

Year-end Report January–December 2021

JM GROUP



CONTINUED HIGH DEMAND AND HIGH LEVEL OF HOUSING STARTS

JANUARY–DECEMBER 2021

Revenue decreased to SEK 14,608m (15,388).

Operating profit increased to SEK 2,216m (2,028).
The operating margin increased to 15.2 percent (13.2).

Gains from sale of properties and from joint venture of SEK 436m (191) are included in the operating profit.

Profit before tax increased to SEK 2,158m (1,955).
Profit after tax increased to SEK 1,798m (1,575).

Return on equity for the past twelve months increased to 21.9 percent (20.8). Earnings per share during the year increased to SEK 25.90 (22.50).

Consolidated cash flow including net investment in properties amounted to SEK 2,287m (1,715).

The number of residential units sold increased to 4,248 (4,026), and housing starts increased to 3,972 (3,199).

Surplus value of development properties was SEK 7.2bn (6.5).

The Board of Directors proposes a dividend of SEK 13.50 (12.75) for 2021.

The Board of Directors proposes a renewed mandate to buy back shares.

OCTOBER–DECEMBER 2021

Revenue decreased to SEK 4,068m (4,530).

Operating profit decreased to SEK 755m (789).
The operating margin increased to 18.6 percent (17.4).

Gains from sale of properties and from joint venture of SEK 242m (172) are included in the operating profit.

Profit before tax decreased to SEK 741m (770).
Profit after tax increased to SEK 652m (643).

Group cash flow including net investment in properties amounted to SEK 916m (1,288).

The number of residential units sold totaled 969 (1,623), and housing starts increased to 1,428 (976).

ACCORDING TO SEGMENT REPORTING SEK M

	JANUARY – DECEMBER		OCTOBER – DECEMBER	
	2021	2020	2021	2020
Revenue	14,608	15,388	4,068	4,530
Operating profit	2,216	2,028	755	789
Operating margin, %	15.2	13.2	18.6	17.4
Profit before tax	2,158	1,955	741	770
Cash flow from operating activities	2,287	1,715	916	1,288
Return on equity, %	21.9	20.8		
Equity/assets ratio, %	50	47		
Earnings per share, SEK	25.90	22.50	9.40	9.20
Number of residential units sold	4,248	4,026	969	1,623
Number of housing starts	3,972	3,199	1,428	976
Number of residential units in current production	8,094	7,976		
Revenue according to IFRS	15,650	16,291	4,926	5,469
Operating profit according to IFRS	2,227	2,018	767	759
Earnings per share according to IFRS, SEK	26.00	22.00	9.70	8.60
¹⁾ Of which rental units in JM Property Development	320	418	–	418
²⁾ Of which residential units in JM International to investors	583	170	146	–
³⁾ Of which rental units in JM Property Development	341	–	341	–
⁴⁾ Of which residential units in JM International to investors	505	170	146	–

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 operations outside of Sweden, JM International, are reported according to the completed contract method. 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 22-23.

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 Year-End Report are based on JM's segment reporting.

Group

A WORD FROM THE CEO

CONTINUED HIGH DEMAND AND HIGH LEVEL OF HOUSING STARTS

We continued to have high demand in the fourth quarter at good price levels in all our markets. This has also contributed to a high level of housing starts, which is in line with our annual plan. Our digital solutions in the sales work continued to work very well. Revenue and profit are dampened by the lower housing starts and price levels for projects started in Stockholm in the past few years. The lead time in JM's business is several years, from the development of the housing market to recognition in the income statement. At the same time, the business and earnings continued to develop very favorably in Norway, Finland and the rest of Sweden during the quarter.

The supply of newly produced residential units on the market continued to be low in Stockholm and the rest of Sweden at the same time as the transaction volume is high.

We assess the underlying demand for housing to continue to be good on our markets. The reservation and sales level is high in the current production of residential units on all our markets. This provides continued good conditions for housing starts and stable cash flow moving forward.

With a high level of housing starts in the fourth quarter, we well exceeded the target of 3,800 housing starts in 2021. An increased level of housing starts is a priority to continue to meet the high demand for JM's residential units.

GOOD SALES IN STOCKHOLM

We have seen continued high demand in Stockholm in the fourth quarter, with good demand for our residential units in current production.

Sales in Stockholm were good, with recovery in the signing of contracts for freehold apartment projects during the quarter. In the fourth quarter, JM Residential Stockholm sold 356 residential units, compared to 261 in the third quarter. The housing business in Stockholm continued to have good profitability and increased housing starts according to plan in the fourth quarter. Revenue and operating profit, however, continue to be negatively impacted by the lower housing starts for projects during the years 2018–2020 and the lower prices from 2017 through the first half of 2020. Improvement is expected in 2022, assuming a continued positive market and some delay in housing starts attributable to authority decisions.

GOOD SALES IN NORWAY, FINLAND AND THE REST OF SWEDEN

The housing business in the rest of Sweden showed good sales, good profitability, and a high level of housing starts during the fourth quarter.

In Norway, activity on the housing market continued to develop favorably during the fourth quarter with stable prices. The housing market in Finland showed good development as well.

The international business continued to develop very well during the quarter in terms of both revenue and profit and an increased level of housing starts.

GOOD PROJECT PORTFOLIO AND STRONG FINANCIAL POSITION

We are well-positioned with a good project portfolio that is continuously developed for the housing of the future at the same time as our strong financial position allows us freedom of action. The balance sheet allows both growth in JM's business and stable value transfer to shareholders, where the Board of Directors proposes an increase in the dividend for 2021. The fundamental and long-term conditions are favorable for our business, and I expect continued good development in 2022.

Johan Skoglund,
President and CEO

“We continued to have high demand in the fourth quarter at good price levels in all our markets”



MARKET, SALES AND HOUSING STARTS

JANUARY–DECEMBER 2021

The housing market in Stockholm improved during the year with a high level of residential units sold. Profitability continued to be good, and housing starts in the fourth quarter have had a normal level of reservations.

The housing business in the rest of Sweden showed good profitability, with good sales and a high level of housing starts in a stable market.

In Norway and Finland, the activity on the housing market continued to develop favorably, with stable prices during the quarter.

Population growth in our main markets, coupled with continued low interest rates, supports demand for housing.

The number of residential units sold in the form of signed contracts increased to 4,248 (4,026)^{1) 2)}. The percentage of sold and reserved residential units in relation to current production amounted to 76 percent (74), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 1,306 residential units (1,340), JM Residential Sweden sold 1,121 (1,208), JM International sold 1,501 (1,060) and JM Property Development sold 320 (418).

The number of housing starts increased to 3,972 (3,199)^{3) 4)}. JM Residential Stockholm started production on 1,153 residential units (1,032), JM Residential Sweden on 1,177 (1,072), JM International on 1,301 (1,095), and JM Property Development on 341 (0).

In addition to demand, planning processes continue to be an important factor for the rate of housing starts.

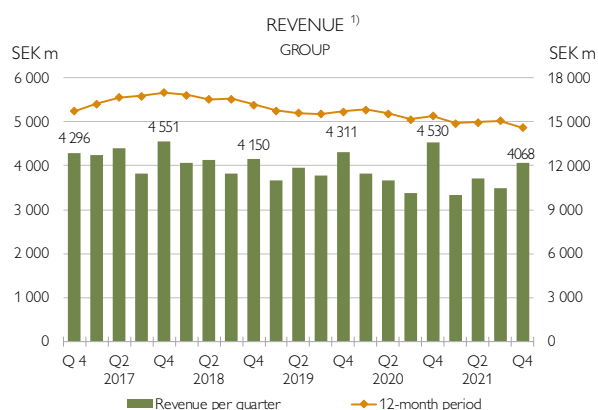
The number of residential units in current production amounted to 8,094 (7,976), of which 484 rental units (463) are in JM Property Development.

¹⁾ Of which 320 rental units (418) in JM Property Development

²⁾ Of which 583 residential units (170) in JM International and JM Residential Sweden to investors

³⁾ Of which 341 rental units (0) in JM Property Development

⁴⁾ Of which 505 residential units (170) in JM International and JM Residential Sweden to investors



¹⁾ According to segment reporting

REVENUE, OPERATING PROFIT AND OPERATING MARGIN

JANUARY–DECEMBER 2021

Consolidated revenue according to segment reporting decreased during the year to SEK 14,608m (15,388). Revenue restated according to IFRS decreased to SEK 15,650m (16,291). The lower revenue according to segment reporting is primarily attributable to a lower level of current production during a period where the level has increased during the fourth quarter.

Operating profit according to segment reporting increased to SEK 2,216m (2,028), and the operating margin increased to 15.2 percent (13.2). Operating profit restated according to IFRS increased to SEK 2,227m (2,018). The restatement is related to JM International, with a negative effect on earnings of SEK –10m (–37), and leases according to IFRS 16, with a positive effect on earnings of SEK 22m (27).

