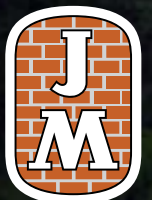


Interim Report January – September 2019

JM GROUP



GOOD SALES AND HIGH PRODUCTION VOLUME

JANUARY – SEPTEMBER 2019

Revenue decreased to SEK 11,381m (12,011) and the revenue excluding JM Construction Business area Construction (under closure) amounted to SEK 11,159m (11,343).

Operating profit was SEK 1,449m (1,443) ¹⁾. The operating margin increased to 12.7 percent (12.0). Operating profit excluding JM Construction Business area Construction was SEK 1,656m (1,519) and the operating margin to 14.8 percent (13.4).

Gains from the sale of two completed rental unit properties of SEK 170m are included in the operating profit.

Profit before tax amounted to SEK 1,387m (1,387). Profit after tax increased to SEK 1,128m (1,079).

Return on equity for the past twelve months amounted to 22.2 percent (27.7). Earnings per share during the nine-month period increased to SEK 16.20 (15.50).

¹⁾ Profit includes the one-off cost for the discontinuation of the housing operations (Business area Construction) in the subsidiary JM Entreprenad AB of SEK –180m reported during the first quarter.

Consolidated cash flow including net investment in properties amounted to SEK 817m (–456).

The number of residential units sold increased to 2,654 (1,712), and housing starts increased to 2,162 (2,097).

JULY – SEPTEMBER 2019

Revenue decreased to SEK 3,768m (3,832), and operating profit increased to SEK 630m (411). The operating margin increased to 16.7 percent (10.7). Gains from the sale of two completed rental unit properties of SEK 170m are included in the operating profit.

Profit before tax increased to SEK 608m (390). Profit after tax amounted to SEK 514m (303).

Consolidated cash flow including net investment in properties amounted to SEK 446m (–234).

The number of residential units sold increased to 1,106 (613), of which 376 residential units relate to the sale of rental unit properties. The number of housing starts increased to 797 (680).

ACCORDING TO SEGMENT REPORTING SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT.–SEPT.	FULL YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	11,381	12,011	3,768	3,832	15,531	16,161
Revenue excluding JM Construction, Business area Construction	11,159	11,343	3,642	3,671	15,207	15,391
Operating profit	1,449	1,443	630	411	1,892	1,886
Operating profit excluding JM Construction, Business area Construction	1,656	1,519	636	477	2,199	2,062
Operating margin, %	12.7	12.0	16.7	10.7	12.2	11.7
Operating margin excluding JM Construction, Business area Construction, %	14.8	13.4	17.5	13.0	14.5	13.4
Profit before tax	1,387	1,387	608	390	1,817	1,817
Cash flow from operating activities	817	-456	446	-234	800	-473
Return on equity, %					22.2	22.2
Equity/assets ratio, %	40	40				41
Earnings per share, SEK	16.20	15.50	7.40	4.30	21.30	20.60
Number of residential units sold ¹⁾	2,654	1,712	1,106	613	3,405	2,463
Number of housing starts ²⁾	2,162	2,097	797	680	3,200	3,135
Number of residential units in current production	8,033	8,243				7,835
Revenue according to IFRS	11,741	11,474	4,260	3,605	15,947	15,680
Operating profit according to IFRS	1,437	1,397	612	384	1,916	1,876
Earnings per share according to IFRS, SEK	15.70	14.90	7.00	4.00	21.30	20.40
¹⁾ Of which rental units in JM Property Development	376	-	376	-	376	-
²⁾ Of which rental units in JM Property Development	143	128	-	-	335	320

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 21-22.

For definitions of key financial figures, see "Definitions Key Financial Figures" at jm.se/investors.

Unless otherwise specified, the analysis and comments in this Interim Report are based on JM's segment reporting.

Cover photo: Kronjuvelen, Gothenburg

Group

GOOD SALES DEVELOPMENT IN THE HOUSING BUSINESS



The development in the housing business in Sweden as well as Norway and Finland continued to be positive. The large supply of newly produced residential units on the market has fallen in 2019 in both Stockholm and the rest of Sweden. The transaction volume also increased clearly over the past few quarters.

The housing market in Stockholm continued to be affected by the stricter amortization requirements

and the banks' more conservative approach to lending to home buyers. At the same time we are continuing to see an improvement in demand for JM's residential units from customers in Stockholm that have good purchasing power. In particular, there is very strong demand for the freehold apartments in current production. The gradual stabilization of the market resulted in continued positive reservation and sales trends in Stockholm, with 261 residential units sold compared to 223 the same period last year. Housing starts were supported by a normal level of reservations, and profitability continued to be good in the current production volume. We have two projects in Stockholm with around 140 residential units where the housing start have been delayed pending authority decisions. Nonetheless, conditions are considered to be good for a higher level of housing starts in the fourth quarter, provided that authority decisions are obtained in accordance with schedule.

The housing operations in the rest of Sweden show good profitability in a market that continues to be stable with good level of sales during the quarter.

In Norway, the activity level on the housing market has been high, and in Finland the housing market has been stable during the quarter. In line with the annual plan, we continued to have stable production starts within the foreign operations during the third quarter. The number of housing starts is expected to be higher in Q4 2019,

assuming a stable market and stable planning conditions.

During the third quarter we completed the sale of three rental unit properties. Two properties, one on Lidingö and one in Täby, have been completed, and construction began on the third in Sundbyberg during the second quarter, with transfer of legal title planned for Q2 2022.

The redirection of the operations in JM Construction are progressing according to plan, and JM signed an agreement for the sale of the external contracting operations in Norway that will be finalized in Q4 2019.

JM is one of several actors involved in the development of the Eriksberg district at Norra Älvstranden in Gothenburg. To date we have completed 1,770 residential units in the area, and during the quarter we started production on the Kronjuvelen project with 176 residential units. The building has a panorama view of the river and the city. The Swan Ecolabelled building will be energy efficient, which reduces both its operating costs and its carbon footprint. It should be easy to live here sustainably.

During the quarter, we acquired an industrial property in Herttonäs, Finland. The property is well-situated in the Helsinki area and has finalized local planning. The acquisition allows for the development of 1,000 residential units, all of which are walking distance to services and public transportation.

In Finland, during the quarter we also started the first phase of two in the Metsämansikka Smarta Kvadrat project in Esbo, where we are building two four-story buildings with a total of 113 residential units close to both nature and the beltway to Helsinki. Our Smarta Kvadrat product concept offers functional and affordable accommodation, with Swan Ecolabel certification, which is space-efficient without sacrificing quality.

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 conditions are good for the continued positive development of our business.

Johan Skoglund, President and CEO



MARKET, SALES AND HOUSING STARTS

JANUARY – SEPTEMBER 2019

The housing market in Stockholm continued to improve during the first nine months. Housing starts in Stockholm were supported by a normal level of reservations, and profitability continued to be good in the current production volume.

The housing operations in the rest of Sweden are showing good profitability in a market that is primarily stable.

In Norway, the level of activity on the housing market was good with stable prices, and the housing market in Finland was stable. The geographic scope of JM's housing business is gradually expanding.

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 2,654 (1,712)¹⁾. The percentage of sold or reserved homes in relation to current production amounts to 66 percent (59), with an interval of 60-65 percent considered normal. This percentage increased from 62 percent in the second quarter. JM Residential Stockholm sold 767 residential units (565), JM Residential Sweden sold 771 (678), JM International sold 740 (469), and JM Property Development sold 376 (0).

Housing starts amounted to 2,162 (2,097)²⁾. JM Residential Stockholm started production on 653 residential units (662), JM Residential Sweden on 804 (783), JM International on 562 (524) and JM Property Development on 143 (128).

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

The number of residential units in current production amounted to 8,033 (8,243), of which 736 are rental units and residential care units (681).

¹⁾ Of which 376 rental units and residential care units (0).

²⁾ Of which 143 rental units and residential care units (128).

REVENUE, OPERATING PROFIT AND OPERATING MARGIN

JANUARY – SEPTEMBER 2019

Consolidated revenue according to segment reporting for the first nine months decreased to SEK 11,381m (12,011). Revenue restated according to IFRS increased to SEK 11,741m (11,474). Operating profit according to segment reporting amounted to SEK 1,449m (1,443), and the operating margin increased to 12.7 percent (12.0). Operating profit restated according to IFRS increased to SEK 1,437m (1,397). The restatement is related to JM International, with a negative effect on earnings of SEK –27m (–46), and lease contracts according to IFRS 16, with a positive effect on earnings of SEK 15m (0). Profit includes a loss in JM Construction of SEK –141m (–61), where the one-off cost of SEK 180m for the discontinuation of the housing operations was reported during the first quarter. Revenue excluding JM Construction (Business area Construction) amounted to SEK 11,159m (11,343), operating profit to SEK 1,656m (1,519), and the operating margin to 14.8 percent (13.4).

During the nine-month period, properties were sold for SEK 885m (83) with gains of SEK 254m (10).

Rental income from JM's project properties increased to SEK 68m (45). Net rental income increased to SEK 46m (28).

