,732	2,056
¹⁾ Of which right-of-use offices and cars	212	247	214
²⁾ Of which cash and cash equivalents in tenant-owners associations	200	608	311
³⁾ Of which project financing	15,747	15,496	16,341
⁴⁾ Of which liabilities for property acquisition	535	464	516
⁵⁾ Of which current and non-current interest-bearing lease liabilities	732	537	709

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–MARCH		FULL-YEAR
	2023	2022 ^{*)}	2022 ^{*)}
Opening balance at beginning of the period	8,039	7,734	7,734
Total comprehensive income for the period	495	265	2,051
Dividend	–	–	–922
Conversion of convertible loan	–	1	1
Repurchase of shares	–	–124	–825
Equity component of convertible debentures	–	–	–
Closing balance at end of the period	8,535	7,876	8,039

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO IFRS, SEK M	JANUARY–MARCH	APRIL–MARCH	FULL-YEAR
	2023	2022 ^{*)}	2022/2023 ^{*)}
Cash flow from operating activities before change in working capital and taxes^{1) 2)}	421	325	1,641
Tax paid	–154	–151	–535
Investment in development properties	–67	–365	–1,572
Payment on account for development properties	57	111	595
Investment in project properties	–149	–83	–861
Sale of project properties	–	–	79
Change in current liabilities/receivables	1,006	–143	161
Cash flow from operating activities	1,115	–305	–492
Cash flow from investing activities	1	–6	–22
Loans raised	3,445	3,177	12,147
Amortization of liabilities	–3,917	–2,393	–11,944
Buy-back of shares	–	–124	–700
Dividends	–	–	–922
Cash flow from financing activities	–472	660	–1,420
Cash flow for the period	644	349	–1,934
Cash and cash equivalents at end of the period	2,777	4,723	2,777
¹⁾ Of which investment in participations in tenant-owners associations and freehold residential units	–306	–21	–538
²⁾ Of which the sale of participations in tenant-owners associations and freehold residential units	163	90	414

GROUP KEY FIGURES

ACCORDING TO IFRS, %	JANUARY–MARCH	APRIL–MARCH	FULL-YEAR
	2023	2022 ^{*)}	2022/2023 ^{*)}
Operating margin	13.8	8.7	14.6
Debt/equity ratio, multiple	1.7	1.6	1.9
Equity/assets ratio	27	25	25

^{*)} Starting with the interim report for the first quarter of 2023, JM applies a new accounting principle for projects with Swedish tenant-owners associations. See note 1 accounting principles. Comparative figures on pages 18–19 in this report have been restated according to the new principle.

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	JANUARY–MARCH		FULL-YEAR
	2023	2022	2022
Net sales	2,468	2,380	9,597
Production and operating costs	-2,118	-1,957	-7,629
Gross profit	349	423	1,968
Selling and administrative expenses	-236	-252	-828
Operating profit	114	172	1,140
Financial income and expenses	61	128	707
Profit before appropriations and tax	175	299	1,847
Appropriations	-2	-	34
Profit before tax	173	299	1,881
Taxes	-24	-35	-243
Profit for the period	149	264	1,638

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	3/31/2023	3/31/2022	12/31/2022
Assets			
Non-current assets	2,955	2,214	2,932
Current assets	12,153	13,936	11,955
Total assets	15,108	16,150	14,887
Equity and liabilities			
Equity	4,459	4,558	4,310
Untaxed reserves	2,300	2,390	2,300
Provisions	1,435	1,482	1,356
Non-current liabilities	426	417	426
Current liabilities	6,488	7,302	6,495
Total equity and liabilities	15,108	16,150	14,887
Pledged assets	100	100	100
Contingent liabilities	9,284	9,564	8,946

Notes

Note 1 Accounting principles

This interim report for the first quarter of 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS). Since the Parent Company is an enterprise within the EU, only EU-approved IFRS are applied. The Parent Company's accounts were prepared in accordance with RFR 2.

Amended standards as of 2023

According to the amendments to IAS 1 Presentation of Financial Statements, which are applied as of January 1, 2023, JM must provide disclosures regarding significant information about accounting principles instead of disclosing significant accounting principles. The amendment to IAS 1 has been analyzed and is not judged to have a material impact on JM's financial statements. Other amendments to standards and interpretations that entered into force on January 1, 2023, have also not had a material impact on this financial statement.