During the year, properties were sold with gains of SEK 396m (187), and income from joint venture amounted to SEK 40m (4), primarily attributable to value adjustments regarding rental properties.

Rental income from JM's project properties was SEK 41m (80). Net operating income was SEK 18m (57).

JM has not received any state support during the year attributable to COVID-19.

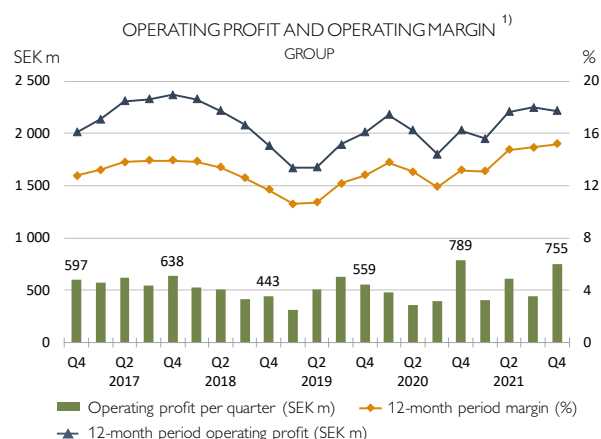
OCTOBER–DECEMBER 2021

Consolidated revenue according to segment reporting for the fourth quarter decreased to SEK 4,068m (4,530). Revenue restated according to IFRS decreased to SEK 4,926m (5,469).

Operating profit according to segment reporting decreased to SEK 755m (789), and the operating margin increased to 18.6 percent (17.4). Operating profit restated according to IFRS increased to SEK 767m (759). The restatement is related to JM International, with a positive effect on earnings of SEK 8m (–37), and leases according to IFRS 16, with a positive effect on earnings of SEK 4m (7).

During the fourth quarter, properties were sold with gains of SEK 234m (168), and income from joint venture amounted to SEK 8m (4), primarily attributable to value adjustments regarding rental properties.

Rental income from JM's project properties amounted to SEK 11m (20). Net rental income was SEK 4m (14).



¹⁾ According to segment reporting

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	763	926	204	299
JM Residential Sweden	662	657	180	181
JM International	415	276	139	136
JM Property Development	407	178	238	178
JM Construction	20	31	10	8
Group-wide expenses	–50	–40	–15	–13
Total	2,216	2,028	755	789
Of which sale of properties	396	187	234	168
Of which income from joint venture	40	4	8	4

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	15.3	14.6	16.3	14.8
JM Residential Sweden	15.3	15.7	15.4	15.9
JM International	9.2	7.4	9.9	12.3
JM Construction	2.1	2.5	3.5	2.6

RESIDENTIAL UNITS IN CURRENT PRODUCTION	12/31/2021	12/31/2020
Number of residential units in current production ^{1) 2)}	8,094	7,976
Percentage of sold residential units in current production, % ³⁾	64	60
Percentage reserved residential units in current production, %	13	14
Percentage sold and reserved residential units in current production, %	76	74

¹⁾ Of which rental units and residential care units in current production in JM Property Development - not included in the percentage of sold and reserved residential units in current production

484 463

Including residential units in projects where costs incurred are only reported as project properties under construction

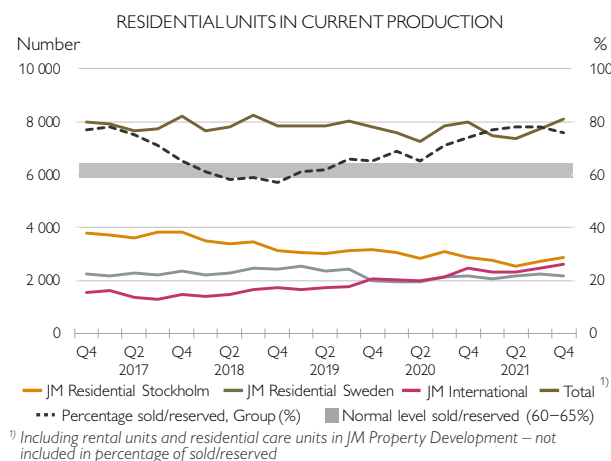
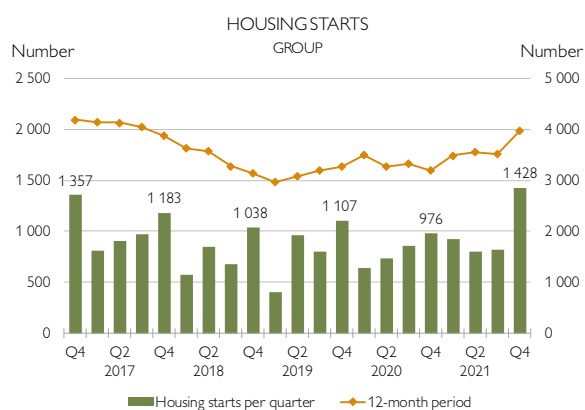
341 320

²⁾ Beginning with production start-up through final occupancy according to plan.

³⁾ Percentage of sold residential units expressed as binding contract with the end customer.

UNSOLD UNITS	12/31/2021	12/31/2020
Completed production, number of unsold units ¹⁾	91	143
The number of unsold residential units in the balance sheet recognized as "Participations in tenant-owners associations, etc."	67	85

¹⁾ After final occupancy according to plan.



RESIDENTIAL BUILDING RIGHTS

JANUARY–DECEMBER 2021

The number of available residential building rights at the end of the year amounted to 35,600 (37,800), of which 20,000 (20,400) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 8,192m (7,815).

The valuation of JM's total development properties with a carrying amount of SEK 8.2bn (7.8) shows a surplus value of SEK 7.2bn (6.5). This valuation was carried out in cooperation with an independent appraisal company.

JM acquired development properties for residential units during the year for SEK 1,754m (1,022), of which SEK 534m relates to JM Residential Stockholm, SEK 495m to JM Residential Sweden and SEK 726m to JM International.

PROJECT PROPERTIES

The externally appraised market value of JM's development properties was calculated to be SEK 1,088m (1,651) with a carrying amount of SEK 813m (1,246).

FINANCIAL ITEMS

Net financial items improved compared to the previous year primarily attributable to somewhat lower average interest-bearing liabilities.

The total interest-bearing liability according to segment reporting was SEK 2,618m (2,737), of which the provision for pension liabilities comprised SEK 1,761m (1,804). At the end of the year, the average interest rate for the total loan stock including the pension liability was 2.0 percent (1.5). The average term for fixed-rate loans excluding the pension liability was 0.4 years (0.5).

Consolidated available liquidity increased to SEK 6,781m (5,837). Aside from cash and cash equivalents of SEK 3,981m (3,037), 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 2.9 years (3.1).

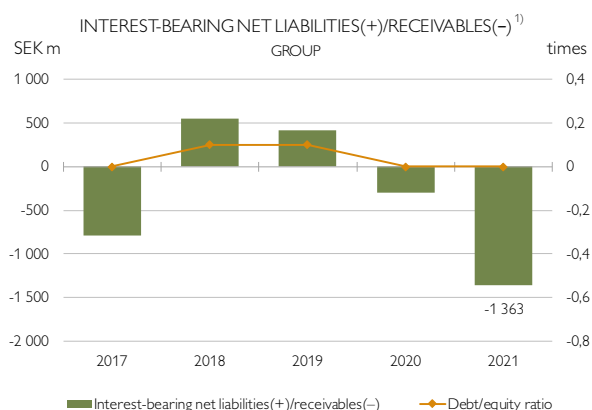
Interest-bearing net receivables including the pension liability according to segment reporting totaled SEK 1,363m (300) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 651m (435). Of these liabilities, SEK 278m (64) were current.

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

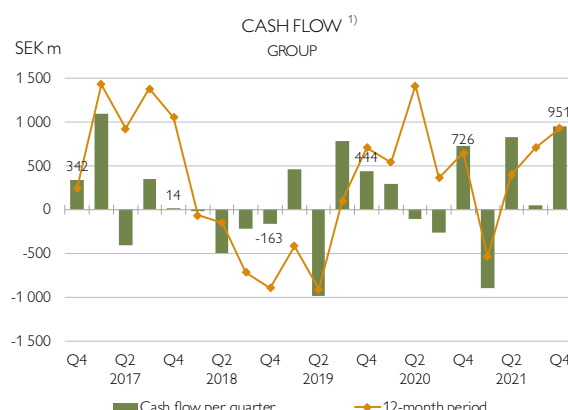
DEVELOPMENT PROPERTIES (RESIDENTIAL UNITS) SEK BN	12/31/2021			12/31/2020		
	MARKET VALUE	CARRYING AMOUNT	SURPLUS VALUE	MARKET VALUE	CARRYING AMOUNT	SURPLUS VALUE
JM Residential Stockholm	8.8	4.1	4.8	8.8	4.2	4.6
JM Residential Sweden	3.0	1.7	1.4	2.6	1.5	1.1
JM International	3.5	2.5	1.0	2.9	2.1	0.8
Total	15.4	8.2	7.2	14.3	7.8	6.5

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Financial income	4	6	2	1
Financial expenses	-62	-79	-15	-20
Financial income and expenses	-58	-73	-14	-19

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Interest-bearing net liabilities (+)/receivables (-) at beginning of period	-300	420	-587	409
Change in interest-bearing net liabilities/-receivables	-1,063	-720	-776	-709
Interest-bearing net liabilities (+)/receivables (-) at end of the period	-1,363	-300	-1,363	-300



1) According to segment reporting



1) Total cash flow for the period

CASH FLOW

JANUARY–DECEMBER 2021

Cash flow from operating activities according to segment reporting was SEK 2,287m (1,715). Net investments in development properties resulted in a cash flow of SEK –189m (481). The decreased holdings of unsold residential units in the balance sheet resulted in a cash flow of SEK 107m (–77). Consolidated cash flow attributable to project properties (sales minus investment) was SEK 893m (369), including payment received for property sales of SEK 1,340m.

