Interim Report January – March 2020

JM GROUP

STABLE DEVELOPMENT IN THE FIRST QUARTER

JANUARY – MARCH 2020

Revenue increased to SEK 3,814m (3,669), and revenue excluding JM Construction, Business area Construction (under closure), amounted to SEK 3,768m (3,719).

Operating profit increased to SEK 483m (313)[1]. The operating margin increased to 12.7 percent (8.5). Operating profit excluding JM Construction, Business area Construction, amounted to SEK 491m (506) and the operating margin to 13.0 percent (13.6).

Profit before tax increased to SEK 462m (291). Profit after tax increased to SEK 364m (228).

Return on equity for the past twelve months amounted to 23.3 percent (18.4). Earnings per share for the first quarter increased to SEK 5.20 (3.30).

Consolidated cash flow including net investment in properties amounted to SEK 188m (468).

The number of residential units sold increased to 805 (667), and housing starts increased to 637 (406).

[1] The profit included the one-off cost for the discontinuation of the housing operations (Business area Construction) in JM Construction of SEK –180m reported during the first quarter 2019.

ACCORDING TO SEGMENT REPORTING SEK M	JANUARY–MARCH 2020	 2019	APR.–MAR. 2019/2020	FULL YEAR 2019
Revenue	3,814	3,669	15,837	15,692
Revenue excluding JM Construction, Business area Construction	*3,768*	*3,719*	*15,487*	*15,438*
Operating profit	483	313	2,178	2,008
Operating profit excluding JM Construction, Business area Construction	*491*	*506*	*2,228*	*2,243*
Operating margin, %	12.7	8.5	13.8	12.8
Operating margin excluding JM Construction, Business area Construction, %	*13.0*	*13.6*	*14.4*	*14.5*
Profit before tax	462	291	2,099	1,928
Cash flow from operating activities	188	468	1,011	1,291
Return on equity, %			23.3	22.2
Equity/assets ratio, %	43	40		42
Earnings per share, SEK	5.20	3.30	24.40	22.50
Number of residential units sold [1] [2]	805	667	3,733	3,595
Number of housing starts [3] [4]	637	406	3,500	3,269
Number of residential units in current production	7,583	7,842		7,813
Revenue according to IFRS	3,853	3,599	15,859	15,605
Operating profit according to IFRS	497	313	2,166	1,982
Earnings per share according to IFRS, SEK	5.30	3.20	23.90	21.90
[1] Of which rental units in JM Property Development	-	-	*376*	*376*
[2] Of which residential units in JM International to investors	-	-	*226*	*226*
[3] Of which rental units in JM Property Development	-	-	*143*	*143*
[4] Of which residential units in JM International to investors	-	-	*226*	*226*

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 20-21.
For definitions of key financial figures, see "Definitions Key Financial Figures" at www.jm.se/investors.

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

Cover photo: Strandkanten, Bromma, Stockholm

Group

A WORD FROM THE CEO

STABLE DEVELOPMENT IN FIRST QUARTER BUT COVID-19 CREATES CAUTION

The development in the housing business in Sweden, Norway and Finland continued to be stable in the first quarter with continued good sales and level of housing starts. The supply of newly produced residential units on the market decreased in the first quarter 2020 in both Stockholm and the rest of Sweden. The transaction volume on the total housing market in Sweden continued to increase in the first quarter.

Then, at the end of March, customers began to be cautious as a result of COVID-19. This caution is expected to persist for some time, the duration of which is not possible to predict, and for this reason we are therefore expecting a decrease in demand. We assess the underlying demand for housing to continue to be good on our markets. The reservation and sales levels are high in the projects that will be completed in 2020 in all our markets. This presents opportunities for maintaining production and stable cash flow even during a period of weaker demand, assumed continued stability in staffing and supplier chains.

GOOD RESERVATION AND SALES LEVELS IN CURRENT PRODUCTION IN STOCKHOLM

We continued to see strong demand for JM's housing from customers in Stockholm during the quarter, although the amortization requirements still have an impact. In particular, we have had very strong demand for the freehold apartments we have in current production. The gradual improvement in the market has resulted in reservation and sales growth in Stockholm, with 347 residential units sold in the first quarter compared to 238 in the same period the previous year and 353 in the fourth quarter 2019. Heading into the second quarter, we are seeing caution from our customers in Stockholm due to COVID-19, and we expect demand to decrease for a period of time. We also take a positive stance to Finansinspektionen's decision to grant amortization exemption through June 2021.