Segment reporting

JM's segment reporting primarily differs from IFRS in three respects:

In segment reporting, the Group's revenue is recognized using the percentage of completion method.

In addition, project financing within JM Norway and JM Finland and parts of the project financing in JM Residential Stockholm, JM Residential Sweden and JM Property Development are recorded as a deduction item to "Revenue less progress billings" or "Progress billings in excess of recognized revenue" and raised/repaid project financing is reported in the cash flow from operating activities.

The reporting of leases in accordance with IFRS 16 is not applied in the segment reporting.

JM makes the assessment that segment reporting most accurately reflects the economic implications of JM's business at the same time as it correlates well with the Group's internal governance, which is based on the Group's cash flows, risk profile and capital allocation.

Change in accounting principle operating segment

Starting January 1, 2023, JM International will be broken down into two new operating segments: JM Norway and JM Finland. This decision is in line with JM's strategy to be one of the leading residential project developers in the Nordics. JM Norway will include residential development projects, acquisitions of development properties, planning, pre-construction and the production and sales of residential units in Norway. JM Finland will include residential development projects, acquisitions of development properties, planning, pre-construction and the

production and sales of residential units in Finland. The accounting principles and methods of calculation for the Group have also not changed compared to the description on pages 87–91 in the 2022 Annual and Sustainability Report.

Changed accounting principle for housing development through Swedish tenant-owners associations

Against the background of the decision by the Supreme Administrative Court not to grant JM leave to appeal, the ruling by the Administrative Court of Appeal from November 9, 2022 becomes legally binding. As of fiscal year 2023, in accordance with IFRS 10 Consolidated Financial Statements, JM consolidates Swedish tenant-owners associations during the production phase up until the point in time that the home buyers of the residential units take over occupancy. Accordingly, the group's balance sheet and profit and loss according to IFRS includes all of the tenant-owners associations' assets, equity and liabilities as well as revenue and expenses. This principle is hereinafter referred to as the "completion contact method".

JM recognizes the projects in the balance sheet where largest items consist of work in progress on the asset side and the tenant-owners associations borrowing as a part of the Group's interest-bearing liabilities. Revenue and expenses for the projects are recognized when the home buyers take over occupancy of the residential units. The changed accounting principle entails that JM will recognize all residential projects that are developed in-house in Sweden, Norway and Finland according to the completed contract method. Revenue from residential development through tenant-owners associations in Sweden was previously recognized over time.

To provide a clear and comparable overview of JM's earnings trend over time with regard to residential development through tenant-owners associations, JM will continue to present segment reporting where revenue in these projects is recognized in accordance with the percentage of completion method. The reporting of financial key ratios will also take these conditions into consideration. This is in line with JM's internal governance model. Neither JM's risk profile nor existing financing agreements are impacted by the change in accounting.

The Parent Company's accounting principles are unchanged, for more information refer to note 1 in the 2022 Annual and Sustainability Report.

All comparative figures have been restated unless otherwise specified.

Note 1 Accounting principles, continued

HISTORICAL RESTATED STATEMENTS ACCORDING TO IFRS *)

CONDENSED CONSOLIDATED INCOME STATEMENT 2022, SEK M	Reported IFRS	Effect of restatement	Restated IFRS
Revenue	15,747	-1,170	14,577
Production and operating costs	-12,607	1,126	-11,481
Gross profit	3,140	-44	3,096
Selling and administrative expenses	-1,108		-1,108
Gains/losses on the sale of property, etc.	-11		-11
Operating profit	2,021	-44	1,978
Financial income and expenses	-89		-89
Profit before tax	1,933	-44	1,889
Taxes	-404	9	-395
Profit for the period	1,529	-34	1,495

CONDENSED CONSOLIDATED BALANCE SHEET 12/31/2022, SEK M	Reported IFRS	Effect of restatement	Restated IFRS
ASSETS			
Non-current assets	565		565
Project properties	932		932
Development properties	8,465		8,465
Utilization of site leasehold rights	513		513
Participations in tenant-owners associations, etc.	308		308
Work in progress	5,095	10,122	15,217
Current receivables	6,664	-2,897	3,767
Cash and cash equivalents	1,840	311	2,151
Total current assets	23,818	7,536	31,354
Total assets	24,383	7,536	31,919
EQUITY AND LIABILITIES			
Equity	8,725	-686	8,039
Non-current interest-bearing liabilities	892		892
Other non-current liabilities	414		414
Non-current provisions	2,646	-178	2,468
Total non-current liabilities	3,952	-178	3,774
Current interest-bearing liabilities	7,593	7,887	15,480
Other current liabilities	3,992	512	4,504
Current provisions	122		122
Total current liabilities	11,707	8,399	20,105
Total equity and liabilities	24,383	7,536	31,919
Pledged assets	463	6,955	7,418
Contingent liabilities	8,787	-6,731	2,056