OCTOBER–DECEMBER 2021

Cash flow from operating activities was SEK 916m (1,288) during the fourth quarter. Net investments in development properties resulted in a cash flow of SEK –76m (288). The reduced holdings of repurchased residential units resulted in a cash flow of SEK 44m (105). Consolidated cash flow attributable to project properties (sales minus investment) was SEK 705m (735), including payment received for property sales of SEK 790m.

RISKS AND UNCERTAINTY FACTORS

JM's risks and risk management are presented in the 2020 Annual Report on pages 32–37 and 83. Aside from the uncertainty related to COVID-19, uncertainty has arisen regarding the supply of Swedish cement.

COVID-19 and its effects have created uncertainty and risks for some time where the risks are judged to have decreased in 2021.

Cement supply and local cement production through the operation of a limestone quarry has been exposed to risk in Sweden due to an uncertain licensing process between a market-leading producer and related authorities. An amendment to the law has been adopted to enable the continuation of local cement production through the government review of a time-limited license to operate a limestone quarry. The amendment to the law made it possible to extend the licenses in question.

EXPOSURE TO COMMODITY PRICES

The price of steel and wood increased during the year. Long-term agreements with JM's suppliers mean this is having a limited impact on the income statement. Cement prices have been stable during the year for JM, where price increases were announced for 2022. Cost increases on raw materials are offset in part through regular streamlining.

For JM's Swedish operations, pure steel and wood constitute around 4 percent and 2 percent, respectively, of total costs. The material cost for pure concrete is estimated to constitute around 2 percent of the total cost, which includes cement, ballast and additives.

DIVIDEND

For 2021, the Board of Directors proposes a dividend of SEK 13.50 (12.75) per share, for a total of SEK 927m (887). The proposed record date for the dividend is Monday, April 4, 2022.

If the Annual General Meeting resolves to adopt the proposal, the dividend will be sent on Thursday, April 7, 2022.

REPURCHASE AND HOLDINGS OF OWN SHARES

Following the Annual General Meeting on March 24, 2021, 1,101,550 shares were bought back for SEK 375m. Holdings of own shares subsequently total 1,101,550. The number of outstanding shares, excluding holdings of own shares, at December 31, 2021, totals 68,648,746.

The Board of Directors intends to propose to the Annual General Meeting that all the holdings of own shares be eliminated through a decrease in the share capital for appropriations to unrestricted equity. The Board of Directors' complete proposal for a resolution regarding the elimination of shares will be available in conjunction with the notice of Annual General Meeting on March 2, 2022.

JM continues to have a strong financial position and strong liquidity. In light of this, the Board of Directors will propose that the Annual General Meeting resolve to renew the mandate for the Board of Directors, during the period up to the next Annual General Meeting and on one or more occasions, to decide on the buy-back of 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.

PERSONNEL

The number of employees decreased during the year to 2,453 (2,530). The number of wage-earners decreased to 884 (966), and the number of salaried employees was 1,569 (1,564). Current staffing is aligned with the current and increasing project volume, and adjustments are made on a regular basis. Demand on the labor market for qualified project development skills continued to be strong.

Business Segments

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 increased slightly during the fourth quarter. The total supply of residential units decreased, and the supply of newly produced residential units continued to be at a low level in the quarter.

Competition for well-situated land for housing is still considered to be at a high level. Prices continued to be at a level that requires selective acquisition.

The housing market in Stockholm was stable with continued high demand during the fourth quarter. Customers are showing considerable interest in JM's projects with good sales in the quarter, which has been limited, however, by available supply.

The willingness of customers to sign a contract early in the process is still at a normal level.

Housing starts in Stockholm during the fourth quarter were supported by a normal level of reservations, and profitability continued to be good in the current production volume. The level

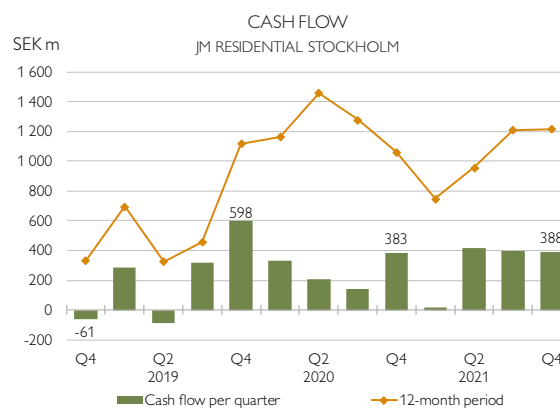
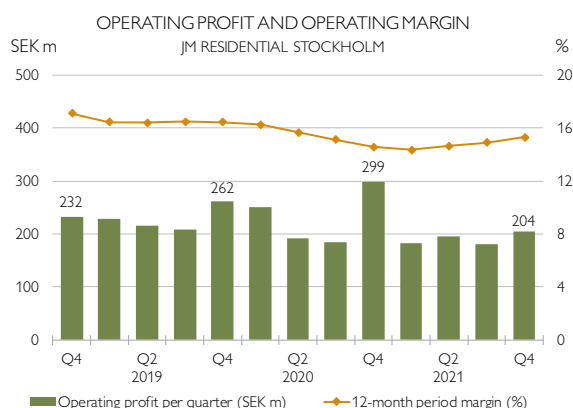
of land transfers to projects was also very low in the fourth quarter. During the quarter, the lack of necessary authority decisions has had a negative impact on the business unit's housing starts. This currently concerns one project with a total of around 155 residential units. Housing starts in forthcoming phases have also been indirectly delayed.

Revenue and operating profit continue to be negatively impacted by the lower housing starts for projects during the years 2018–2020 and the lower prices from 2017 through the first half of 2020.

Cash flow during the year is strengthened by decreased holdings of development properties and decreased holdings of residential units in the balance sheet.

Production was started in the fourth quarter on 265 residential units in apartments buildings and single-family homes in Järfälla, Stockholm and Södertälje.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Revenue	4,990	6,358	1,251	2,023
Operating profit	763	926	204	299
Operating margin, %	15.3	14.6	16.3	14.8
Average operating capital	4,771	5,372		
Return on operating capital, %	16.0	17.2		
Operating cash flow	1,214	1,064	388	383
Carrying amount, development properties	4,051	4,246		
Number of available building rights	11,700	12,500		
Number of residential units sold	1,306	1,340	356	474
Number of housing starts	1,153	1,032	265	282
Number of residential units in current production	2,855	2,878		
Number of employees	806	872		



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.

The average prices on the existing home market decreased slightly during the fourth quarter in all of the submarkets, with the exception of Malmö, which increased slightly.

The total supply of newly produced residential units is still at a low level. The supply of newly produced homes in Uppsala was at the same level, and in Gothenburg and Malmö it was lower compared to the corresponding period last year.

Competition for land for residential purposes continued to be tough during the fourth quarter for the business segment's submarkets.

Interest in JM's projects continued to be strong during the fourth quarter, with good sales. The customers' willingness to sign a contract early in the process is at a normal level.

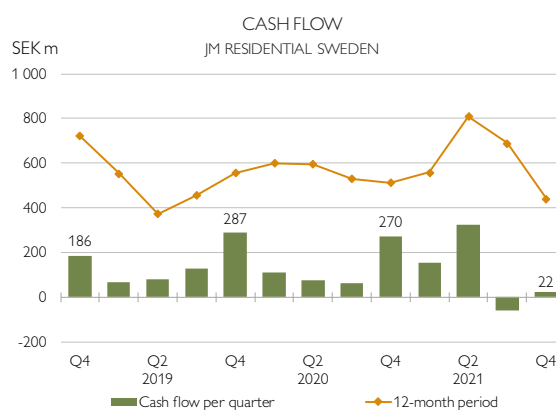
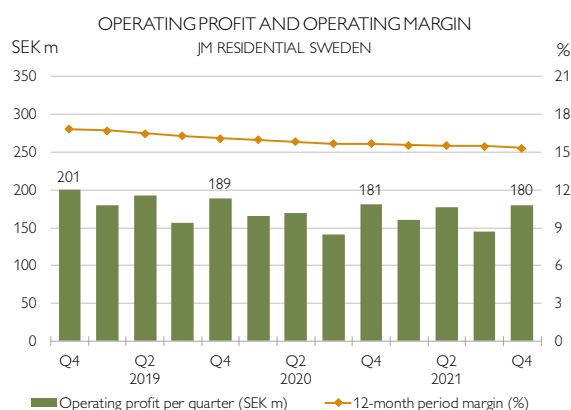
The business segment reports a continued good profit level and margin.