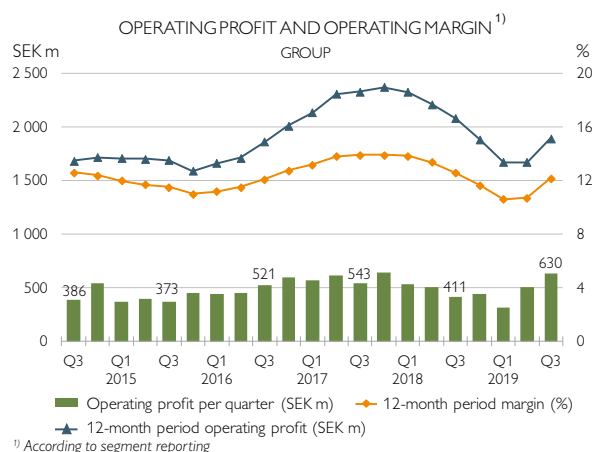
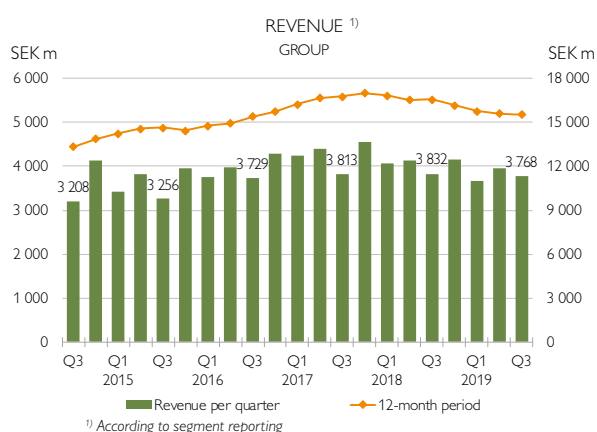
JULY – SEPTEMBER 2019

Consolidated revenue according to segment reporting for the third quarter decreased to SEK 3,768m (3,832). Revenue restated according to IFRS increased to SEK 4,260m (3,605).

Operating profit according to segment reporting increased to SEK 630m (411), and the operating margin increased to 16.7 percent (10.7). Operating profit restated according to IFRS increased to SEK 612m (384). The restatement is related to JM International, with a negative effect on earnings of SEK –26m (–27), and lease contracts according to IFRS 16, with a positive effect on earnings of SEK 8m (0). Operating profit includes gains of SEK 170m from the sale of two rental unit properties.

Properties were sold during the third quarter for SEK 754m (11) with gains of SEK 182m (–1).

Rental income from JM's project properties increased to SEK 23m (16). Net rental income increased to SEK 17m (11).



OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	654	757	209	233	886	989
JM Residential Sweden	530	550	157	156	731	751
JM International	239	221	75	85	349	331
JM Property Development	191	5	179	4	196	10
JM Construction	-141	-61	14	-61	-236	-156
Group-wide expenses	-24	-29	-4	-6	-34	-39
Total	1,449	1,443	630	411	1,892	1,886
<i>Of which property sales</i>	254	10	182	-1	257	13

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	16.3	17.1	16.6	16.3	16.5	17.1
JM Residential Sweden	16.1	16.9	16.1	17.0	16.3	16.9
JM International	8.7	8.9	7.6	9.3	9.1	9.2
JM Construction	-10.5	-2.9	2.9	-9.2	-12.2	-5.7

OPERATING PROFIT, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Operating profit excluding JM Construction, Business area Construction	1,656	1,519	636	477	2,199	2,062
Operating margin excluding JM Construction, Business area Construction, %	14.8	13.4	17.5	13.0	14.5	13.4
Operating profit JM Construction, Business area Construction	-207	-76	-6	-66	-307	-176
Operating profit, total	1,449	1,443	630	411	1,892	1,886

RESIDENTIAL UNITS IN CURRENT PRODUCTION	9/30/2019	9/30/2018	12/31/2018
Number of residential units in current production ^{1) 2)}	8,033	8,243	7,835
Percentage of sold residential units in current production, % ³⁾	55	53	51
Reserved residential units in current production, %	11	6	6
Sold/reserved residential units in current production, %	66	59	57

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

736 681 593

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

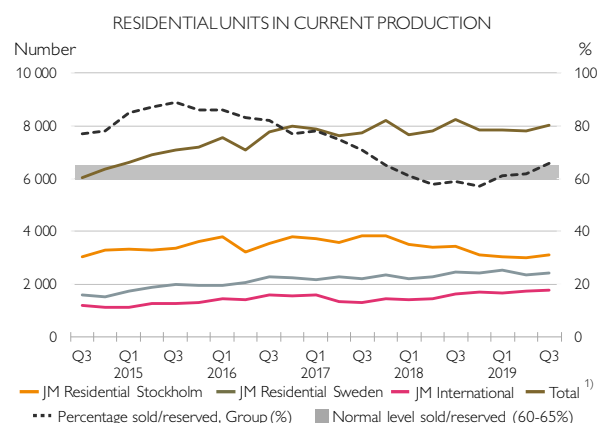
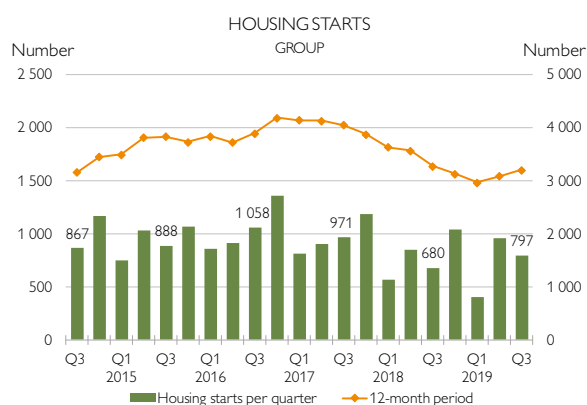
593 681 593

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	9/30/2019	9/30/2018	12/31/2018
Completed production, number of unsold units ¹⁾	110	66	140
The number of unsold residential units in the balance sheet recognized as "Participations in tenant-owners associations, etc."	82	56	125

¹⁾ After final occupancy according to plan.



¹⁾ Including rental units and residential care units in JM Property Development – not included in percentage of sold/reserved

RESIDENTIAL BUILDING RIGHTS

JANUARY – SEPTEMBER 2019

The number of available building rights amounted at the end of the nine-month period to 36,400 (36,700), of which 21,600 (20,300) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 9,142m (8,470).

JM acquired development properties for residential units during the nine-month period for SEK 1,460m (2,248), of which SEK 248m relates to JM Residential Stockholm, SEK 351m to JM Residential Sweden, and SEK 861m to JM International.

FINANCIAL ITEMS

JANUARY – SEPTEMBER 2019

Net financial items are slightly lower than the previous year, primarily due to larger average interest-bearing liabilities.

Total interest-bearing loans according to segment reporting was SEK 2,906m (2,395), of which the provision for pension liabilities

comprised SEK 1,747m (1,375). At the end of the third quarter, the average interest rate for the total interest-bearing loan stock including pension liabilities was 2.6 percent (2.5). The average term for fixed-rate loans excluding the pension liability was 0.2 years (0.2).

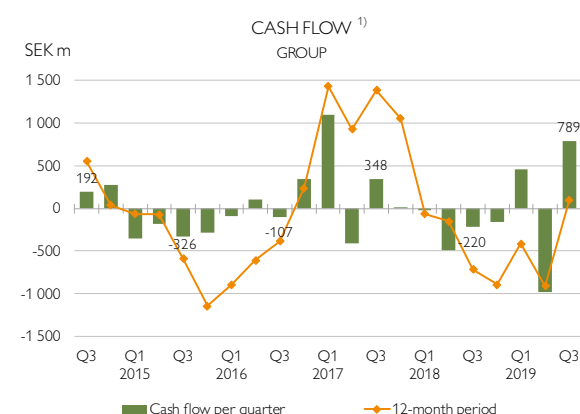
Consolidated available liquidity was SEK 4,755m (4,654). In addition to cash and cash equivalents of SEK 1,955m (1,854), it includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 3.6 years (3.3).

Interest-bearing net liabilities including pension liabilities according to segment reporting totaled SEK 951m (541) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 1,032m (1,023). Of these liabilities, SEK 234m (324) were current.

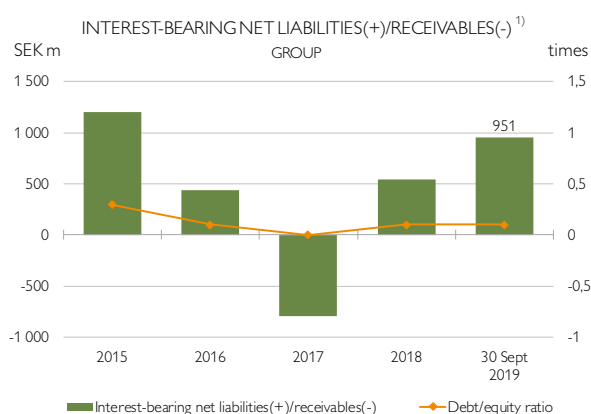
The valuation of financial assets and liabilities shows no significant difference between the carrying amount and fair value.

SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Financial income	3	4	0	1	9	10
Financial expenses	-65	-60	-22	-22	-84	-79
Financial income and expenses	-62	-56	-22	-21	-75	-69

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Interest-bearing net liabilities(+)/receivables(-) at beginning of period	546	-790	1,155	240	541	-790
Change in interest-bearing net liabilities/receivables	405	1,331	-204	301	410	1,336
Interest-bearing net liabilities(+)/receivables(-) at end of period	951	541	951	541	951	546



¹⁾ Total cash flow for the period



¹⁾ According to segment reporting

CASH FLOW

JANUARY – SEPTEMBER 2019

Cash flow from operating activities according to segment reporting was SEK 817m (–456) during the nine-month period. Net investments in development properties resulted in a cash flow of SEK –663m (–597). The reduced holdings of repurchased residential units resulted in a cash flow of SEK 171m (3). Consolidated cash flow attributable to project properties (sales minus investment) during the nine-month period was SEK 550m (–322), where the sale of two rental unit properties in the third quarter resulted in a cash payment of SEK 760m. Cash flow was strengthened by a payment of SEK 320m received during the first quarter for an outstanding accounts receivable in accordance with a settlement agreement.

JULY – SEPTEMBER 2019

Cash flow from operating activities was SEK 446m (–234) during the third quarter. Net investments in development properties resulted in a cash flow of SEK –306m (–24). The increased holdings of repurchased residential units resulted in a cash flow of SEK –55m (16). Consolidated cash flow attributable to project properties (sales minus investment) was SEK 779m (–88), where the sale of two completed rental unit properties in the third quarter resulted in a cash payment of SEK 760m.

RISKS AND UNCERTAINTY FACTORS

JM's risks and risk management are presented in the 2018 Annual Report on pages 30–32 and 75. No significant changes have occurred to change these reported risks.

OUTSTANDING SHARES

The number of outstanding shares at September 30, 2019, amounted to 69,583,262 (69,583,262). The company has no holdings of treasury shares.

PERSONNEL

The number of employees at the end of the nine-month period was 2,637 (2,610). The number of wage-earners was 1,042 (1,004), and the number of salaried employees was 1,595 (1,606). Current staffing is dimensioned to the current project volume, and adjustments are made on a regular basis. Demand on the labor market for qualified project development skills continues to be strong but has decreased slightly.



Business Segments

JM Residential Stockholm

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

Average prices on the existing home market basically did not change during the third quarter. The total supply of residential units continued to be high, but the supply of newly produced tenant-owned apartments decreased.

Competition for well-situated land for housing is judged to be relatively low at the same time as the supply of properties for housing development is relatively high. However, prices of building rights are still at a level that requires selective acquisition.

The housing market in Stockholm continued to improve during the third quarter. Customers are showing strong interest in JM's projects, and sales continued to improve. The willingness of customers to sign a contract early in the process is at a normal level. Residential units available for sale in the business segment largely have estimated occupancy in 2020/2021, and the majority in 2020.

Housing starts in Stockholm during the third quarter were supported by a normal level of reservations, and profitability continued to be good in the current production volume. In the past few quarters, the absence of necessary authority decisions has had a negative

effect on the business unit's housing starts. This currently is affecting two projects with a total of around 140 residential units, both with a high reservation rate. Housing starts in forthcoming phases have also been indirectly delayed. Nonetheless, conditions are considered to be good for a higher level of housing starts in the fourth quarter, provided that authority decisions are announced in accordance with the expected schedule.

Business segment revenue decreased to SEK 4,024m (4,434). Operating profit decreased to SEK 654m (757). The reduced revenue and profit are primarily due to a lower number of housing starts and lower prices in our projects. Revenue in the quarter has also been limited by a low level of land transferred to the projects. The operating margin decreased to 16.3 percent (17.1).

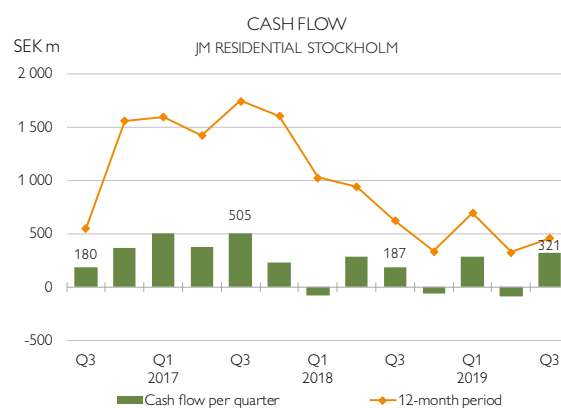
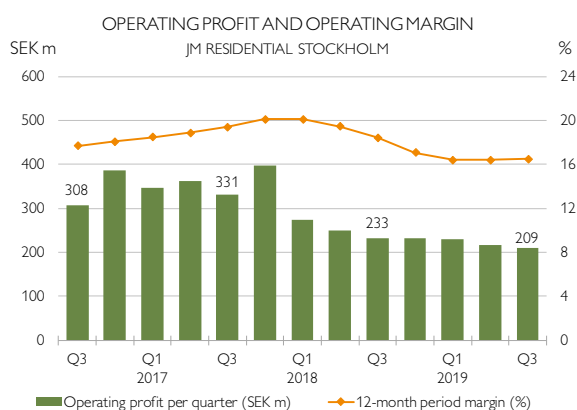
Cash flow during the nine-month period is in balance taking into consideration investments in development properties.

Production was started in the third quarter on 278 residential units in apartment buildings and single-family homes in Sollentuna, Solna, Stockholm and Lidingö.

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	4,024	4,434	1,259	1,429	5,376	5,786
Operating profit ¹⁾	654	757	209	233	886	989
Operating margin, %	16.3	17.1	16.6	16.3	16.5	17.1
Average operating capital					5,802	5,447
Return on operating capital, %					15.3	18.2
Operating cash flow	520	395	321	187	459	334
Carrying amount, development properties	5,049	5,002				5,048
Number of available building rights	13,000	13,500				13,400
Number of residential units sold	767	565	261	223	1,053	851
Number of housing starts	653	662	278	207	848	857
Number of residential units in current production	3,112	3,447				3,115
Number of employees	922	930				936

¹⁾ Of which property sales

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JM Residential Sweden

Within the JM Residential Sweden business segment, residential projects are developed 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 increased slightly or remained the same in most markets within the business segment during the third quarter.

Supply is at normal levels in all markets in the business segment. Competition for land for housing is tough in some areas in the business segment and has decreased somewhat on other local markets. Interest in JM's projects is stable with good sales, and customers' willingness to sign a contract early in the process is at a normal level.

Business segment revenue amounted to SEK 3,283m (3,254), and operating profit decreased to SEK 530m (550). The operating margin decreased to 16.1 percent (16.9).

Profit and the margin decreased slightly where demand and prices vary somewhat in each submarket.

Cash flow during the nine-month period was burdened by increased holdings in development properties and an increase in working capital.

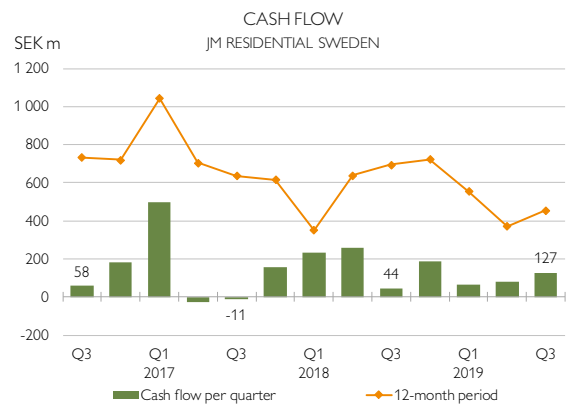
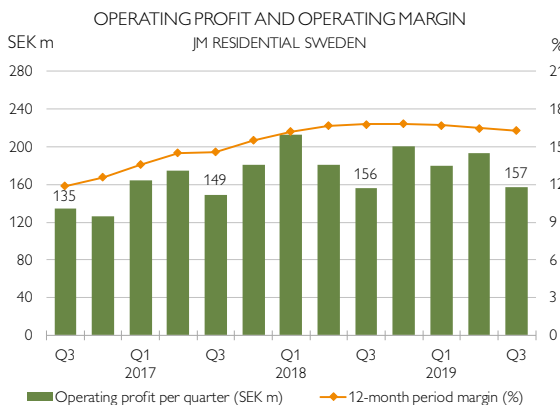
Production was started in the third quarter on a total of 289 residential units, all of which are in apartment buildings in Gothenburg and Västerås.

During the third quarter, approximately 200 building rights were acquired in Norrköping and Upplands Väsby.