The housing operations in Stockholm continued to have good profitability and a good level of housing starts during the quarter. Previously delayed housing starts of projects pending authority decisions have been able to start during the quarter with high levels of reservations.

HIGH LEVEL OF RESERVED AND SOLD RESIDENTIAL UNITS IN PROJECTS TO BE COMPLETED IN 2020 IN THE REST OF SWEDEN AS WELL AS NORWAY AND FINLAND

The housing business in the rest of Sweden showed good profitability with good sales and housing starts during the quarter. Heading into the second quarter, we are seeing caution from our customers also in the rest of Sweden due to COVID-19, and we expect demand to decrease for a period of time.

In Norway, activity on the housing market was good during the quarter, but the market became more cautious at the end of the quarter. In Finland the housing market was stable up until the problems with COVID-19 were accentuated at the end of the quarter. The restrictive response to COVID-19 in Norway and Finland is expected to lower demand for housing for a period of time.

JM AND COVID-19

COVID-19 and its effects will create uncertainty and risks for a period of time. However, JM stands strong in terms of both its business model and its finances. The percentage of reserved and sold residential units in current production is high, and it is even higher for projects that will be completed in 2020. This, together with the very limited disruptions so far in terms of staffing and supplier chains, present possibilities for keeping the business reasonably stable even during a period of a weaker market.

We have had a good first quarter, where JM's strategy for bridging the acute COVID-19 period is to safeguard cash flows and production capacity. To date, the business is naturally dimensioned within the framework of our business model, which can be adapted based on current demand levels.

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 fundamental and long-term conditions continue to be favorable for a positive development of our business.

Johan Skoglund,
President and CEO

"We have had a good first quarter, where JM's strategy for bridging the acute COVID-19 period is to safeguard cash flows and production capacity."

MARKET, SALES AND HOUSING STARTS

JANUARY – MARCH 2020

The housing market in Stockholm continued to improve during most of the first quarter. Profitability continued to be good, and housing starts in the first quarter have a high level of reservations.

The housing business in the rest of Sweden showed good profitability with good sales and housing starts in a market that continues to be stable.

In Norway, the activity on the housing market was good during the quarter, but the market became more cautious at the end of the quarter. In Finland, the housing market was stable until the COVID-19 problems were accentuated at the end of the quarter.

Customers on all markets have become more cautious since the end of March due to COVID-19.

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 805 (667)[1) 2)]. The percentage of sold or reserved homes in relation to current production amounts to 69 percent (61), with an interval of 60-65 percent considered normal. JM Residential Stockholm sold 347 residential units (238), JM Residential Sweden sold 300 (243), JM International sold 158 (186), and JM Property Development sold 0 (0).

The number of housing starts increased to 637 (406)[3) 4)]. JM Residential Stockholm started production on 240 residential units (89), JM Residential Sweden on 261 (271), JM International on 136 (46) and JM Property Development on 0 (0).

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 7,583 (7,842), of which 600 are rental units (593) in JM Property Development.

1) *Of which 0 rental units (0) in JM Property Development*
2) *Of which 0 residential units (0) in JM International to investors*
2) *Of which 0 rental units (0) in JM Property Development*
4) *Of which 0 residential units (0) in JM International to investors*

REVENUE, OPERATING PROFIT AND OPERATING MARGIN

JANUARY – MARCH 2020

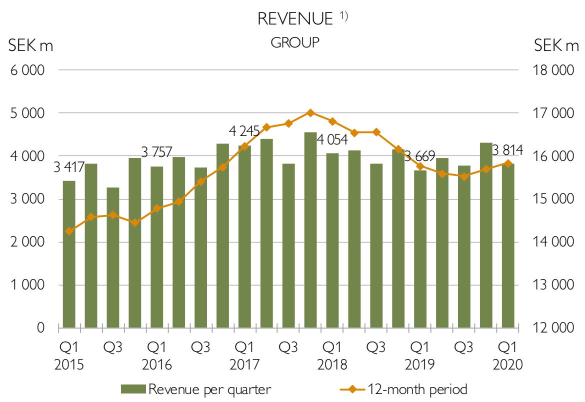
Consolidated revenue according to segment reporting for the first quarter increased to SEK 3,814m (3,669). Revenue restated according to IFRS amounted to SEK 3,853m (3,599).