Cash flow during the year is in balance taking into consideration investments in development properties.

During the fourth quarter, production was started on a total of 300 residential units, of which 281 in apartment buildings in Malmö, Gothenburg, Partille and Linköping and 19 single-family homes in Uppsala.

Around 450 building rights were acquired in Mölndal, Kungälv and Uppsala.

SEK M	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2021	2020	2021	2020
Revenue	4,317	4,193	1,170	1,137
Operating profit	662	657	180	181
Operating margin, %	15.3	15.7	15.4	15.9
Average operating capital	1,354	1,307		
Return on operating capital, %	48.9	50.3		
Operating cash flow	442	512	22	270
Carrying amount, development properties	1,669	1,451		
Number of available building rights	9,900	9,900		
Number of residential units sold ¹⁾	1,121	1,208	220	380
Number of housing starts ²⁾	1,177	1,072	300	250
Number of residential units in current production	2,154	2,172		
Number of employees	564	591		
¹⁾ Of which residential units to investors	–	69	–	–
²⁾ Of which residential units to investors	–	69	–	–



JM International

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

Business segment revenue is higher than in the previous year. Operating profit and the operating margin increased to SEK 415m (276) and 9.2 percent (7.4), respectively. The higher profit is due primarily to a strong market, good sales and an increase in current production.

Cash flow during the year is in balance taking into consideration the slight increase in working capital.

NORWAY

Prices on the existing home market have been stable during the fourth quarter, and the activity level was high. At the same time, the Norwegian construction sector is experiencing increased cost pressure.

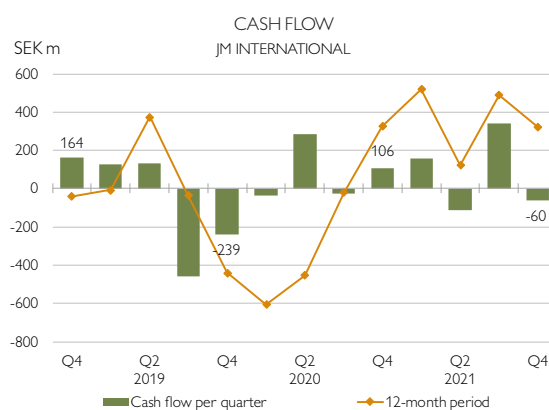
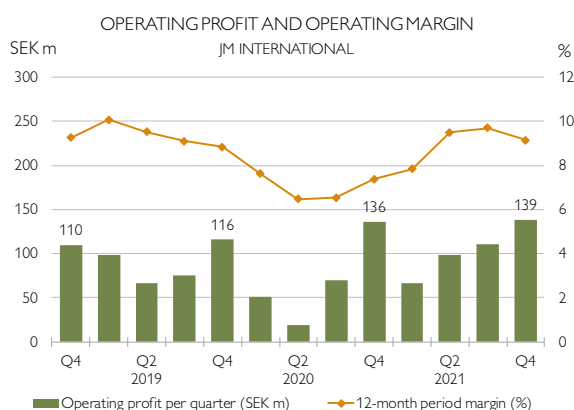
JM Norway's revenue amounted to SEK 3,030m (2,716), and operating profit increased to SEK 300m (205). The operating margin increased to 9.9 percent (7.5).

Good sales during the fourth quarter strengthened the operating profit and the operating margin.

During the fourth quarter, JM Norway sold 208 residential units (219) and started production on 246 residential units (277) in the Oslo region, Tønsberg and Trondheim. The number of residential units in current production amounted to 1,280 (1,369).

During the fourth quarter, 80 building rights (170) were acquired in Bergen. Available building rights correspond to 7,800 residential units (8,500).

SEK M	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2021	2020	2021	2020
Revenue	4,531	3,747	1,407	1,102
- of which JM Norway	3,030	2,716	928	806
Operating profit ¹⁾	415	276	139	136
- of which JM Norway	300	205	103	113
Operating margin, %	9.2	7.4	9.9	12.3
- of which JM Norway	9.9	7.5	11.0	14.0
Average operating capital	3,405	3,400		
Return on operating capital, %	12.2	8.1		
Operating cash flow	323	326	-60	106
Carrying amount, development properties	2,462	2,108		
Carrying amount, project properties	17	33		
Number of available building rights	12,900	14,200		
Number of residential units sold ²⁾	1,501	1,060	393	351
Number of housing starts ³⁾	1,301	1,095	522	444
Number of residential units in current production	2,601	2,463		
Number of employees	551	530		
¹⁾ Of which property sales	4	-1	4	-2
²⁾ Of which residential units to investors	583	101	146	-
³⁾ Of which residential units to investors	505	101	146	-



FINLAND

The activity on the housing market in the Helsinki region continued to be stable at a high level. Customers are showing strong interest in JM's projects, and their willingness to convert reservations to contracts was at a high level during the fourth quarter. The prices on the existing home market in the Helsinki region were stable during the quarter but increased for full-year 2021.

JM Finland is reporting a very positive development in revenue and earnings.

During the fourth quarter, 185 residential units (132) were sold, and production started on 276 residential units (167). Of the sold residential units and housing starts, 146 residential units (0) are to investors. The number of residential units in current production amounted to 1,321 (1,094).

During the fourth quarter, no building rights were acquired. Available building rights correspond to 5,100 residential units (5,700).



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 as well as housing services.

Business segment revenue increased to SEK 262m (169), of which rental income was SEK 40m (80). Contracting revenue and sales of services amounted to SEK 222m (89). Operating profit increased to SEK 407m (178), of which income from sales of properties was SEK 391m (170) and from joint venture was SEK 40m (4), primarily attributable to value adjustments regarding rental properties.

The operating profit is burdened by development costs for the new business operations, JM@home.

Net rental income for project properties was SEK 18m (57).

Cash flow for the year is positive due to payment received in the second and fourth quarter for the sale of two project properties and is burdened on an ongoing basis by investments in project properties.

During the second quarter, the completed rental property Manegen in Täby, with 128 rental units, and one rental property in current production, Havreflingan in Järfälla, with 192 residential units, were sold. The legal title for Manegen was transferred in the

second quarter of 2021 with recognized profit of SEK 161m and a positive cash-flow effect of SEK 550m. In the fourth quarter of 2021, the legal title for Havreflingan was transferred with a recognized profit of SEK 231m and a positive cash-flow effect of SEK 765m.

Production continues on another rental project, Valla Park in Sundbyberg, consisting of 143 rental units. Occupancy and completion are planned for 2022, and the legal title for the rental property will be transferred to the external orderer in conjunction with completion. In the fourth quarter, production was started on 341 rental units. Kvarter 8 in Järfälla with 218 rental units, and Dyrvers Kulle with 123 rental units in Sundbyberg, on JM's own balance sheet.

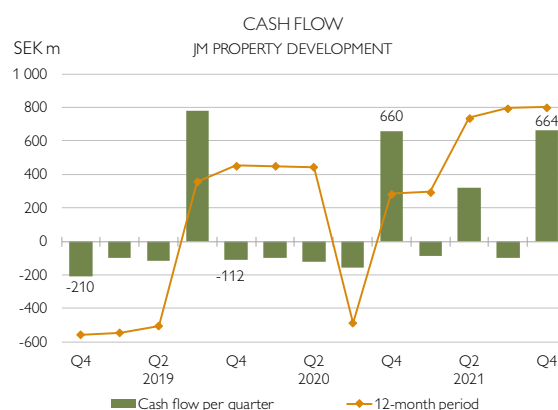
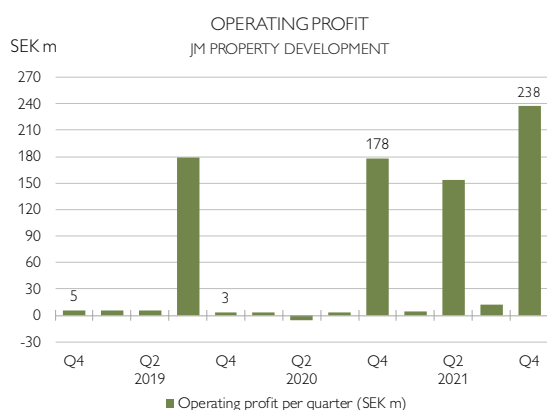
In the first quarter, production was started on the office project K1 Karlbergs Strand in Karlberg, Solna, on JM's own balance sheet, covering approximately 20,000 m². Half of the property is planned to serve as JM's new head office.