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	3,283	3,254	974	920	4,485	4,456
Operating profit ¹⁾	530	550	157	156	731	751
Operating margin, %	16.1	16.9	16.1	17.0	16.3	16.9
Average operating capital					1,164	1,008
Return on operating capital, %					62.8	74.5
Operating cash flow	270	536	127	44	456	722
Carrying amount, development properties	1,545	1,404				1,388
Number of available building rights	10,500	10,400				10,500
Number of residential units sold	771	678	284	227	1,010	917
Number of housing starts	804	783	289	230	1,064	1,043
Number of residential units in current production	2,426	2,471				2,418
Number of employees	605	596				598

¹⁾ Of which property sales

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JM International

Within the JM International business segment, residential projects are developed 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 increased to SEK 2,746m (2,486), and operating profit increased to SEK 239m (221). The operating margin amounted to 8.7 percent (8.9).

During the nine-month period, production started on 562 residential units (524), with the assessment that the number of housing starts will increase in Q4 2019, assuming a stable market and stable planning conditions.

Cash flow during the nine-month period is burdened by investments in development properties, where the acquisition in Helsinki, Herttonäs, for SEK 360m is restraining cash flow during the third quarter.

NORWAY

Prices on the existing home market in Norway was stable in the third quarter. Supply has been large, and the activity level has been high.

JM Norway's revenue increased to SEK 2,276m (2,088), and operating profit increased to SEK 208m (203). The operating margin decreased to 9.1 percent (9.7).

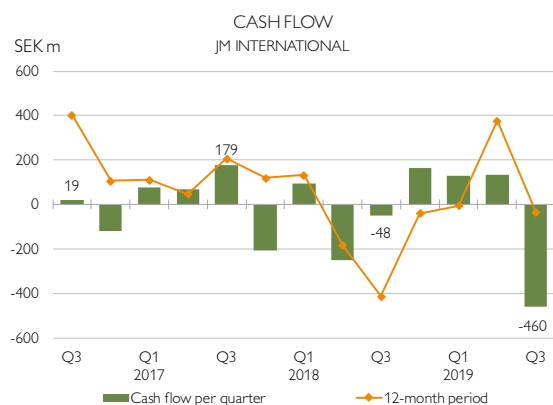
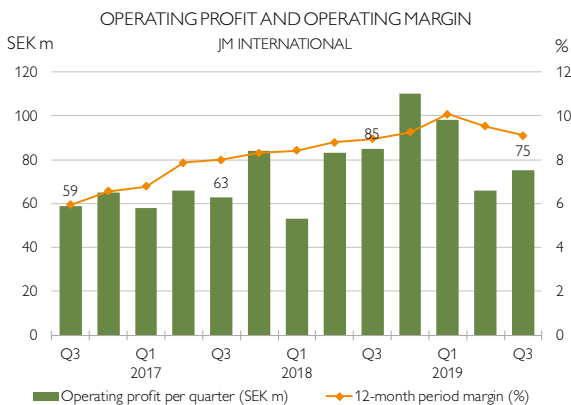
During the third quarter, 136 residential units (111) were sold and production started on 175 units (122).

Housing starts in the third quarter consist of 92 residential units in apartment buildings in the Oslo region and 83 apartment buildings and single-family homes in Drammen and Larvik.

The number of residential units in current production amounted to 1,158 (1,264). During the third quarter, 108 building rights were acquired in Bergen, Trondheim and Oslo.

Available building rights correspond to 8,100 residential units (8,700).

SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	2,746	2,486	981	912	3,840	3,580
- of which JM Norway	2,276	2,088	809	744	3,175	2,987
Operating profit ¹⁾	239	221	75	85	349	331
- of which JM Norway	208	203	65	76	302	297
Operating margin, %	8.7	8.9	7.6	9.3	9.1	9.2
- of which JM Norway	9.1	9.7	8.0	10.2	9.5	9.9
Average operating capital					3,064	2,723
Return on operating capital, %					11.4	12.2
Operating cash flow	-200	-205	-460	-48	-36	-41
Carrying amount, development properties	2,538	2,054				1,821
Carrying amount, project properties	5	5				4
Number of available building rights	12,100	12,100				11,200
Number of residential units sold	740	469	185	163	966	695
Number of housing starts	562	524	230	243	953	915
Number of residential units in current production	1,759	1,644				1,709
Number of employees	499	439				458
¹⁾ Of which property sales	38	10	-	-1	40	12



FINLAND

The housing market in the Helsinki region continued to be stable during the third quarter. The housing market is in balance, and activity is good.

During the third quarter, 49 residential units (52) were sold and production started on 55 units (121). The housing starts during the third quarter consist of residential units in apartment buildings in Esbo. The number of residential units in current production amounted to 601 (380).

During the third quarter, 1,000 building rights were acquired in Helsinki.

Available building rights correspond to 4,000 residential units (3,200).



Metsämansikka, Esbo, Finland

JM Property Development

The JM Property Development business segment primarily develops rental units, 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 187m (49), including rental revenue of SEK 68m (45) and contracting revenue of SEK 119m (0). Operating profit was SEK 191m (5). Operating profit is burdened by start-up costs for the new business activity, JM@home.

Net rental income for project properties was SEK 46m (28), and gains from property sales were SEK 170m (0).

Cash flow during the nine-month period is positive attributable to cash received in the third quarter of SEK 760m for the sale of properties.

Within the Dalénum area on Lidingö, the occupancy rate for the remaining commercial buildings that will not be demolished is 91 percent. Within the Bolinder area in Kallhäll, Järfälla, the occupancy rate in the buildings that will not be demolished is 94 percent.

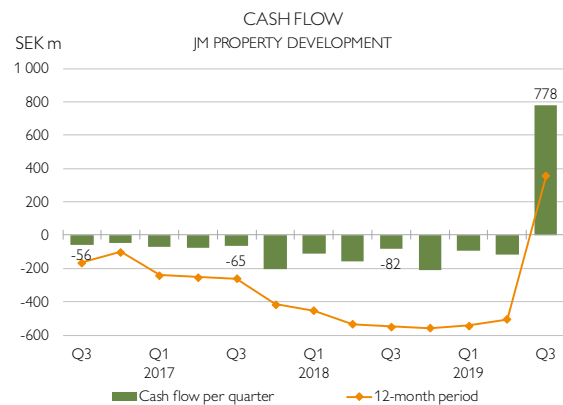
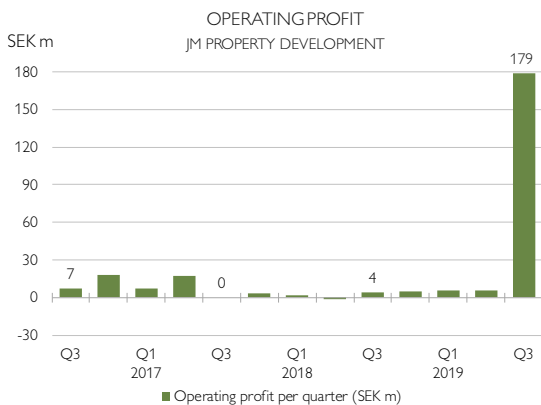
The portfolio of rental units includes two fully rented and occupied projects: Tjærtunnan in Stureby and Alphyddan in Nacka.

During the third quarter, Dalénum on Lidingö (Lidingö Tryckregulatorn 2) and Spaken in Hägernäs (Täby Spaken 1) were sold for gains of SEK 170m. The Valla Park rental unit project in Sundbyberg (Sundbyberg Lådmakaren 4), consisting of 143 rental units, was sold with the transfer of legal title upon planned completion in 2022. Revenue and profit are recognized gradually as the project is implemented.

An additional three rental projects in JM's own balance sheet continue to be either in production or rented: Alba Lilium in Bredäng, Stockholm, 137 rental units with ongoing occupancy 2019-2020; Manegen, Täby, 128 rental units with planned occupancy in 2020; and the project Havreflingan in Järfälla, 192 rental units with planned occupancy in 2021.

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	187	49	134	19	211	73
Operating profit ¹⁾	191	5	179	4	196	10
Average operating capital					1,574	1,314
Return on operating capital, %					12.5	0.8
Operating cash flow	566	-347	778	-82	356	-557
Carrying amount, development properties	10	10				10
Carrying amount, project properties	1,281	1,418				1,631
Number of available building rights ²⁾	800	700				800
Number of residential units sold ²⁾	376	-	376	-	376	-
Number of housing starts ²⁾	143	128	-	-	335	320
Number of residential units in current production ²⁾	736	681				593
Number of employees	67	52				53
¹⁾ Of which property sales	170	-	170	-	170	-

²⁾ 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 Greater Stockholm and Oslo.

Demand in the civil engineering market in Stockholm is at a good level.

Business segment revenue decreased to SEK 1,344m (2,130), of which the operations in Norway decreased to SEK 221m (451), and the operating profit decreased to SEK -141m (-61). Gains from the sale of properties of SEK 46m (0) are included in the operating profit.

A review of JM Construction during the first quarter led to a decision to discontinue the Swedish housing business through which housing and commercial properties were produced for primarily external customers. The business unit will thereafter focus on civil engineering operations in Sweden in their current form.

The discontinuation entails costs of SEK 180m, which were recognized in their entirety in Q1 2019. At the same time, JM has initiated the sale of properties within JM Construction. Some project risks will remain until the ongoing projects are completed.