Operating profit according to segment reporting increased to SEK 483m (313), and the operating margin increased to 12.7 percent (8.5). Operating profit restated according to IFRS increased to SEK 497m (313). The restatement is related to JM International, with a positive effect on earnings of SEK 5m (–4) and leases according to IFRS 16 with a positive effect on earnings of SEK 9m (4). Profit for the first quarter 2019 included a loss in JM Construction of SEK 189m that was primarily attributable to the discontinuation of the housing operations.

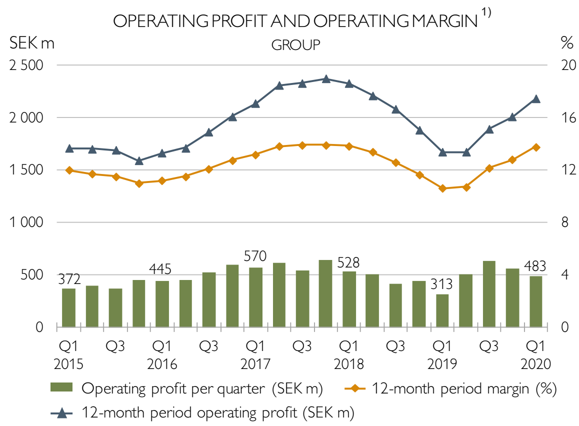
Revenue excluding JM Construction Business area Construction amounted to SEK 3,768m (3,719), operating profit to SEK 491m (506), and the operating margin to 13.0 percent (13.6).

During the first quarter, properties were sold for SEK 30m (71) with gains of SEK 18m (38).

Rental income from JM's project properties amounted to SEK 19m (21). Net rental income increased to SEK 13m (12).



1) *According to segment reporting*



1) *According to segment reporting*

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY–MARCH 2020	2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	250	229	937	916
JM Residential Sweden	166	180	705	719
JM International	51	98	308	355
JM Property Development	3	6	191	194
JM Construction	22	–189	70	–141
Group-wide expenses	–9	–11	–33	–35
Total	**483**	**313**	**2,178**	**2,008**
Of which property sales	*18*	*38*	*256*	*276*

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY–MARCH 2020	2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	15.4	16.0	16.3	16.4
JM Residential Sweden	15.8	16.2	16.0	16.1
JM International	5.8	11.4	7.6	8.8
JM Construction	7.4	–60.6	4.2	–8.3

OPERATING PROFIT, SEK M	JANUARY–MARCH 2020	2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Operating profit excluding JM Construction, Business area Construction	491	506	2,228	2,243
Operating margin excluding JM Construction, Business area Construction, %	13.0	13.6	14.4	14.5
Operating profit JM Construction, Business area Construction	–8	–193	–50	–235
Operating profit, total	**483**	**313**	**2,178**	**2,008**

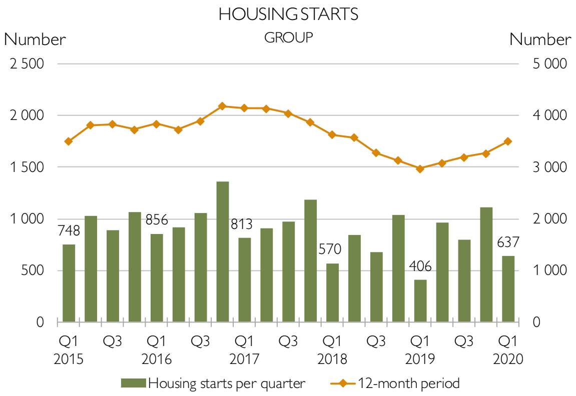
RESIDENTIAL UNITS IN CURRENT PRODUCTION	3/31/2020	3/31/2019	12/31/2019
Number of residential units in current production [1) 2)]	7,583	7,842	7,813
Percentage of sold residential units in current production, % [3)]	54	55	53
Reserved residential units in current production, %	15	6	12
Sold/reserved residential units in current production, %	69	61	65
[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*	*600*	*593*	*600*
Including residential units in projects where costs incurred are only reported as project properties under construction	*457*	*593*	*457*