SEK M	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2021	2020	2021	2020
Revenue	262	169	80	57
Operating profit ¹⁾²⁾	407	178	238	178
Average operating capital	1,242	1,513		
Return on operating capital, %	32.7	11.8		
Operating cash flow	801	284	664	660
Carrying amount, development properties	10	10		
Carrying amount, project properties	795	1,213		
Number of available building rights ³⁾	1,100	1,200		
Number of residential units sold ³⁾	320	418	—	418
Number of housing starts ³⁾	341	—	341	—
Number of residential units in current production ³⁾	484	463		
Number of employees	81	78		
	391	170	231	170
	40	4	8	4

¹⁾ Of which property sales

²⁾ Of which income from joint venture

³⁾ Refers to rental 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.

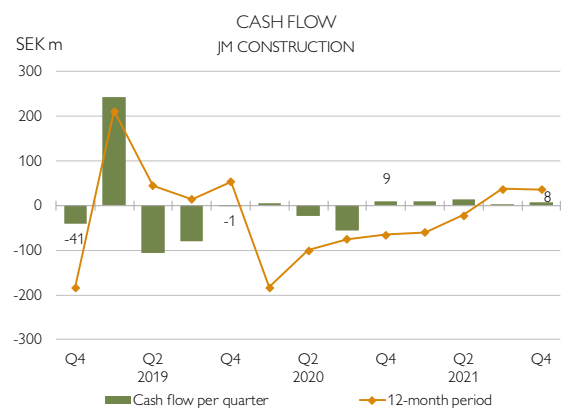
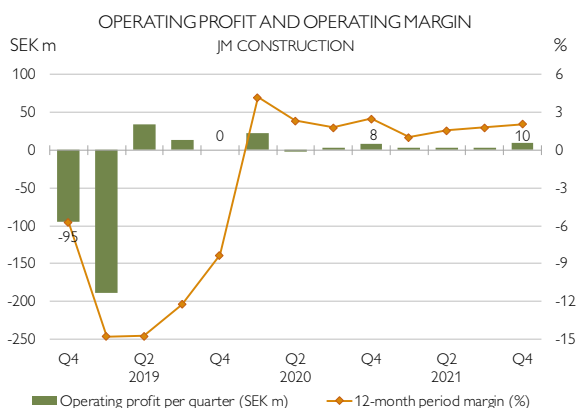
Demand in the civil engineering market in Stockholm is at a good level but with greater competition for the assignments. Business segment revenue decreased due to lower external activity for JM in the civil engineering operations, where profitability is prioritized over volume. The business segment focuses on projects that have synergies with residential project development.

Cash flow during the year is in balance.

In the fourth quarter, the business segment received a number of external assignments within its civil engineering operations, one of the larger one being a walking and biking path past Spånga Station on behalf of Stockholm Municipality.

The largest ongoing external assignments are the infrastructure project in Tyresö (Tyresö Municipality), groundworks for Arlanda Terminal 5 (IN3PRENÖR AB), detailing work in Norra Djurgårdsstaden (City of Stockholm), groundworks and conduit work in Ursvik Västra (City of Sundbyberg), and the restoration and renovation of a pipeline network in Huddinge (Stockholm Vatten). The business segment also has several ongoing internal assignments.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Revenue ¹⁾	951	1,253	295	307
Operating profit ²⁾	20	31	10	8
Operating margin, %	2.1	2.5	3.5	2.6
Operating cash flow	36	–65	8	9
Carrying amount, development properties	13	16		
Number of employees	251	257		
¹⁾ Of which internal	442	332	134	96
²⁾ Of which property sales	–	18	–	–



Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Revenue	14,608	15,388	4,068	4,530
Production and operating costs	–11,814	–12,607	–3,282	–3,680
Gross profit	2,795	2,781	786	850
Selling and administrative expenses	–1,015	–944	–273	–233
Gains/losses on the sale of property, etc. ¹⁾	436	191	242	172
Operating profit	2,216	2,028	755	789
Financial income and expenses	–58	–73	–14	–19
Profit before tax	2,158	1,955	741	770
Taxes	–360	–380	–89	–127
Profit for the period	1,798	1,575	652	643
Other comprehensive income	218	–215	46	–95
Comprehensive income for the period	2,016	1,360	698	548
Earnings per share ²⁾ , diluted, SEK	25.90	22.50	9.40	9.20
Average number of shares, diluted	69,560,505	70,061,421	69,153,458	70,125,557

¹⁾ Of which income from joint venture

40

4

8

4

²⁾ Net profit for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	12/31/2021	12/31/2020
ASSETS		
Non-current assets	330	278
Project properties	813	1,246
Development properties	8,205	7,831
Participations in tenant-owners associations, etc.	377	445
Current receivables ¹⁾	3,528	3,828
Cash and cash equivalents	3,981	3,037
Total current assets	16,903	16,387
Total assets	17,233	16,665
EQUITY AND LIABILITIES ²⁾		
Equity	8,608	7,817
Non-current interest-bearing liabilities	190	354
Other non-current liabilities	373	372
Non-current provisions	3,078	3,290
Total non-current liabilities	3,641	4,016
Current interest-bearing liabilities	667	579
Other current liabilities	4,172	4,120
Current provisions	145	133
Total current liabilities	4,984	4,832
Total equity and liabilities	17,233	16,665

¹⁾ Of which receivables from property sales

14

1

²⁾ Of which liabilities for property acquisitions

675

459

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER	
	2021	2020
Opening balance at beginning of the period	7,817	7,326
Total comprehensive income for the period	2,016	1,360
Dividend	–887	–870
Conversion of convertible loan	38	–
Repurchase own shares	–375	–
Equity component of convertible debentures	–	1
Closing balance at end of the period	8,608	7,817

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Cash flow from operating activities before change in working capital and taxes ^{1) 2)}	1,648	1,720	353	704
Paid tax	–549	–484	–111	–99
Investment in development properties	–1,539	–1,529	–409	–558
Payment on account for development properties	1,349	2,010	333	846
Investment in project properties	–447	–691	–85	–325
Sale of project properties	1,340	1,060	790	1,060
Change in current liabilities/receivables	485	–371	45	–340
Cash flow from operating activities	2,287	1,715	916	1,288
Cash flow from investing activities	–17	–79	–16	–78
Loans raised	663	453	303	210
Amortization of debt	–738	–571	–128	–259
Repurchase own shares	–375	–	–125	–
Dividend	–887	–870	–	–435
Cash flow from financing activities	–1,338	–988	51	–484
Cash flow for the period	933	648	951	726
Cash and cash equivalents at end of the period	3,981	3,037	3,981	3,037

¹⁾ Of which investment in participations in tenant-owners associations and freehold residential units

–730 –1,225 –129 –184

²⁾ Of which the sale of participations in tenant-owners associations and freehold residential units

837 1,148 173 289

GROUP KEY FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Operating margin	15.2	13.2	18.6	17.4
Return on equity	21.9	20.8		
Return on capital employed	20.4	19.6		
Debt/equity ratio, multiple	–	–		
Equity/assets ratio	50	47		

ACCORDING TO SEGMENT REPORTING

REVENUE BY COUNTRY

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Sweden	10,077	11,641	2,661	3,428
Norway	3,030	2,716	928	806
Finland	1,501	1,031	478	296
Belgium	–	–	–	–
Total	14,608	15,388	4,068	4,530

REVENUE BY BUSINESS SEGMENT

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	4,990	6,358	1,251	2,023
JM Residential Sweden	4,317	4,193	1,170	1,137
JM International	4,531	3,747	1,407	1,102
JM Property Development	262	169	80	57
JM Construction	951	1,253	295	307
Elimination	–442	–332	–134	–96
Total	14,608	15,388	4,068	4,530

OPERATING PROFIT BY BUSINESS SEGMENT

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	763	926	204	299
JM Residential Sweden	662	657	180	181
JM International	415	276	139	136
JM Property Development	407	178	238	178
JM Construction	20	31	10	8
Group-wide expenses	–50	–40	–15	–13
Total	2,216	2,028	755	789

OPERATING MARGIN BY BUSINESS SEGMENT

%	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	15.3	14.6	16.3	14.8
JM Residential Sweden	15.3	15.7	15.4	15.9
JM International	9.2	7.4	9.9	12.3
JM Construction	2.1	2.5	3.5	2.6

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK M	2021	2020
JM Residential Stockholm	4,771	5,372
JM Residential Sweden	1,354	1,307
JM International	3,405	3,400
JM Property Development	1,242	1,513

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	2021	2020
JM Residential Stockholm	16.0	17.2
JM Residential Sweden	48.9	50.3
JM International	12.2	8.1
JM Property Development	32.7	11.8

ACCORDING TO SEGMENT REPORTING

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

SEK M	OCT-DECEMBER 2021	JULY-SEPTEMBER 2021	APRIL-JUNE 2021	JANUARY-MARCH 2021	OCT-DECEMBER 2020
Cost-based effect	294	254	247	265	318
Revaluation effect	391	336	390	178	255
Sales effect	70	29	80	163	235
Total	755	619	717	606	808