KEY FIGURES 2022	Reported IFRS	Effect of restatement	Restated IFRS
Operating margin, %	12.8	0.8	13.6
Debt/equity ratio, multiple	0.9	1.0	1.9
Equity/assets ratio, %	36	-11	25
Earnings per share, SEK	22.70	-0,50	22.20

*) The tables present historical restated information according to IFRS. After final reconciliation in connection with this interim report, an adjustment of revenue and corresponding costs has been made between the fourth quarter 2022 and the first quarter 2023. The effect on the profit is considered not material. Resulting in that certain outcomes deviating from information in previous communication.

INCOME STATEMENT, SEK M	Q4 2022			Q3 2022			Q2 2022			Q1 2022		
	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS
Revenue	5,240	338	5,578	3,004	-416	2,589	3,668	-527	3,140	3,835	-565	3,270
Production and operating costs	-4,134	-185	-4,319	-2,413	453	-1,961	-2,932	464	-2,467	-3,128	394	-2,734
Gross profit	1,106	153	1,259	591	37	628	736	-63	673	707	-171	536
Selling and administrative expenses	-288		-288	-243		-243	-320		-320	-258		-258
Gains/losses on the sale of property, etc.	-3		-3	-9		-9	-6		-6	7		7
Operating profit	816	153	969	339	37	376	410	-63	347	457	-171	286
Financial income and expenses	-26		-26	-21		-21	-20		-20	-21		-21
Profit before tax	789	153	942	318	37	355	390	-63	327	436	-171	265
Taxes	-160	-32	-192	-72	-7	-79	-81	12	-68	-91	36	-56
Profit for the period	630	121	751	246	30	276	309	-51	259	344	-135	209
Earnings per share, SEK	9.60	1.80	11.40	3.70	0.40	4.10	4.50	-0.70	3.80	5.00	-2.00	3.00

BALANCE SHEET, SEK M	12/31/2022			09/30/2022			06/30/2022			03/31/2022		
	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS
ASSETS												
Non-current assets	565		565	545		545	545		545	599		599
Project properties	932		932	1,369		1,369	1,225		1,225	896		896
Development properties	8,465		8,465	8,607		8,607	8,336		8,336	7,995		7,995
Utilization of site leasehold rights	513		513	626		626	356		356	287		287
Participations in tenant-owners associations, etc.	308		308	339		339	389		389	330		330
Work in progress	5,095	10,122	15,217	4,946	10,187	15,133	4,277	9,557	13,834	4,175	8,996	13,171
Current receivables	6,664	-2,897	3,767	6,216	-3,213	3,003	6,517	-3,064	3,453	6,004	-2,851	3,153
Cash and cash equivalents	1,840	311	2,151	1,902	284	2,186	2,481	276	2,757	4,115	608	4,723
Total current assets	23,818	7,536	31,354	24,004	7,258	31,263	23,582	6,769	30,350	23,801	6,753	30,555
Total assets	24,383	7,536	31,919	24,549	7,258	31,807	24,127	6,769	30,896	24,400	6,753	31,153
EQUITY AND LIABILITIES												
Equity	8,725	-686	8,039	8,080	-806	7,274	7,947	-836	7,111	8,662	-786	7,876
Non-current interest-bearing liabilities	892		892	1,016		1,016	744		744	636		636
Other non-current liabilities	414		414	374		374	373		373	374		374
Non-current provisions	2,646	-178	2,468	2,783	-209	2,574	2,972	-217	2,755	3,007	-204	2,803
Total non-current liabilities	3,952	-178	3,774	4,173	-209	3,964	4,089	-217	3,872	4,017	-204	3,813
Current interest-bearing liabilities	7,593	7,887	15,480	7,765	6,876	14,641	7,767	6,625	14,392	7,573	7,150	14,723
Other current liabilities	3,992	512	4,504	4,394	1,397	5,791	4,182	1,197	5,379	4,003	594	4,597
Current provisions	122		122	137		137	142		142	144		144
Total current liabilities	11,707	8,399	20,105	12,295	8,273	20,569	12,091	7,822	19,913	11,721	7,744	19,464
Total equity and liabilities	24,383	7,536	31,919	24,549	7,258	31,807	24,127	6,769	30,896	24,400	6,753	31,153
Pledged assets	463	6,955	7,418	461	6,364	6,825	460	5,602	6,062	622	6,532	7,154
Contingent liabilities	8,787	-6,731	2,056	8,351	-6,352	1,999	7,694	-6,066	1,628	9,069	-7,337	1,732