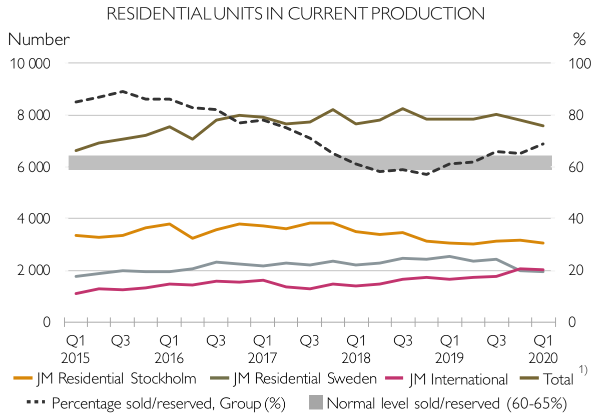
[2)] *Beginning with production start-up through final occupancy according to plan.*

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

UNSOLD UNITS	3/31/2020	3/31/2019	12/31/2019
Completed production, number of unsold units [1)]	193	107	157
The number of unsold residential units in the balance sheet recognized as "Participations in tenant-owners associations, etc."	108	89	82

[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 – MARCH 2020

The number of available building rights at the end of the first quarter amounted to 35,900 (36,400), of which 21,100 (21,400) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units decreased to SEK 8,575m (8,872).

JM acquired development properties for residential units during the first quarter for SEK 273m (737), of which SEK 168m relates to JM Residential Stockholm, SEK 105m to JM Residential Sweden and SEK 0m to JM International.

FINANCIAL ITEMS

JANUARY – MARCH 2020

Net financial items are stable compared to previous year, where larger average interest-bearing liabilities are offset by lower average interest rates.

The total interest-bearing liabilities according to segment reporting was SEK 2,882m (2,280), of which the provision for pension liabilities comprised SEK 1,716m (1,421). At the end of the first quarter, the average interest rate for the total interest-bearing loan stock including pension liabilities was 1.8 percent (2.5). The average term for fixed-rate loans excluding the pension liability was 0.2 years (0.2).

Consolidated available liquidity amounted to SEK 5,484m (4,950). Aside from cash and cash equivalents of SEK 2,684m (2,150), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 3.1 years (3.8).

Interest-bearing net liabilities including pension liabilities according to segment reporting totaled SEK 198m (130) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 843m (1,494). Of these liabilities, SEK 95m (725) were current.

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

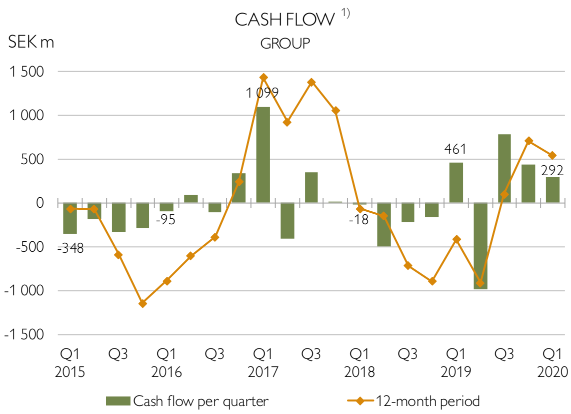
CASH FLOW

JANUARY – MARCH 2020

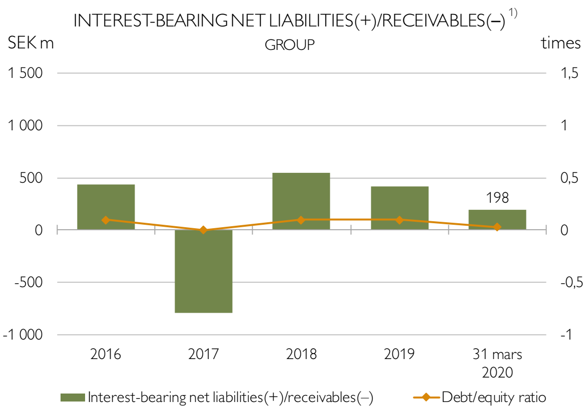
Cash flow from operating activities according to segment reporting was SEK 188m (468). Net investments in development properties resulted in a cash flow of SEK 144m (–83). The increased holdings of repurchased residential units resulted in a cash flow of SEK –60m (95). Consolidated cash flow attributable to project properties (sales minus investment) during the first quarter was SEK –100m (–107).

SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Financial income	2	1	7	6
Financial expenses	–23	–23	–86	–86
Financial income and expenses	**–21**	**–22**	**–79**	**–80**

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Interest-bearing net liabilities(+)/receivables(–) at beginning of period	**420**	**546**	**130**	**546**
Change in interest-bearing net liabilities/receivables	–222	–416	68	–126
Interest-bearing net liabilities(+)/receivables(–) at end of period	**198**	**130**	**198**	**420**



1) *Total cash flow for the period*



1) *According to segment reporting*

RISKS AND UNCERTAINTY FACTORS

JM's risks and risk management are presented in the 2019 Annual Report on pages 32–35 and 79. Aside from the uncertainty from COVID-19, no significant changes occurred that affected these reported risks.

COVID-19 and its effects will create uncertainty and risks for a period of time. However, JM stands strong in terms of both its business model and its finances. The percentage of reserved and sold residential units in current production is high, and it is even higher for projects that will be completed in 2020. This, together with the very limited disruptions so far in terms of staffing and supplier chains, present possibilities for keeping the business reasonably stable even during a period of a weaker market.

JM's strategy for bridging the acute COVID-19 period is to safeguard cash flows and production capacity.

OUTSTANDING SHARES

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

DIVIDEND FOR 2020

The Board of Directors changed the original proposal of a dividend totaling SEK 12.50 per share to a dividend of SEK 6.25, which was resolved by the Annual General Meeting on March 26, 2020. The intention remains to pay a total dividend of SEK 12.50 during 2020. Assuming that the global situation has stabilized and the visibility for the housing market has reasonably improved, the ambition is to convene an extraordinary general meeting later in 2020 to propose resolution on an additional dividend.

PERSONNEL

The number of employees at the end of the first quarter decreased to 2,540 (2,645). The number of wage-earners was 986 (1,052), and the number of salaried employees was 1,554 (1,593). Current staffing is aligned with 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.

In Mariehäll, Bromma, and Årsta, Stockholm, the projects Strandkanten and Rörviksbacken, respectively, entered production during the first quarter. At Bällstaviken in Mariehäll, the Strandkanten neighborhood is being planned with 70 residential units in two buildings featuring roof terraces and lush courtyards facing the water. Rörviksbacken is emerging at the heart of Årsta and offers housing close to the city with lovely walking paths. It consists of 4 tower blocks with 97 residential units and an interior inspired by materials from the 1960s. Both projects are very close to rail traffic and all services.

The Operetten and Operan projects next to Pildammsparken park in the Rådmansvången area of central Malmö entered production during the first quarter. Operetten consists of 36 residential units with generous balconies and shopping around the corner. Operan offers through JM's subsidiary Seniorgården 69 residential units for the age group 55+, featuring, for example, concierge services and car sharing.

In Norway, Entréen Urban in Lørenskog entered production during the first quarter. Entréen Urban, with 94 apartments, is the final phase of the Entréen area, which has a total of 467 residential units. Only 30 minutes to Oslo, it offers the possibility of living close to the city without having to sacrifice both nature and all conceivable services.

Operan, Malmö

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 showed positive change during the first quarter. The total supply of residential units was normal, but the supply of newly produced tenant-owned apartments continued to decrease.

Competition and supply of well-situated land for residential purposes is considered to have normalized. However, prices of building rights are still at a level that requires selective acquisition.

The housing market in Stockholm continued to improve during most of the first quarter. Customers showed strong interest in JM's projects, and sales continued to improve. The willingness of customers to sign a contract early in the process was at a normal level in the first quarter.

It is difficult to get an overview of the impact of COVID-19 on the housing market at this point in time. No extraordinary measures have been needed to date due to the current situation.

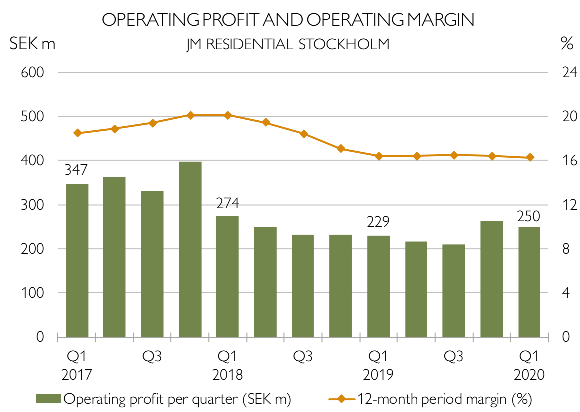
Profitability continued to be good, and housing starts in the first quarter have a high level of reservations.