Starting in Q1 2021, the profit/loss components that are included in gross profit for the housing business are reported. The percentage of completion method in JM and the accounting of gross profit 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

SEK M	OCT-DECEMBER 2021	JULY-SEPTEMBER 2021	APRIL-JUNE 2021	JANUARY-MARCH 2021	OCT-DECEMBER 2020
JM Residential Stockholm	83	95	93	-15	-31
JM Residential Sweden	186	134	191	135	166
JM International	122	107	106	58	120
Total	391	336	390	178	255

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK M	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	1,214	1,064	388	383
JM Residential Sweden	442	512	22	270
JM International	323	326	-60	106
JM Property Development	801	284	664	660
JM Construction	36	-65	8	9

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	12/31/2021	12/31/2020
JM Residential Stockholm	4,051	4,246
JM Residential Sweden	1,669	1,451
JM International	2,462	2,108
JM Property Development	10	10
JM Construction	13	16
Total	8,205	7,831

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	12/31/2021	12/31/2020
JM Residential Stockholm	11,700	12,500
JM Residential Sweden	9,900	9,900
JM International	12,900	14,200
JM Property Development ¹⁾	1,100	1,200
Total	35,600	37,800
Including those carried in the balance sheet (development properties)		
JM Residential Stockholm	6,500	7,300
JM Residential Sweden	6,200	6,300
JM International	7,100	6,500
JM Property Development ¹⁾	200	300
Total	20,000	20,400

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

NUMBER	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	1,306	1,340	356	474
JM Residential Sweden	1,121	1,208	220	380
JM International	1,501	1,060	393	351
JM Property Development ¹⁾	320	418	—	418
Total	4,248	4,026	969	1,623

¹⁾ Refers to rental units and residential care units.

ACCORDING TO SEGMENT REPORTING

HOUSING STARTS BY BUSINESS SEGMENT

NUMBER	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
JM Residential Stockholm	1,153	1,032	265	282
JM Residential Sweden	1,177	1,072	300	250
JM International	1,301	1,095	522	444
JM Property Development ¹⁾	341	–	341	–
Total	3,972	3,199	1,428	976

RESIDENTIAL UNITS IN CURRENT PRODUCTION

NUMBER	12/31/2021	12/31/2020
JM Residential Stockholm	2,855	2,878
JM Residential Sweden	2,154	2,172
JM International	2,601	2,463
JM Property Development ¹⁾	484	463
Total	8,094	7,976

PROJECT PROPERTIES, GROUP

	MARKET VALUE, SEK M	CARRYING AMOUNT, SEK M	AREA (000) M ²	OCCUPANCY RATE ANNUAL RENT, %	CARRYING AMOUNT, SEK M 12/31/2020
12/31/2021					
Properties under development	1,050	789	22	76	1,215
Completed rental unit properties	–	–	–	–	–
Completed commercial properties	38	23	1	89	31
Total	1,088	813	23	76	1,246

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Opening balance at beginning of the period	7,831	8,938	7,991	8,411
New purchases	1,754	1,022	519	249
Transferred to production	–1,388	–1,888	–347	–792
Other	8	–241	43	–37
Closing balance at end of the period	8,205	7,831	8,205	7,831

¹⁾ Refers to rental units and residential care units.

Group five-year overview

ACCORDING TO SEGMENT REPORTING, SEK M	2021	2020	2019	2018	2017
Revenue	14,608	15,388	15,692	16,161	17,008
Operating profit	2,216	2,028	2,008	1,886	2,369
Profit before tax	2,158	1,955	1,928	1,817	2,579
Total assets	17,233	16,665	17,593	16,487	15,405
Cash flow from operating activities	2,287	1,715	1,291	–473	2,013
Interest-bearing net liabilities (+)/receivables (–)	–1,363	–300	420	546	–790
Operating margin, %	15.2	13.2	12.8	11.7	13.9
Return on equity, %	21.9	20.8	22.2	22.2	38.7
Equity/assets ratio, %	50	47	42	41	40
Earnings per share, SEK	25.90	22.50	22.50	20.60	31.00
Dividend per share, SEK	13.50 ¹⁾	12.75	12.50	12.00	11.00
Number of available building rights	35,600	37,800	35,900	35,900	34,800
Number of residential units sold	4,248	4,026	3,595	2,463	3,100
Number of housing starts	3,972	3,199	3,269	3,135	3,873
Number of residential units in current production	8,094	7,976	7,813	7,835	8,200

¹⁾ Proposal by the Board of Directors.



In Barkarbystaden in Järfälla, north-west of Stockholm, JM is offering freehold apartments in the project [Horisont Barkarby Norra](#), a stone's throw from the new subway that will be inaugurated in 2026. When the neighborhood is completed, it will consist of 116 well-planned residential units with 1–5 bedrooms and a kitchen, and many will have a balcony. Barkarbystaden is close to shopping, restaurants, and schools as well as parks and large nature reserves.

[Gökegårds Tun](#) is a relaxed and central residential quarter close to the lake, consisting of two apartment buildings with proximity to daycares, schools and housing developments. There are a total of 56 residential units with 2–4 bedrooms and a kitchen, and all of them have a balcony or outdoor area, with swimming, nature and public transportation just a few minutes away. Located in Öjersjö, between Partille and Mölnlycke, downtown Gothenburg is only a 15-minute car ride or a 30-minute bus ride away.



The third phase of JM's project [Bergerløkka](#) in Vestre Billingstad in Asker, Norway, consists of 133 residential units with 1–4 bedrooms and a kitchen, and they are divided among seven apartment buildings walking distance to shops, schools and services. Bergerløkka, which has a total of 591 planned JM residential units, of which 101 are completed, is the largest residential development project in Vestre Billingstad. The neighborhood is next to a beach and boat harbor, and Oslo is easily accessible in less than 30 minutes by car and public transport.

With its 16 floors, JM's project [Mäntylänhuippu](#) is the first taller building in the residential neighborhood Puustellinkallio in Espoo, Finland. The first phase will include 59 of the total 130 residential units with 1–4 bedrooms and a kitchen. Most of them will have a balcony, and some will have a fantastic roof terrace. Mäntylänhuippu has a central location in the area, a stone's throw from services and public transport, where a train to Helsinki takes around 15 minutes.



Group quarterly overview

ACCORDING TO SEGMENT REPORTING, SEK M

INCOME STATEMENT	2021				2020			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	4,068	3,485	3,719	3,337	4,530	3,382	3,662	3,814
Production and operating costs	-3,282	-2,849	-2,980	-2,703	-3,680	-2,786	-3,036	-3,105
Gross profit	786	636	739	634	850	596	626	709
Selling and administrative expenses	-273	-207	-297	-239	-233	-198	-269	-244
Gains/losses on the sale of property, etc.	242	16	167	11	172	1	-	18
Operating profit	755	445	609	406	789	399	357	483
Financial income and expenses	-14	-13	-15	-16	-19	-16	-17	-21
Profit before tax	741	432	594	390	770	383	340	462
Taxes	-89	-99	-91	-81	-127	-81	-74	-98
Profit for the period	652	333	503	309	643	302	266	364
CONSOLIDATED BALANCE SHEET	12/31	09/30	06/30	03/31	12/31	09/30	06/30	03/31
ASSETS								
Non-current assets	330	405	336	298	278	194	200	193
Project properties	813	1,259	1,269	1,387	1,246	1,791	1,643	1,498
Development properties	8,205	7,991	8,155	8,215	7,831	8,411	8,724	8,594
Participations in tenant-owners associations, etc.	377	432	375	422	445	558	603	438
Current receivables	3,528	3,475	3,569	3,726	3,828	3,847	3,796	4,007
Cash and cash equivalents	3,981	3,022	2,969	2,148	3,037	2,314	2,572	2,684
Total current assets	16,903	16,179	16,337	15,898	16,387	16,921	17,338	17,221
Total assets	17,233	16,584	16,673	16,196	16,665	17,115	17,538	17,414
EQUITY AND LIABILITIES								
Equity	8,608	8,023	7,808	7,439	7,817	7,704	7,430	7,561
Non-current interest-bearing liabilities	190	308	281	366	354	362	293	267
Other non-current liabilities	373	373	373	373	372	679	751	749
Non-current provisions	3,078	3,100	3,012	3,231	3,290	3,398	3,280	3,151
Total non-current liabilities	3,641	3,781	3,666	3,970	4,016	4,439	4,324	4,167
Current interest-bearing liabilities	667	376	737	505	579	632	806	899
Other current liabilities	4,172	4,255	4,313	4,141	4,120	4,198	4,837	4,652
Current provisions	145	149	149	141	133	142	141	135
Total current liabilities	4,984	4,780	5,199	4,787	4,832	4,972	5,784	5,686
Total equity and liabilities	17,233	16,584	16,673	16,196	16,665	17,115	17,538	17,414
CASH FLOW STATEMENT	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
From operating activities	916	487	792	92	1,288	-165	404	188
From investing activities	-16	-1	-1	1	-78	-	-	-1
From financing activities	51	-434	32	-986	-484	-93	-516	105
Total cash flow for the period	951	52	823	-893	726	-258	-112	292
Cash and cash equivalents at end of the period	3,981	3,022	2,969	2,148	3,037	2,314	2,572	2,684
INTEREST-BEARING NET LIABILITIES/RECEIVABLES	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Interest-bearing net liabilities(+)/-receivables(-) at beginning of the period	-587	-244	449	-300	409	247	198	420
Change in interest-bearing net liabilities/receivables	-776	-343	-693	749	-709	162	49	-222
Interest-bearing net liabilities(+)/-receivables(-) at end of the period	-1,363	-587	-244	449	-300	409	247	198
DEVELOPMENT PROPERTIES	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Carrying amount at beginning of the period	7,991	8,155	8,215	7,831	8,411	8,724	8,594	8,938
New purchases	519	407	341	487	249	103	397	273
Transferred to production	-347	-581	-247	-213	-792	-346	-302	-448
Other	43	10	-154	110	-37	-70	35	-169
Carrying amount at end of the period	8,205	7,991	8,155	8,215	7,831	8,411	8,724	8,594
KEY RATIOS	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating margin, %	18.6	12.8	16.4	12.2	17.4	11.8	9.7	12.7
Debt/equity ratio, multiple	-	-	-	0.1	-	0.1	-	-
Equity/assets ratio, %	50	48	47	46	47	45	42	43
Earnings per share, SEK	9.40	4.80	7.20	4.40	9.20	4.30	3.80	5.20
Number of available building rights	35,600	36,200	37,300	37,300	37,800	37,900	38,600	35,900
Number of residential units sold	969	808	1,210	1,261	1,623	956	642	805
Number of housing starts	1,428	817	800	927	976	855	731	637
Number of residential units in current production	8,094	7,722	7,353	7,485	7,976	7,829	7,249	7,583