CASH FLOW, SEK M	12/31/2022			09/30/2022			06/30/2022			03/31/2022		
	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS	Reported IFRS	Effect of restatement	Restated IFRS
Cash flow from operating activities	-189	-328	-517	-1,052	580	-472	-1,088	471	-617	-305		-305
Cash flow from investing activities	-28		-28				6		6	-6		-6
Cash flow from financing activities	149	355	504	470	-571	-101	-547	-803	-1,350	433	227	660
Cash flow for the period	-68	27	-41	-583	9	-573	-1,630	-332	-1,961	122	227	349
Cash and cash equivalents at end of the period	1,840	311	2,151	1,902	284	2,186	2,481	276	2,757	4,115	608	4,723

Note 2 Breakdown of revenue

REVENUE BY COUNTRY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Sweden	2,892	2,623	11,531	11,263
Norway	632	856	3,168	3,392
Finland	439	375	1,792	1,729
Other	–	–	2	2
Total	3,962	3,854	16,493	16,385

REVENUE BY BUSINESS SEGMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
JM Residential Stockholm	1,095	1,285	4,776	4,966
JM Residential Sweden	1,129	1,127	4,503	4,500
JM Norway	632	856	3,168	3,392
JM Finland	439	375	1,792	1,729
JM Property Development	566	73	1,717	1,224
JM Construction	197	262	1,012	1,077
Elimination	–96	–124	–477	–505
Other	–	–	2	2
Total	3,962	3,854	16,493	16,385

PROFIT/LOSS COMPONENTS, HOUSING BUSINESS, PERCENTAGE OF COMPLETION METHOD (GROSS PROFIT)

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH	OCT–DECEMBER	JULY–SEPTEMBER	APRIL–JUNE	JANUARY–MARCH
	2023	2022	2022	2022	2022
Cost-based effect	292	325	291	309	248
Revaluation effect	231	434	352	410	384
Sales effect	5	–62	–30	7	52
Total	528	697	613	726	684

The percentage of completion method in JM and the accounting of gross profit for the housing business consists of three components: incurred costs (cost-based effect), assessment of expected margin (revaluation effect), and sales rate of projects (sales effect).

Profit/loss components are reported quarterly and are not accumulated. The table starts with the business segments' gross operating profit (excluding net rental income from project and development properties) for the housing business. For definitions of profit/loss components in the housing business, see the document entitled "Definitions key financial figures" at jm.se/en/about-us/investors

REVALUATION EFFECTS – HOUSING BUSINESS

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH	OCT–DECEMBER	JULY–SEPTEMBER	APRIL–JUNE	JANUARY–MARCH
	2023	2022	2022	2022	2022
JM Residential Stockholm	53	134	120	126	113
JM Residential Sweden	118	188	173	203	169
JM Norway	39	73	45	55	74
JM Finland	21	38	14	27	28
Total	231	434	352	410	384

Note 3 Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Revenue for the period (segment reporting)	3,962	3,854	16,493	16,385
Recalculation to the completion method	734	–584	–490	–1,808
Revenue for the period (IFRS)	4,696	3,270	16,003	14,577
Operating profit/loss for the period (segment reporting)	417	466	2,015	2,064
Recalculation to the completion method	224	–186	306	–105
Leases IFRS 16	6	5	19	18
Operating profit/loss for the period (IFRS)	648	286	2,340	1,978
Profit/loss for the period (segment reporting)	311	356	1,531	1,575
Recalculation to the completion method	176	–148	243	–81
Leases IFRS 16	–	1	–1	–
Profit/loss for the period (IFRS)	488	209	1,773	1,495

CONSOLIDATED BALANCE SHEET

SEK M	3/31/2023	3/31/2022	12/31/2022
Balance sheet total (segment reporting)	17,175	17,457	17,122
Recalculation to the completion method	–1,863	–2,334	–2,250
Reclassification project financing, interest-bearing ¹⁾	14,309	13,970	14,888
Reclassification project financing, non-interest-bearing ²⁾	1,438	1,525	1,453
Leases IFRS 16	729	534	706
Balance sheet total (IFRS)	31,788	31,153	31,919

¹⁾ Including Swedish tenant-owners associations liabilities.