In the third quarter, a property was sold in Gustavsberg in Värmdö Municipality, with gains of SEK 12m, which is recognized in the third quarter.

Cash flow was strengthened due to a settled accounts receivable with payment received of SEK 320m in the first quarter, according to

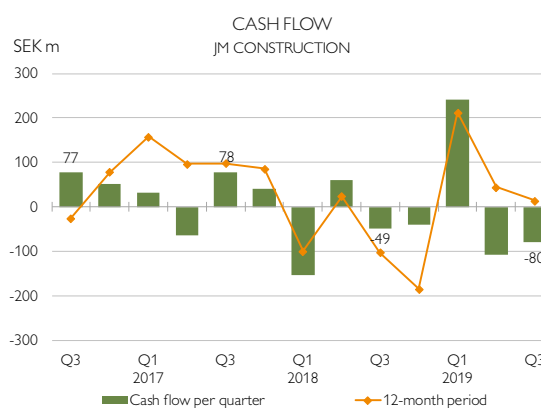
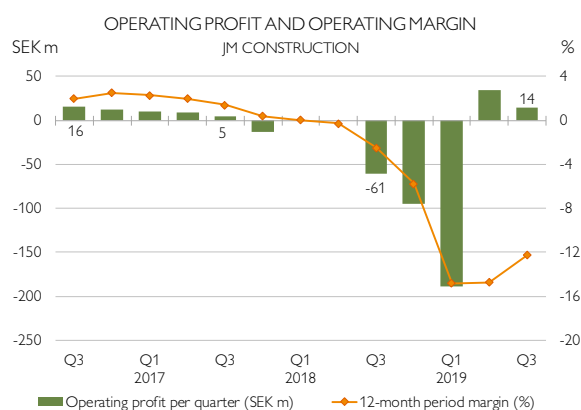
a signed settlement agreement, as well as completed sale of properties and an increase in working capital.

During the third quarter, the business segment received a number of civil engineering assignments, of which the largest is civil engineering work for the new production of residential units at Bandhagen for Lindbäcks Bygg AB.

The largest ongoing assignments are groundworks in the Stockholm Norvik freight harbor in Nynäshamn (Ports of Stockholm), an infrastructure project in Tyresö (Tyresö Municipality), new production of apartment buildings in Norra Djurgårdstaden (HSB and Riksbyggen), and new production of apartment buildings in Tyresö (Småa and Riksbyggen). The largest ongoing project in the Norwegian operations is the new production of apartment buildings in Eidsvoll Municipality north of Oslo (Øvre Romerike Boligutvikling AS).

JM has signed an agreement for the sale of the external contracting operations in Norway. The transaction will be finalized and recognized in Q4 2019 with gains of SEK 15m.

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue ¹⁾	1,344	2,130	482	663	1,930	2,716
- of which Business area Construction	222	668	126	161	324	770
Operating profit ²⁾	-141	-61	14	-61	-236	-156
- of which Business area Construction	-207	-76	-6	-66	-307	-176
Operating margin, %	-10.5	-2.9	2.9	-9.2	-12.2	-5.7
- of which Business area Construction	-93.2	-11.4	-4.8	-41.0	-94.8	-22.9
Operating cash flow	55	-143	-80	-49	14	-184
Carrying amount, development properties	28	39				39
Number of employees	360	439				437
¹⁾ Of which internal	203	342	62	111	311	450
²⁾ Of which property sales	46	-	12	-	46	-



Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	11,381	12,011	3,768	3,832	15,531	16,161
Production and operating costs	-9,474	-9,791	-3,108	-3,202	-12,930	-13,247
Gross profit	1,907	2,220	660	630	2,601	2,914
Selling and administrative expenses	-712	-787	-212	-218	-966	-1,041
Gains/losses on the sale of property	254	10	182	-1	257	13
Operating profit	1,449	1,443	630	411	1,892	1,886
Financial income and expenses	-62	-56	-22	-21	-75	-69
Profit before tax	1,387	1,387	608	390	1,817	1,817
Taxes	-259	-308	-94	-87	-330	-379
Profit for the period	1,128	1,079	514	303	1,487	1,438
Other comprehensive income	-227	25	-245	-68	-308	-56
Comprehensive income for the period	901	1,104	269	235	1,179	1,382
Earnings per share ¹⁾ , diluted, SEK	16.20	15.50	7.40	4.30	21.30	20.60
Average number of shares, diluted	69,964,769	69,836,391	70,046,214	69,950,321	69,946,685	69,865,418

¹⁾ Net profit for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	9/30/2019	9/30/2018	12/31/2018
ASSETS			
Non-current assets	221	221	214
Project properties	1,286	1,423	1,635
Development properties	9,170	8,509	8,306
Participations in tenant-owners associations, etc.	422	224	567
Current receivables ¹⁾	4,013	3,904	4,083
Cash and cash equivalents	1,955	1,854	1,682
Total current assets	16,846	15,914	16,273
Total assets	17,067	16,135	16,487
EQUITY AND LIABILITIES ²⁾			
Equity	6,866	6,520	6,798
Non-current interest-bearing liabilities	418	204	146
Other non-current liabilities	798	700	696
Non-current provisions	3,652	2,994	3,037
Total non-current liabilities	4,868	3,898	3,879
Current interest-bearing liabilities	741	816	694
Other current liabilities	4,448	4,780	4,994
Current provisions	144	121	122
Total current liabilities	5,333	5,717	5,810
Total equity and liabilities	17,067	16,135	16,487
¹⁾ Of which receivables from property sales	77	34	53
²⁾ Of which liabilities for property acquisition	1,052	1,058	1,040

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–SEPTEMBER		FULL-YEAR
	2019	2018	
Opening balance at beginning of period	6,798	6,178	6,178
Total comprehensive income for the period	901	1,104	1,382
Dividend	–835	–765	–765
Equity component of convertible debentures	2	3	3
Closing balance at end of period	6,866	6,520	6,798

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	
Cash flow from operating activities before change in working capital and taxes	1,639	1,679	536	473	2,135	2,175
Paid tax	–366	–582	–94	–184	–481	–697
Investment in development properties, etc. ¹⁾	–2,993	–2,727	–1,398	–900	–3,994	–3,728
Payment on account for development properties, etc. ²⁾	2,501	2,133	1,037	892	3,172	2,804
Investment in project properties	–315	–324	–86	–88	–515	–524
Sale of project properties	865	2	865	-	865	2
Change in current liabilities/receivables	–514	–637	–414	–427	–382	–505
Cash flow from operating activities	817	–456	446	–234	800	–473
Cash flow from investing activities	–5	0	–6	3	–13	–8
Loans raised	536	584	398	30	575	623
Amortization of debt	–249	–93	–49	–19	–426	–270
Dividend	–835	–765	-	-	–835	–765
Cash flow from financing activities	–548	–274	349	11	–686	–412
Cash flow for the period	264	–730	789	–220	101	–893
Cash and cash equivalents at end of period	1,955	1,854	1,955	1,854	1,955	1,682
¹⁾ Of which investment in participations in tenant-owners associations and freehold residential units	–1,560	–700	–685	–307	–2,397	–1,537
²⁾ Of which the sale of participations in tenant-owners associations and freehold residential units	1,731	703	630	323	2,169	1,141

CONSOLIDATED KEY FINANCIAL FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	
Operating margin	12.7	12.0	16.7	10.7	12.2	11.7
Return on equity					22.2	22.2
Return on capital employed					20.3	22.3
Debt/equity ratio, multiple	0.1	0.1				0.1
Equity/assets ratio	40	40				41

ACCORDING TO SEGMENT REPORTING

REVENUE BY COUNTRY

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Sweden	8,413	9,118	2,726	2,799	11,356	12,061
Norway	2,498	2,495	870	865	3,509	3,506
Finland	468	379	170	166	660	571
Belgium	2	19	2	2	6	23
Total	11,381	12,011	3,768	3,832	15,531	16,161

REVENUE BY BUSINESS SEGMENT

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	4,024	4,434	1,259	1,429	5,376	5,786
JM Residential Sweden	3,283	3,254	974	920	4,485	4,456
JM International	2,746	2,486	981	912	3,840	3,580
JM Property Development	187	49	134	19	211	73
JM Construction	1,344	2,130	482	663	1,930	2,716
Elimination	-203	-342	-62	-111	-311	-450
Total	11,381	12,011	3,768	3,832	15,531	16,161

OPERATING PROFIT BY BUSINESS SEGMENT

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	654	757	209	233	886	989
JM Residential Sweden	530	550	157	156	731	751
JM International	239	221	75	85	349	331
JM Property Development	191	5	179	4	196	10
JM Construction	-141	-61	14	-61	-236	-156
Group-wide expenses	-24	-29	-4	-6	-34	-39
Total	1,449	1,443	630	411	1,892	1,886

OPERATING MARGIN BY BUSINESS SEGMENT

%	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	16.3	17.1	16.6	16.3	16.5	17.1
JM Residential Sweden	16.1	16.9	16.1	17.0	16.3	16.9
JM International	8.7	8.9	7.6	9.3	9.1	9.2
JM Construction	-10.5	-2.9	2.9	-9.2	-12.2	-5.7