Business Segment Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M

	2021				2020			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
JM RESIDENTIAL STOCKHOLM								
Revenue	1,251	1,179	1,312	1,248	2,023	1,310	1,403	1,622
Operating profit	204	181	196	182	299	185	192	250
Operating margin, %	16.3	15.4	14.9	14.6	14.8	14.1	13.7	15.4
Average operating capital	4,771	4,963	5,157	5,283	5,372	5,552	5,682	5,740
Return on operating capital, % ^{*)}	16.0	17.3	16.7	16.2	17.2	16.0	16.1	16.3
Operating cash flow	388	394	417	16	383	143	207	331
Carrying amount, development properties	4,051	4,146	4,361	4,486	4,246	4,587	4,816	4,812
Number of available building rights	11,700	11,000	11,500	11,900	12,500	12,600	12,800	12,900
Number of residential units sold	356	261	332	357	474	299	220	347
Number of housing starts	265	351	239	298	282	252	258	240
Number of residential units in current production	2,855	2,703	2,526	2,773	2,878	3,095	2,843	3,035
JM RESIDENTIAL SWEDEN								
Revenue	1,170	951	1,154	1,042	1,137	913	1,093	1,050
Operating profit	180	145	177	160	181	141	169	166
Operating margin, %	15.4	15.2	15.3	15.4	15.9	15.4	15.5	15.8
Average operating capital	1,354	1,332	1,339	1,345	1,307	1,295	1,274	1,226
Return on operating capital, % ^{*)}	48.9	49.8	49.2	48.4	50.3	51.4	53.5	57.5
Operating cash flow	22	-60	326	154	270	60	74	108
Carrying amount, development properties	1,669	1,526	1,439	1,441	1,451	1,530	1,532	1,461
Number of available building rights	9,900	10,300	10,400	10,300	9,900	10,200	10,500	10,500
Number of residential units sold ¹⁾	220	280	263	358	380	250	278	300
Number of housing starts ²⁾	300	238	362	277	250	285	276	261
Number of residential units in current production	2,154	2,226	2,178	2,063	2,172	2,138	1,961	1,930
¹⁾ Of which residential units to investors	-	-	-	-	-	-	69	-
²⁾ Of which residential units to investors	-	-	-	-	-	-	69	-
JM INTERNATIONAL								
Revenue	1,407	1,185	1,084	856	1,102	867	896	882
Operating profit ¹⁾	139	111	98	67	136	70	19	51
Operating margin, %	9.9	9.4	9.0	7.8	12.3	8.1	2.1	5.8
Average operating capital	3,405	3,309	3,336	3,335	3,400	3,440	3,395	3,368
Return on operating capital, % ^{*)}	12.2	12.5	11.1	8.8	8.1	7.4	7.7	9.1
Operating cash flow	-60	338	-111	156	106	-27	285	-38
Carrying amount, development properties	2,462	2,293	2,329	2,262	2,108	2,265	2,347	2,292
Carrying amount, project properties	17	39	111	90	33	25	25	4
Number of available building rights	12,900	13,300	14,000	13,900	14,200	13,900	14,200	11,600
Number of residential units sold ²⁾	393	267	295	546	351	407	144	158
Number of housing starts ³⁾	522	228	199	352	444	318	197	136
Number of residential units in current production	2,601	2,458	2,314	2,314	2,463	2,133	1,982	2,018
¹⁾ Of which property sales	4	-	-	1	-2	1	-	-
²⁾ Of which residential units to investors	146	78	94	265	-	101	-	-
³⁾ Of which residential units to investors	146	-	94	265	-	101	-	-
JM PROPERTY DEVELOPMENT								
Revenue	80	65	65	52	57	42	35	35
Operating profit ^{1) 2)}	238	12	153	4	178	3	-6	3
Average operating capital	1,242	1,407	1,460	1,513	1,513	1,507	1,523	1,545
Return on operating capital, % ^{*)}	32.7	24.7	23.1	11.8	11.8	0.2	11.8	12.4
Operating cash flow	664	-97	322	-88	660	-155	-120	-101
Carrying amount, development properties	10	10	10	10	10	10	10	10
Carrying amount, project properties	795	1,220	1,158	1,297	1,213	1,766	1,618	1,494
Number of available building rights ³⁾	1,100	1,600	1,400	1,200	1,200	1,200	1,100	900
Number of residential units sold ³⁾	-	-	320	-	418	-	-	-
Number of housing starts ³⁾	341	-	-	-	-	-	-	-
Number of residential units in current production ³⁾	484	335	335	335	463	463	463	600
¹⁾ Of which property sales	231	-	161	-	170	-	-	-
²⁾ Of which income from joint venture	8	16	6	10	4	-	-	-
³⁾ Refers to rental units and residential care units.								
JM CONSTRUCTION								
Revenue	295	200	226	230	307	330	320	296
Operating profit ¹⁾	10	3	3	3	8	3	-2	22
Operating margin, %	3.5	1.5	1.3	1.3	2.6	0.9	-0.6	7.4
Operating cash flow	8	4	14	10	9	-55	-24	5
¹⁾ Of which property sales	-	-	-	-	-	-	-	18
JM OTHER								
Revenue (elimination)	-134	-95	-122	-91	-96	-80	-85	-71
Operating profit (Group-wide expenses)	-15	-7	-18	-10	-13	-3	-15	-9

^{*)} Calculated on 12-month rolling profits and average capital.

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Revenue	15,650	16,291	4,926	5,469
Production and operating costs	–12,435	–13,337	–3,894	–4,476
Gross profit	3,215	2,954	1,032	993
Selling and administrative expenses	–1,032	–957	–277	–236
Gains/losses on the sale of property, etc. ¹⁾	45	21	11	2
Operating profit	2,227	2,018	767	759
Financial income and expenses	–80	–101	–18	–26
Profit before tax	2,147	1,917	750	733
Taxes	–343	–378	–75	–128
Profit for the period	1,804	1,539	674	605
Other comprehensive income				
<i>Items that will be reclassified as income</i>				
Translation differences from the translation of foreign operations	108	–157	37	–33
<i>Items that will not be reclassified as income</i>				
Restatement of defined-benefit pensions	126	–52	7	–72
Tax attributable to other comprehensive income	–26	11	–1	15
Comprehensive income for the period	2,012	1,341	717	515
Net profit for the period attributable to shareholders of the Parent Company	1,804	1,539	674	605
Comprehensive income for the period attributable to shareholders of the Parent Company	2,012	1,341	717	515
Earnings per share ²⁾ , basic, attributable to shareholders of the Parent Company, SEK	26.10	22.10	9.80	8.70
Earnings per share ²⁾ , diluted, attributable to shareholders of the Parent Company, SEK	26.00	22.00	9.70	8.60
<i>Number of outstanding shares at end of the period</i>	<i>68,648,746</i>	<i>69,583,262</i>	<i>68,648,746</i>	<i>69,583,262</i>
<i>Average number of shares, basic</i>	<i>69,220,764</i>	<i>69,583,262</i>	<i>68,813,717</i>	<i>69,583,262</i>
<i>Average number of shares, diluted</i>	<i>69,550,505</i>	<i>70,061,421</i>	<i>69,153,458</i>	<i>70,125,557</i>
¹⁾ Of which income from joint venture	40	4	8	4
²⁾ Net profit for the period.				