²⁾ Billing on account to customers.

CONSOLIDATED EQUITY

SEK M	3/31/2023	3/31/2022	12/31/2022
Equity (segment reporting)	9,314	8,904	9,006
Recalculation to the completion method	–777	–1,026	–964
Leases IFRS 16	–3	–3	–3
Equity (IFRS)	8,535	7,876	8,039

CONSOLIDATED CASH FLOW

SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Cash flow from operating activities (segment reporting)	792	273	258	–261
Reclassification project financing	295	–605	–872	–1,772
Leases IFRS 16	27	26	121	121
Cash flow from operating activities according to IFRS	1,115	–305	–492	–1,912

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	3/31/2023	3/31/2022	12/31/2022
Interest-bearing net liabilities (+)/receivables (–) at end of period (segment reporting)	–549	–1,466	334
Reclassification project financing	14,109	13,362	14,576
Leases IFRS 16	732	537	709
Interest-bearing net liabilities (+)/receivables (–) at end of period (IFRS)	14,291	12,433	15,619

Note 4 Development properties

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	3/31/2023	3/31/2022	12/31/2022
JM Residential Stockholm	4,034	3,960	4,033
JM Residential Sweden	2,150	1,553	2,270
JM Norway	957	1,443	1,034
JM Finland	1,040	951	1,046
JM Property Development	–	10	–
JM Construction	10	13	10
Other	48	65	70
Total	8,239	7,995	8,465

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
	2023	2022	2022/2023	2022
Carrying amount at beginning of the period	8,465	8,205	7,995	8,205
New purchases	86	141	1,644	1,700
Transferred to production	–229	–431	–1,335	–1,538
Other	–82	80	–64	97
Carrying amount at end of the period	8,239	7,995	8,239	8,465

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	3/31/2023	3/31/2022	12/31/2022
JM Residential Stockholm	12,900	12,600	12,400
JM Residential Sweden	12,100	10,000	11,500
JM Norway	6,900	7,400	7,100
JM Finland	6,900	5,000	6,800
JM Property Development (project properties)	1,700	1,300	1,700
Total	40,500	36,300	39,500
Of which recognized in the balance sheet			
JM Residential Stockholm	6,400	6,700	6,400
JM Residential Sweden	8,500	6,200	8,000
JM Norway	3,200	3,500	3,300
JM Finland	3,500	3,200	3,500
JM Property Development (project properties)	800	200	800
Total	22,400	19,800	22,000

Stockholm April 27, 2023
JM AB (publ)