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK M	OCT-SEPT	FULL-YEAR
	2018/2019	2018
JM Residential Stockholm	5,802	5,447
JM Residential Sweden	1,164	1,008
JM International	3,064	2,723
JM Property Development	1,574	1,314

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	OCT-SEPT	FULL-YEAR
	2018/2019	2018
JM Residential Stockholm	15.3	18.2
JM Residential Sweden	62.8	74.5
JM International	11.4	12.2
JM Property Development	12.5	0.8

ACCORDING TO SEGMENT REPORTING

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	520	395	321	187	459	334
JM Residential Sweden	270	536	127	44	456	722
JM International	–200	–205	–460	–48	–36	–41
JM Property Development	566	–347	778	–82	356	–557
JM Construction	55	–143	–80	–49	14	–184

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	9/30/2019	9/30/2018	12/31/2018
JM Residential Stockholm	5,049	5,002	5,048
JM Residential Sweden	1,545	1,404	1,388
JM International	2,538	2,054	1,821
JM Property Development	10	10	10
JM Construction	28	39	39
Total	9,170	8,509	8,306

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	9/30/2019	9/30/2018	12/31/2018
JM Residential Stockholm	13,000	13,500	13,400
JM Residential Sweden	10,500	10,400	10,500
JM International	12,100	12,100	11,200
JM Property Development ¹⁾	800	700	800
Total	36,400	36,700	35,900

Of which rights carried in the balance sheet (development properties)

JM Residential Stockholm	8,100	8,000	8,600
JM Residential Sweden	6,800	6,400	6,800
JM International	6,600	5,700	5,100
JM Property Development ¹⁾	100	200	200
Total	21,600	20,300	20,700

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

NUMBER	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	767	565	261	223	1,053	851
JM Residential Sweden	771	678	284	227	1,010	917
JM International	740	469	185	163	966	695
JM Property Development ¹⁾	376	-	376	-	376	-
Total	2,654	1,712	1,106	613	3,405	2,463

HOUSING STARTS BY BUSINESS SEGMENT

NUMBER	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
JM Residential Stockholm	653	662	278	207	848	857
JM Residential Sweden	804	783	289	230	1,064	1,043
JM International	562	524	230	243	953	915
JM Property Development ¹⁾	143	128	-	-	335	320
Total	2,162	2,097	797	680	3,200	3,135

RESIDENTIAL UNITS IN CURRENT PRODUCTION

NUMBER	9/30/2019	9/30/2018	12/31/2018
JM Residential Stockholm	3,112	3,447	3,115
JM Residential Sweden	2,426	2,471	2,418
JM International	1,759	1,644	1,709
JM Property Development ¹⁾	736	681	593
Total	8,033	8,243	7,835

¹⁾ Refers to rental units and residential care units.

ACCORDING TO SEGMENT REPORTING

PROJECT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	9/30/2019	9/30/2018	12/31/2018
Properties under development	688	1,188	816
Completed rental unit properties	587	224	808
Completed commercial properties	11	11	11
Total	1,286	1,423	1,635

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Opening balance at beginning of period	8,306	7,543	8,983	8,869	8,509	7,543
New purchases	1,460	2,248	581	191	1,614	2,402
Transferred to production	-610	-1,298	-354	-512	-829	-1,517
Other	14	16	-40	-39	-124	-122
Closing balance at end of period	9,170	8,509	9,170	8,509	9,170	8,306

Group five-year overview

ACCORDING TO SEGMENT REPORTING, SEK M	2018	2017	2016	2015	2014
Revenue	16,161	17,008	15,752	14,447	13,869
Operating profit	1,886	2,369	2,011	1,590	1,716
Profit before tax	1,817	2,579	1,951	1,518	1,641
Total assets	16,487	15,405	12,848	12,230	12,545
Cash flow from operating activities	-473	2,013	1,957	-230	978
Interest-bearing net liabilities (+)/receivables (-)	546	-790	435	1,198	-337
Operating margin, %	11.7	13.9	12.8	11.0	12.4
Return on equity, %	22.2	38.7	31.4	24.8	26.5
Equity/assets ratio, %	41	40	40	38	37
Earnings per share, SEK	20.60	31.00	21.20	15.50	16.00
Dividend per share, SEK	12.00	11.00	9.50	8.25	8.00
Number of available building rights	35,900	34,800	32,500	31,100	29,400
Number of residential units sold	2,463	3,100	3,843	3,770	3,195
Number of housing starts	3,135	3,873	4,187	3,731	3,445
Number of residential units in current production	7,835	8,200	7,984	7,212	6,375

Group Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M							
INCOME STATEMENT	2019			2018			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	3,768	3,944	3,669	4,150	3,832	4,125	4,054
Production and operating costs	-3,108	-3,212	-3,154	-3,456	-3,202	-3,324	-3,265
Gross profit	660	732	515	694	630	801	789
Selling and administrative expenses	-212	-260	-240	-254	-218	-297	-272
Gains/losses on the sale of property	182	34	38	3	-1	0	11
Operating profit	630	506	313	443	411	504	528
Financial income and expenses	-22	-18	-22	-13	-21	-19	-16
Profit before tax	608	488	291	430	390	485	512
Taxes	-94	-102	-63	-71	-87	-108	-113
Profit for the period	514	386	228	359	303	377	399
BALANCE SHEET	9/30	6/30	3/31	12/31	9/30	6/30	3/31
ASSETS							
Non-current assets	221	221	220	214	221	226	221
Project properties	1,286	1,865	1,743	1,635	1,423	1,335	1,193
Development properties	9,170	8,983	8,911	8,306	8,509	8,869	8,607
Participations in tenant-owners associations, etc.	422	296	434	567	224	322	309
Current receivables	4,013	3,993	4,040	4,083	3,904	3,813	3,828
Cash and cash equivalents	1,955	1,168	2,150	1,682	1,854	2,078	2,564
Total current assets	16,846	16,305	17,278	16,273	15,914	16,417	16,501
Total assets	17,067	16,526	17,498	16,487	16,135	16,643	16,722
EQUITY AND LIABILITIES							
Equity	6,866	6,597	7,083	6,798	6,520	6,285	6,664
Non-current interest-bearing liabilities	418	314	171	146	204	255	220
Other non-current liabilities	798	770	770	696	700	686	700
Non-current provisions	3,652	3,296	3,128	3,037	2,994	2,850	2,846
Total non-current liabilities	4,868	4,380	4,069	3,879	3,898	3,791	3,766
Current interest-bearing liabilities	741	502	688	694	816	762	336
Other current liabilities	4,448	4,904	5,529	4,994	4,780	5,682	5,831
Current provisions	144	143	129	122	121	123	125
Total current liabilities	5,333	5,549	6,346	5,810	5,717	6,567	6,292
Total equity and liabilities	17,067	16,526	17,498	16,487	16,135	16,643	16,722
CASH FLOW STATEMENT							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
From operating activities	446	-97	468	-17	-234	-204	-18
From investing activities	-6	-1	2	-8	3	-2	-1
From financing activities	349	-888	-9	-138	11	-286	1
Total cash flow for the period	789	-986	461	-163	-220	-492	-18
Cash and cash equivalents at end of period	1,955	1,168	2,150	1,682	1,854	2,078	2,564
INTEREST-BEARING NET LIABILITIES/RECEIVABLES							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Interest-bearing net liabilities(+)/receivables(-) at beginning of period	1,155	130	546	541	240	-748	-790
Change in interest-bearing net liabilities/receivables	-204	1,025	-416	5	301	988	42
Interest-bearing net liabilities(+)/receivables(-) at end of period	951	1,155	130	546	541	240	-748
DEVELOPMENT PROPERTIES							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Carrying amount at beginning of period	8,983	8,911	8,306	8,509	8,869	8,607	7,543
New purchases	581	142	737	154	191	661	1,396
Transferred to production	-354	-77	-179	-219	-512	-411	-375
Other	-40	7	47	-138	-39	12	43
Carrying amount at end of period	9,170	8,983	8,911	8,306	8,509	8,869	8,607
KEY RATIOS							
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating margin, %	16.7	12.8	8.5	10.7	10.7	12.2	13.0
Debt/equity ratio, multiple	0.1	0.2	0.0	0.1	0.1	0.0	-
Equity/assets ratio, %	40	40	40	41	40	38	40
Earnings per share, SEK	7.40	5.50	3.30	5.20	4.30	5.40	5.70
Number of available building rights	36,400	36,500	36,400	35,900	36,700	36,000	34,900
Number of residential units sold	1,106	881	667	751	613	619	480
Number of housing starts	797	959	406	1,038	680	847	570
Number of residential units in current production	8,033	7,829	7,842	7,835	8,243	7,814	7,672