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	12/31/2021	12/31/2020
ASSETS ¹⁾		
Non-current assets	584	435
Project properties	813	1,246
Development properties	8,205	7,831
Utilization of site leasehold rights	456	558
Participations in tenant-owners associations, etc.	377	445
Work in progress	4,073	3,577
Current receivables	5,902	5,959
Cash and cash equivalents	3,981	3,037
Total current assets	23,807	22,653
Total assets	24,391	23,088
EQUITY AND LIABILITIES ^{2) 3) 4) 5)}		
Equity	8,385	7,598
Non-current interest-bearing liabilities	818	1,180
Other non-current liabilities	373	372
Non-current provisions	3,024	3,255
Total non-current liabilities	4,214	4,807
Current interest-bearing liabilities	7,566	6,480
Other current liabilities	4,082	4,070
Current provisions	145	133
Total current liabilities	11,793	10,683
Total equity and liabilities	24,391	23,088
Pledged assets	476	395
Contingent liabilities	7,827	8,789
¹⁾ Of which right-of-use offices and cars	255	157
²⁾ Of which project financing JM International	3,123	2,914
³⁾ Of which project financing JM Residential Stockholm and JM Residential Sweden	3,338	3,064
⁴⁾ Of which liabilities for property acquisition	675	459
⁵⁾ Of which current and non-current interest-bearing leasing liabilities	714	717

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER	
	2021	2020
Opening balance at beginning of the period	7,598	7,126
Total comprehensive income for the period	2,012	1,341
Dividend	–887	–870
Conversion of convertible loan	38	–
Repurchase own shares	–375	–
Equity component of convertible debentures	–	1
Closing balance at end of the period	8,385	7,598

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Cash flow from operating activities before change in working capital and taxes ^{1) 2)}	–927	116	–451	252
Paid tax	–549	–484	–111	–99
Investment in development properties	–1,539	–1,529	–409	–558
Payment on account for development properties	485	433	181	203
Investment in project properties	–447	–691	–85	–325
Sale of project properties	1,340	1,060	790	1,060
Change in current liabilities/receivables	675	385	298	149
Cash flow from operating activities ³⁾	–961	–710	213	682
Cash flow from investing activities	–17	–79	–17	–78
Loans raised	664	453	303	210
Amortization of debt	–846	–669	–156	–279
Loans raised, project financing ³⁾	5,308	4,486	1,270	1,295
Amortization of debt, project financing ³⁾	–1,951	–1,963	–539	–669
Repurchase of shares	–375	–	–125	–
Dividend	–887	–870	–	–435
Cash flow from financing activities	1,911	1,437	754	122
Cash flow for the period	933	648	951	726
Cash and cash equivalents at end of the period	3,981	3,037	3,981	3,037

¹⁾ Of which investment in participations in tenant-owners associations and freehold residential units

–730 –1,225 –129 –184

²⁾ Of which the sale of participations in tenant-owners associations and freehold residential units

837 1,148 173 289

³⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing is taken over by the customer at a later point in time. The take-over occurs without any in- or outpayments, and when the debt is settled the cash flow statement is not affected, either as a negative item (amortization) in the financing activities or as a positive item in the operating activities.

ACCOUNTING PRINCIPLES

This year-end report and interim report for Q4 2021 were prepared in accordance with IAS 34 Interim Financial Reporting and the 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.

The accounting principles and methods of calculation for the Group have not changed compared to the description on pages 89–93 of the 2020 Annual Report.

JM's appeal to the Administrative Court regarding Finansinspektionen's interpretation of IFRS for tenant-owner associations in production was decided with a ruling by the court in JM's favor on October 26, 2021. The Administrative Court reached a different assessment than Finansinspektionen and therefore rejects Finansinspektionen's previous decision. Finansinspektionen has appealed to the Court of Appeal the Administrative Court's ruling and the appeal will be considered. For more information see JM's annual report for 2020, page 82.

NEW AND AMENDED STANDARDS AS OF 2021

The amended standards according to IFRS the Group applies as of January 1, 2021, are expected to have no or a small impact on JM's financial reporting.

SEGMENT REPORTING

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

In its segment reporting, revenue for JM International is recognized using the percentage of completion method.

In addition, JM International's project financing, as well as part of the financing of JM Residential Stockholm and JM Residential Sweden, is 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.

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	JANUARY–DECEMBER	
	2021	2020
Net sales	9,710	10,790
Production and operating costs	–7,609	–8,586
Gross profit	2,100	2,204
Selling and administrative expenses	–712	–650
Gains/losses on the sale of property	–	–
Operating profit	1,388	1,554
Financial income and expenses	24	280
Profit before appropriations and tax	1,412	1,834
Appropriations	–16	–61
Profit before tax	1,397	1,773
Taxes	–279	–319
Profit for the period	1,118	1,454

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	12/31/2021		12/31/2020	
Assets				
Non-current assets	2,214		1,776	
Current assets	13,862		13,834	
Total assets	16,076		15,610	
Equity and liabilities				
Equity	4,417		4,501	
Untaxed reserves	2,390		2,410	
Provisions	1,304		1,422	
Non-current liabilities	417		461	
Current liabilities	7,548		6,816	
Total equity and liabilities	16,076		15,610	
Pledged assets	100		100	
Contingent liabilities	9,471		9,459	

Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Revenue for the period (segment reporting)	14,608	15,388	4,068	4,530
Restatement JM International	–240	–137	118	–101
Reclassification property sale	1,281	1,040	741	1,040
Revenue for the period (IFRS)	15,650	16,291	4,926	5,469
Operating profit/loss for the period (segment reporting)	2,216	2,028	755	789
Restatement JM International	–10	–37	8	–37
Leases IFRS 16	22	27	4	7
Operating profit/loss for the period (IFRS)	2,227	2,018	767	759
Profit/loss for the period (segment reporting)	1,798	1,575	652	643
Restatement JM International	7	–35	22	–38
Leases IFRS 16	–1	–1	–	–
Profit/loss for the period (IFRS)	1,804	1,539	674	605

CONSOLIDATED BALANCE SHEET

SEK M	12/31/2021	12/31/2020
Balance sheet total (segment reporting)	17,233	16,665
Restatement JM International	-303	-270
Reclassification project financing JM International, interest-bearing	3,121	2,609
Reclassification project financing JM International, non-interest-bearing ¹⁾	292	305
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	3,692	3,400
Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings	-354	-336
Leases IFRS 16	711	715
Balance sheet total (IFRS)	24,391	23,088

¹⁾ Billing on account to customers.

CONSOLIDATED EQUITY

SEK M	12/31/2021	12/31/2020
Equity (segment reporting)	8,608	7,817
Restatement JM International	-221	-217
Leases IFRS 16	-3	-2
Equity (IFRS)	8,385	7,598

GROUP KEY FIGURES

%	12/31/2021	12/31/2020
Equity/assets ratio (segment reporting)	50	47
Equity/assets ratio (IFRS)	34	33

CONSOLIDATED CASH FLOW

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2021	2020	2021	2020
Cash flow from operating activities (segment reporting)	2,287	1,715	916	1,288
Reclassification project financing JM International	-350	-144	181	-30
Reclassification project financing JM Residential Stockholm and JM Residential Sweden, interest-bearing	-3,006	-2,379	-912	-596
Leases IFRS 16	108	98	28	20
Cash flow from operating activities according to IFRS	-961	-710	213	682

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	12/31/2021	12/31/2020
Interest-bearing net liabilities (+)/receivables (-) at end of the period (segment reporting)	-1,363	-300
Reclassification project financing JM International	3,121	2,609
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	3,692	3,400
Leases IFRS 16	714	717
Interest-bearing net liabilities (+)/receivables (-) at end of the period (IFRS)	6,163	6,426

Stockholm, February 2, 2022
JM AB (publ)

Johan Skoglund
President and CEO

This year-end report has not been reviewed by the Company's auditors.

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 15 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 CET on February 2, 2022.

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FINANCIAL CALENDAR

Week 10, 2022	Annual Report 2021 is published
March 31, 2022	Annual General Meeting
April 28, 2022	Interim Report January–March
July 12, 2022	Interim Report January–June
October 27, 2022	Interim Report January–September

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

PRESS RELEASES, Q4 2021

December 30	Conversion of Convertible debentures in to shares in JM AB (publ).
December 22	JM acquiring property for residential development in Kera, Espoo, The Greater Helsinki area.
December 22	Change in JM's Executive Management.
November 30	Conversion of Convertible debentures in to shares in JM AB (publ).
October 29	Conversion of Convertible debentures in to shares in JM AB (publ).
October 28	Interim Report January–September 2021.

Text: JM

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