Johan Skoglund
President and CEO

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

Group quarterly overview

ACCORDING TO SEGMENT REPORTING, SEK M

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
INCOME STATEMENT					
Revenue	3,962	5,152	3,589	3,790	3,854
Production and operating costs	-3,290	-4,099	-2,942	-3,035	-3,140
Gross profit	673	1,054	646	755	714
Selling and administrative expenses	-252	-284	-238	-317	-255
Gains/losses on the sale of property, etc.	-4	-3	-9	-6	7
Operating profit	417	767	399	432	466
Financial income and expenses	-23	-21	-19	-14	-16
Profit before tax	394	746	380	418	450
Taxes	-83	-152	-85	-87	-94
Profit for the period	311	593	295	331	356
CONSOLIDATED BALANCE SHEET					
	3/31	12/31	9/30	6/30	3/31
ASSETS					
Non-current assets	339	351	318	326	351
Project properties	800	932	1,369	1,225	896
Development properties	8,239	8,465	8,607	8,336	7,995
Participations in tenant-owners associations, etc.	363	308	339	389	330
Current receivables	4,856	5,225	4,536	4,218	3,770
Cash and cash equivalents	2,577	1,840	1,902	2,481	4,115
Total current assets	16,835	16,771	16,753	16,649	17,105
Total assets	17,175	17,122	17,071	16,975	17,457
EQUITY AND LIABILITIES					
Equity	9,314	9,006	8,396	8,210	8,904
Non-current interest-bearing liabilities	257	268	250	247	193
Other non-current liabilities	413	414	374	373	374
Non-current provisions	2,591	2,717	2,862	3,036	3,066
Total non-current liabilities	3,261	3,399	3,485	3,657	3,633
Current interest-bearing liabilities	461	507	662	617	658
Other current liabilities	4,013	4,088	4,391	4,349	4,118
Current provisions	126	122	137	142	144
Total current liabilities	4,600	4,717	5,189	5,109	4,920
Total equity and liabilities	17,175	17,122	17,071	16,975	17,457
CASH FLOW STATEMENT					
	Q1	Q4	Q3	Q2	Q1
From operating activities	792	354	-363	-525	273
From investing activities	1	-28	-	6	-6
From financing activities	-39	-394	-219	-1,111	-146
Total cash flow for the period	753	-68	-582	-1,630	122
Cash and cash equivalents at end of the period	2,577	1,840	1,902	2,481	4,115
INTEREST-BEARING NET LIABILITIES/RECEIVABLES					
	Q1	Q4	Q3	Q2	Q1
Interest-bearing net liabilities(+)/-receivables(-) at beginning of period	334	615	64	-1,466	-1,363
Change in interest-bearing net liabilities/receivables	-882	-281	550	1,530	-102
Interest-bearing net liabilities(+)/receivables(-) at end of period	-549	334	615	64	-1,466
DEVELOPMENT PROPERTIES					
	Q1	Q4	Q3	Q2	Q1
Carrying amount at beginning of the period	8,465	8,607	8,336	7,995	8,205
New purchases	86	246	654	658	141
Transferred to production	-229	-416	-430	-261	-431
Other	-82	26	47	-56	80
Carrying amount at end of the period	8,239	8,465	8,607	8,336	7,995
KEY RATIOS					
	Q1	Q4	Q3	Q2	Q1
Operating margin, %	10.5	14.9	11.1	11.4	12.1
Debt/equity ratio, multiple	-	-	0.1	-	-
Equity/assets ratio, %	54	53	49	48	51
Earnings per share, SEK	4.80	9.00	4.40	4.90	5.20
Number of available building rights	40,500	39,500	39,000	38,400	36,300
Number of residential units sold	479	462	470	732	995
Number of housing starts	214	898	688	719	808
Number of residential units in current production	6,996	8,078	7,962	7,823	8,276