Business Segment Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M

	2019				2018		
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
JM RESIDENTIAL STOCKHOLM							
Revenue	1,259	1,330	1,435	1,352	1,429	1,530	1,475
Operating profit ¹⁾	209	216	229	232	233	250	274
Operating margin, %	16.6	16.2	16.0	17.2	16.3	16.3	18.6
Average operating capital	5,802	5,754	5,668	5,447	5,139	4,919	4,663
Return on operating capital, % ²⁾	15.3	15.8	16.7	18.2	22.5	25.5	29.3
Operating cash flow	321	-85	284	-61	187	285	-77
Carrying amount, development properties	5,049	5,132	5,042	5,048	5,002	5,185	5,229
Number of available building rights	13,000	13,500	13,400	13,400	13,500	13,600	13,300
Number of residential units sold	261	268	238	286	223	225	117
Number of housing starts	278	286	89	195	207	240	215
Number of residential units in current production	3,112	3,001	3,042	3,115	3,447	3,387	3,510
¹⁾ Of which property sales	0	-	-	-	-	0	-
JM RESIDENTIAL SWEDEN							
Revenue	974	1,199	1,110	1,202	920	1,065	1,269
Operating profit ¹⁾	157	193	180	201	156	181	213
Operating margin, %	16.1	16.1	16.2	16.7	17.0	17.0	16.8
Average operating capital	1,164	1,096	1,042	1,008	1,000	949	897
Return on operating capital, % ²⁾	62.8	66.6	68.9	74.5	73.1	76.3	80.0
Operating cash flow	127	78	65	186	44	260	232
Carrying amount, development properties	1,545	1,549	1,559	1,388	1,404	1,476	1,394
Number of available building rights	10,500	10,500	10,500	10,500	10,400	10,300	10,200
Number of residential units sold	284	244	243	239	227	207	244
Number of housing starts	289	244	271	260	230	267	286
Number of residential units in current production	2,426	2,366	2,547	2,418	2,471	2,280	2,210
¹⁾ Of which property sales	-	-	-	1	-	-	0
JM INTERNATIONAL							
Revenue	981	905	860	1,094	912	864	710
Operating profit ¹⁾	75	66	98	110	85	83	53
Operating margin, %	7.6	7.3	11.4	10.1	9.3	9.6	7.5
Average operating capital	3,064	2,967	2,888	2,723	2,580	2,444	2,273
Return on operating capital, % ²⁾	11.4	12.1	13.0	12.2	11.8	11.6	11.7
Operating cash flow	-460	133	127	164	-48	-249	92
Carrying amount, development properties	2,538	2,261	2,261	1,821	2,054	2,156	1,932
Carrying amount, project properties	5	5	5	4	5	5	8
Number of available building rights	12,100	11,700	11,700	11,200	12,100	11,400	10,600
Number of residential units sold	185	369	186	226	163	187	119
Number of housing starts	230	286	46	391	243	212	69
Number of residential units in current production	1,759	1,726	1,660	1,709	1,644	1,466	1,399
¹⁾ Of which property sales	-	-	38	2	-1	0	11
JM PROPERTY DEVELOPMENT							
Revenue	134	29	24	24	19	15	15
Operating profit ¹⁾	179	6	6	5	4	-1	2
Average operating capital	1,574	1,583	1,447	1,314	1,160	1,036	910
Return on operating capital, % ²⁾	12.5	1.3	1.0	0.8	0.7	0.4	2.4
Operating cash flow	778	-116	-96	-210	-82	-156	-109
Carrying amount, development properties	10	10	10	10	10	10	10
Carrying amount, project properties	1,281	1,860	1,738	1,631	1,418	1,330	1,185
Number of available building rights ³⁾	800	800	800	800	700	700	800
Number of residential units sold ³⁾	376	-	-	-	-	-	-
Number of housing starts ³⁾	-	143	-	192	-	128	-
Number of residential units in current production ³⁾	736	736	593	593	681	681	553
¹⁾ Of which property sales	170	-	-	-	-	-	-
³⁾ Refers to rental units and residential care units.							
JM CONSTRUCTION							
Revenue	482	550	312	586	663	769	698
Operating profit ¹⁾	14	34	-189	-95	-61	0	0
Operating margin, %	2.9	6.2	-60.6	-16.2	-9.2	0.0	0.0
Operating cash flow	-80	-107	242	-41	-49	60	-154
¹⁾ Of which property sales	12	34	-	-	-	-	-
JM OTHER							
Revenue (elimination)	-62	-69	-72	-108	-111	-118	-113
Operating profit (Group-wide expenses)	-4	-9	-11	-10	-6	-9	-14

²⁾ Calculated on 12-month rolling profit and average capital.

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue	11,741	11,474	4,260	3,605	15,947	15,680
Production and operating costs	-9,666	-9,300	-3,445	-3,002	-13,142	-12,776
Gross profit	2,075	2,174	815	603	2,805	2,904
Selling and administrative expenses	-722	-787	-215	-218	-976	-1,041
Gains/losses on the sale of property	84	10	12	-1	87	13
Operating profit	1,437	1,397	612	384	1,916	1,876
Financial income and expenses	-78	-56	-29	-21	-91	-69
Profit before tax	1,359	1,341	583	363	1,825	1,807
Taxes	-260	-304	-95	-85	-340	-384
Profit for the period	1,099	1,037	488	278	1,485	1,423
Other comprehensive income						
<i>Items that will be reclassified as income</i>						
Translation differences from the translation of foreign operations	77	104	-20	-5	3	30
<i>Items that will not be reclassified as income</i>						
Restatement of defined-benefit pensions	-392	-104	-281	-68	-393	-105
Tax attributable to other comprehensive income	81	14	58	6	82	15
Comprehensive income for the period	865	1,051	245	211	1,177	1,363
Net profit for the period attributable to shareholders of the Parent Company	1,099	1,037	488	278	1,485	1,423
Comprehensive income for the period is attributable to shareholders of the Parent Company	865	1,051	245	211	1,177	1,363
Earnings per share ¹⁾ , basic, attributable to shareholders of the Parent Company, SEK	15.80	14.90	7.00	4.00	21.40	20.50
Earnings per share ¹⁾ , diluted, attributable to shareholders of the Parent Company, SEK	15.70	14.90	7.00	4.00	21.30	20.40
Number of outstanding shares at end of period	69,583,262	69,583,262	69,583,262	69,583,262	69,583,262	69,583,262
Average number of shares, basic	69,583,262	69,583,262	69,583,262	69,583,262	69,583,262	69,583,262
Average number of shares, diluted	69,964,769	69,836,391	70,046,214	69,950,321	69,946,685	69,865,418

¹⁾ Net profit for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	9/30/2019	9/30/2018	12/31/2018
ASSETS			
Non-current assets¹⁾	447	221	214
Project properties	1,286	1,423	1,635
Development properties	9,170	8,509	8,306
Right-of-use leasehold rights	530	-	-
Participations in tenant-owners associations, etc.	422	224	567
Work in progress	3,333	2,980	2,958
Current receivables	5,211	6,027	5,286
Cash and cash equivalents	1,955	1,854	1,682
Total current assets	21,907	21,017	20,434
Total assets	22,354	21,238	20,648
EQUITY AND LIABILITIES ^{2) 3) 4) 5)}			
Equity	6,676	6,332	6,644
Non-current interest-bearing liabilities	1,414	204	146
Other non-current liabilities	798	700	696
Non-current provisions	3,619	2,950	3,004
Total non-current liabilities	5,831	3,854	3,846
Current interest-bearing liabilities	5,355	6,050	4,968
Other current liabilities	4,348	4,881	5,068
Current provisions	144	121	122
Total current liabilities	9,847	11,052	10,158
Total equity and liabilities	22,354	21,238	20,648
Pledged assets	448	573	476
Contingent liabilities	8,653	8,771	8,693
¹⁾ Of which right-of-use offices and cars	225	-	-
²⁾ Of which project financing JM International	2,661	2,574	2,340
³⁾ Of which project financing JM Residential Stockholm and JM Residential Sweden	2,097	2,768	2,003
⁴⁾ Of which liabilities for property acquisition	1,052	1,058	1,040
⁵⁾ Of which current and non-current interest-bearing leasing liabilities	757	-	-

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–SEPTEMBER		FULL-YEAR 2018
	2019	2018	
Opening balance at beginning of period	6,644	6,043	6,043
Total comprehensive income for the period	865	1,051	1,363
Dividend	–835	–765	–765
Equity component of convertible debentures	2	3	3
Closing balance at end of period	6,676	6,332	6,644

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR 2018
	2019	2018	2019	2018	2018/2019	
Cash flow from operating activities before change in working capital and taxes	1,138	560	557	16	895	317
Paid tax	–366	–582	–94	–184	–481	–697
Investment in development properties, etc. ¹⁾	–2,993	–2,727	–1,398	–900	–3,994	–3,728
Payment on account for development properties, etc. ²⁾	2,060	1,084	795	509	2,661	1,685
Investment in project properties	–315	–324	–86	–88	–515	–524
Sale of project properties	105	2	105	-	105	2
Change in current liabilities/receivables	–829	–1,056	–510	–416	–443	–670
Cash flow from operating activities³⁾	–1,200	–3,043	–631	–1,063	–1,772	–3,615
Cash flow from investing activities	–5	0	–6	3	–13	–8
Loans raised	536	584	398	30	575	623
Amortization of debt	–326	–93	–74	–19	–503	–270
Loans raised, project financing ³⁾	2,714	3,342	1,281	1,164	3,770	4,398
Amortization of debt, project financing ³⁾	–620	–755	–179	–335	–1,121	–1,256
Dividend	–835	–765	-	-	–835	–765
Cash flow from financing activities	1,469	2,313	1,426	840	1,886	2,730
Cash flow for the period	264	–730	789	–220	101	–893
Cash and cash equivalents at end of period	1,955	1,854	1,955	1,854	1,955	1,682

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

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

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 incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

ACCOUNTING PRINCIPLES

This interim report for the nine-month period of 2019 was 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.