Business Segment Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M

	2023	2022			
	Q1	Q4	Q3	Q2	Q1
JM RESIDENTIAL STOCKHOLM					
Revenue	1,095	1,344	1,141	1,196	1,285
Operating profit	116	188	160	182	190
Operating margin, %	10.6	14.0	14.1	15.2	14.8
Average operating capital	4,552	4,494	4,476	4,548	4,644
Return on operating capital, % ¹⁾	14.2	16.0	16.4	16.6	16.6
Operating cash flow	76	-6	242	-182	244
Carrying amount, development properties	4,034	4,033	4,101	4,143	3,960
Number of available building rights	12,900	12,400	12,700	12,900	12,600
Number of residential units sold	51	61	102	230	264
Number of housing starts	-	265	205	178	73
Number of residential units in current production	2,396	2,665	2,598	2,709	2,870
JM RESIDENTIAL SWEDEN					
Revenue	1,129	1,156	1,012	1,205	1,127
Operating profit	126	171	153	185	174
Operating margin, %	11.2	14.8	15.1	15.3	15.5
Average operating capital	1,830	1,656	1,515	1,377	1,366
Return on operating capital, % ¹⁾	34.7	41.2	45.7	49.7	49.5
Operating cash flow	-135	8	-356	156	304
Carrying amount, development properties	2,150	2,270	2,138	1,704	1,553
Number of available building rights	12,100	11,500	11,100	10,100	10,000
Number of residential units sold	113	92	189	290	375
Number of housing starts	139	148	255	262	357
Number of residential units in current production	1,958	2,234	2,246	1,991	2,153
JM NORWAY					
Revenue	632	960	829	747	856
Operating profit	42	51	54	61	73
Operating margin, %	6.7	5.3	6.5	8.1	8.6
Average operating capital	2,110	2,158	2,181	2,165	2,184
Return on operating capital, % ¹⁾	9.8	11.0	14.9	17.7	19.3
Operating cash flow	-12	249	16	-2	-61
Carrying amount, development properties	957	1,034	1,245	1,391	1,443
Carrying amount, project properties	17	18	18	18	18
Number of available building rights	6,900	7,100	7,300	7,400	7,400
Number of residential units sold	77	100	140	93	194
Number of housing starts	41	189	132	34	250
Number of residential units in current production	1,105	1,335	1,240	1,147	1,436
JM FINLAND					
Revenue	439	505	399	449	375
Operating profit	38	47	37	41	33
Operating margin, %	8.6	9.4	9.3	9.1	8.7
Average operating capital	1,644	1,618	1,496	1,399	1,249
Return on operating capital, % ¹⁾	9.9	9.8	16.7	23.1	30.5
Operating cash flow	-29	231	79	-141	24
Carrying amount, development properties	1,040	1,046	1,031	1,009	951
Number of available building rights	6,900	6,800	6,100	6,100	5,000
Number of residential units sold	20	139	39	119	162
Number of housing starts	34	226	-	245	128
Number of residential units in current production	1,030	1,337	1,441	1,492	1,333
JM PROPERTY DEVELOPMENT					
Revenue	566	1,064	48	40	73
Operating profit	104	326	-2	-22	4
Operating margin, %	18.3	30.6	-	-	5.6
Average operating capital	1,355	1,325	1,212	1,171	1,187
Return on operating capital, % ¹⁾	29.9	23.1	18.0	19.8	34.3
Operating cash flow	919	-145	-124	-316	-81
Carrying amount, development properties	-	-	10	10	10
Carrying amount, project properties	783	914	1,351	1,208	878
Number of available building rights	1,700	1,700	1,800	1,900	1,300
Number of residential units sold	218	70	-	-	-
Number of housing starts	-	70	96	-	-
Number of residential units in current production	507	507	437	484	484
JM CONSTRUCTION					
Revenue	197	252	274	289	262
Operating profit	2	-	4	4	4
Operating margin, %	1.0	-	1.5	1.4	1.4
Operating cash flow	5	46	-9	-1	-16

¹⁾ Calculated on 12-month rolling profits and average capital.

JM in brief

Business concept

With people in focus and through constant development, we create homes and sustainable living environments.

Vision

We are laying the foundations for a better life.

Business

JM is one of the leading developers of housing and residential areas in the Nordic region.

Operations focus on new production of homes in attractive locations, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland. We are also involved in project development of commercial premises and contract work, primarily in the Greater Stockholm area.

JM should promote long-term sustainability work in all its operations. Annual sales total approximately SEK 16 billion and the company has around 2,500 employees. JM AB is a public limited company listed on Nasdaq Stockholm, Large Cap segment.

Financial targets, benchmarks for capital structure and dividend policy

The operating margin should amount to on average 12 percent, including gains/losses from property sales.

Return on equity should be 25 percent on average over time.

Long-term growth should amount to 4 percent a year on average for the number of housing starts, where the baseline is an annual rate of 3,800 housing starts.

Benchmark for capital structure where the visible equity/assets ratio should amount to at least 35 percent over a business cycle.

Dividend policy where the average dividend should be 50 percent of the Group's profit after tax over a business cycle.

JM's financial targets, benchmarks for capital structure and dividend policy are based on segment reporting.

Disclosures

This information is information that JM AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CEST on April 27, 2023.

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Financial calendar

July 12, 2023 Interim Report January–June
October 25, 2023 Interim Report January–September

Press releases, Q1 2023

March 30	Annual General Meeting – JM AB
March 28	New Chief Financial Officer at JM
March 23	JM selling rental property in Järfälla, Stockholm
March 8	JM Annual and Sustainability Report 2022
February 24	Notice of JM AB's Annual General Meeting on March 30, 2023
February 2	Motion to 2023 Annual General Meeting in JM AB regarding Chair and Board Members
February 1	JM acquires building rights for residential development in Solna, Stockholm, and signs agreement for new head office
February 1	JM Year-end Report January–December 2022
February 1	JM divides business segment JM International into two new reporting segments

JM's Annual Reports, Interim Reports and other financial information are available at jm.se/investors

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