The accounting principles and methods of calculation for the Group have not changed compared to the description on pages 82–85 of the 2018 Annual Report with the exception that IFRS 16 Leases is applied as of January 1, 2019.

JM APPLIES THE FOLLOWING NEW STANDARDS AS OF 2019 IFRS 16 LEASES

This standard replaces IAS 17 Leases and all related interpretations. It requires lessees to report assets and liabilities that are attributable to all lease contracts, with the exception of contracts that are shorter than 12 months and/or refer to small amounts. Reporting for lessors will in all material respects remain the same. JM uses the simplified

transition approach, which means that identified leases will not be restated retroactively. This means that comparative figures for periods prior to 2019 will not be affected. For JM, the new standard at the end of the first nine months of 2019 has resulted in right-of-use assets of SEK 756m. The assets consist primarily of the rental of properties in which JM conducts its operations, the rental of the vehicles used in the operations, and the rental of land.

Under the new standard, JM reports depreciation/amortization and interest rates related to lease contracts in the income statement, and payments are split in the cash flow between interest and amortization. The impact on JM's income statement and balance sheet for the nine-month period in 2019 is presented in the table on page 23.

IFRS 16 is not applied in the segment reporting.

OTHER CHANGES TO IFRS

Other changed IFRS standards applied as of 2019 had little or no impact on JM's financial reporting.

SEGMENT REPORTING

JM's segment reporting differs from IFRS mainly 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 new 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.

ACCOUNTING FOR HOUSING DEVELOPMENT IN SWEDEN

The report for the first six months of 2019 described the ongoing investigation and the preliminary assessment from Finansinspektionen (FI) that tenant-owners associations cannot be considered independent from an IFRS perspective.

JM does not share FI's preliminary assessment, but rather still considers the tenant-owners associations to be independent and that they should not be consolidated. JM submitted feedback on FI's preliminary assessment and is waiting for the results of FI's continued investigation. During the current quarter, no new information was received from FI on this matter.

ACCOUNTING OF IFRS 16 LEASES

	JANUARY–SEPTEMBER	JULY–SEPTEMBER
ACCORDING TO IFRS, SEK M	2019	2019
Production and operating costs	25	11
Selling and administrative expenses	-10	-3
Operating profit	15	8
Financial income and expenses	-16	-8
Profit before tax	-1	0
Taxes	0	0
Profit for the period	-1	0
ACCORDING TO IFRS, SEK M	9/30/2019	1/1/2019
Non-current assets	225	275
Current assets	531	278
Total assets	756	553
Equity	-1	-
Non-current interest-bearing liabilities	747	553
Current interest-bearing liabilities	10	-
Total equity and liabilities	756	553

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	JANUARY–SEPTEMBER		FULL-YEAR
	2019	2018	2018
Net sales	7,489	7,809	10,397
Production and operating costs	–5,834	–6,019	–8,025
Gross profit	1,655	1,790	2,372
Selling and administrative expenses	–470	–557	–717
Gains/losses on the sale of property	0	0	–
Operating profit	1,185	1,233	1,655
Financial income and expenses	105	55	46
Profit before appropriations and tax	1,290	1,288	1,701
Appropriations	–241	–	–175
Profit before tax	1,049	1,288	1,526
Taxes	–194	–261	–323
Profit for the period	855	1,027	1,203

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	9/30/2019	9/30/2018	12/31/2018
Assets			
Non-current assets	1,595	1,478	1,483
Current assets	12,911	13,470	13,145
Total assets	14,506	14,948	14,628
Equity and liabilities			
Equity	3,512	3,314	3,490
Untaxed reserves	2,390	2,360	2,390
Provisions	1,817	1,550	1,583
Non-current liabilities	803	737	722
Current liabilities	5,984	6,987	6,443
Total equity and liabilities	14,506	14,948	14,628
Pledged assets	169	169	169
Contingent liabilities	8,857	8,923	8,785

Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–SEPTEMBER		JULY–SEPTEMBER		OCT–SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Revenue for the period (segment reporting)	11,381	12,011	3,768	3,832	15,531	16,161
Restatement JM International	–370	–537	–238	–227	–314	–481
Reclassification property sale	730	–	730	–	730	–
Revenue for the period (IFRS)	11,741	11,474	4,260	3,605	15,947	15,680
Operating profit/loss for the period (segment reporting)	1,449	1,443	630	411	1,892	1,886
Restatement JM International	–27	–46	–26	–27	9	–10
Leases IFRS 16	15	–	8	–	15	–
Operating profit/loss for the period (IFRS)	1,437	1,397	612	384	1,916	1,876
Profit/loss for the period (segment reporting)	1,128	1,079	514	303	1,487	1,438
Restatement JM International	–28	–42	–26	–25	–1	–15
Leases IFRS 16	–1	–	–	–	–1	–
Profit/loss for the period (IFRS)	1,099	1,037	488	278	1,485	1,423

CONSOLIDATED BALANCE SHEET

SEK M	9/30/2019	9/30/2018	12/31/2018
Balance sheet total (segment reporting)	17,067	16,135	16,487
Restatement JM International	-228	-239	-182
Reclassification project financing JM International, interest-bearing	2,386	2,214	1,884
Reclassification project financing JM International, non-interest-bearing ¹⁾	276	360	456
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,467	3,020	2,390
Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings	-370	-252	-387
Leases IFRS 16	756	-	-
Balance sheet total (IFRS)	22,354	21,238	20,648

1) Billing on account to customers.

CONSOLIDATED EQUITY

SEK M	9/30/2019	9/30/2018	12/31/2018
Equity (segment reporting)	6,866	6,520	6,798
Restatement JM International	-189	-188	-154
Leases IFRS 16	-1	-	-
Equity (IFRS)	6,676	6,332	6,644

GROUP KEY FIGURES

%	9/30/2019	9/30/2018	12/31/2018
Equity/assets ratio (segment reporting)	40	40	41
Equity/assets ratio (IFRS)	30	30	32

CONSOLIDATED CASH FLOW

SEK M	JANUARY-SEPTEMBER		JULY-SEPTEMBER		OCT-SEPT	FULL-YEAR
	2019	2018	2019	2018	2018/2019	2018
Cash flow from operating activities (segment reporting)	817	-456	446	-234	800	-473
Reclassification project financing JM International	-412	-696	-121	-77	-182	-466
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	-1,682	-1,891	-982	-752	-2,467	-2,676
Leases IFRS 16	77	-	26	-	77	-
Cash flow from operating activities (IFRS)	-1,200	-3,043	-631	-1,063	-1,772	-3,615

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	9/30/2019	9/30/2018	12/31/2018
Interest-bearing net liabilities (+)/receivables (-) at end of period (segment reporting)	951	541	546
Reclassification project financing JM International	2,386	2,214	1,884
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,467	3,020	2,390
Leases IFRS 16	757	-	-
Interest-bearing net liabilities (+)/receivables (-) at end of period (IFRS)	6,561	5,775	4,820

Stockholm, October 24, 2019

JM AB (publ)

Johan Skoglund
President and CEO

REVIEW REPORT

JM AB (PUBL), CORPORATE IDENTITY NUMBER 556045-2103

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of JM AB as of September 30, 2019 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain

assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 24, 2019
PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public
Accountant
Auditor in charge

Fredrik Kroon
Authorized Public
Accountant



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 2,600 employees. JM AB is a public limited company listed on NASDAQ Stockholm, Large Cap segment.

FINANCIAL TARGETS AND DIVIDENDS POLICY

The operating margin should amount to 10 percent, including gains/losses from property sales. The visible equity ratio should amount to 35 percent over a business cycle.

Over time, the dividend should reflect the earnings trend in total operating activities and over a business cycle on average correspond to 50 percent of consolidated profit after tax. Capital gains from property sales are a natural part of JM's project development operations and therefore are included in the calculation of dividends.

JM's financial targets are defined 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 October 24, 2019.

FOR MORE INFORMATION PLEASE CONTACT:

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FINANCIAL CALENDAR

January 31, 2020	Year-end report 2019
March 26, 2020	Annual General Meeting
April 28, 2020	Interim Report January - March
July 14, 2020	Interim Report January - June
October 22, 2020	Interim Report January - September

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

PRESS RELEASES, Q3 2019

September 26	JM AB's Nomination Committee for the 2020 Annual General Meeting
September 3	JM divests the construction operations in Norway
July 12	Interim Report January – June 2019

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