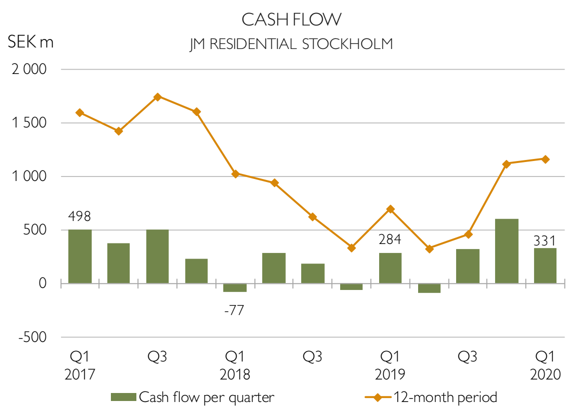
Revenue in the quarter was strengthened by a high level of transferred land to projects. The improved profit is due primarily to continued high sales and production. Current projects with completion in 2020 have a high sales rate, which supports profitability and cash flow even during a period of weaker sales. The business unit is thus equipped to bridge an uncertain market during part of 2020, assuming stability in staffing and supplier chains.

Cash flow during the first quarter is in balance taking into consideration the reduction in development properties.

Production was started in the first quarter on 240 residential units in apartment buildings and single-family homes in Stockholm, Österåker and Solna. This includes projects that were previously delayed due to necessary authority decisions.

	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
SEK M	2020	2019	2019/2020	2019
Revenue	1,622	1,435	5,762	5,575
Operating profit [1]	250	229	937	916
Operating margin, %	15.4	16.0	16.3	16.4
Average operating capital			5,740	5,811
Return on operating capital, %			16.3	15.8
Operating cash flow	331	284	1,165	1,118
Carrying amount, development properties	4,812	5,042		4,949
Number of available building rights	12,900	13,400		12,800
Number of residential units sold	347	238	1,229	1,120
Number of housing starts	240	89	1,140	989
Number of residential units in current production	3,035	3,042		3,171
Number of employees	894	920		900
[1] *Of which property sales*	-	-	-	*0*





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.

During the first quarter, average prices on the existing home market fluctuated slightly but basically remained the same at the end of the period.

The supply of new production in the first quarter decreased in all of the sub-markets in the business segment compared to the fourth quarter 2019. The supply of newly produced homes in Gothenburg is significantly lower, and in Malmö it is somewhat lower compared to the corres-ponding period last year. Uppsala's supply of new production has almost halved in comparison to the corresponding period last year.

Competition for land for residential purposes was high in some areas during the quarter, and on several local markets competition for land decreased slightly.

Interest in JM's projects was stable in the first quarter with good sales, and customers' willingness to sign a contract early in the process was normal.

It is difficult to get an overview of the impact of COVID-19 on the housing market at this point in time. No extraordinary measures have been needed to date due to the current situation.

Profit and the margin decreased slightly where demand and prices vary on each local market.

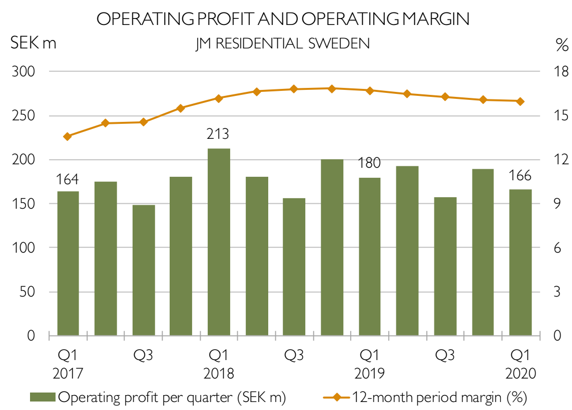
Current projects with completion in 2020 have a high sales rate, which supports profitability and cash flow even during a period of weaker sales. The business unit is thus equipped to bridge an uncertain market during part of 2020, assuming stability in staffing and supplier chains.

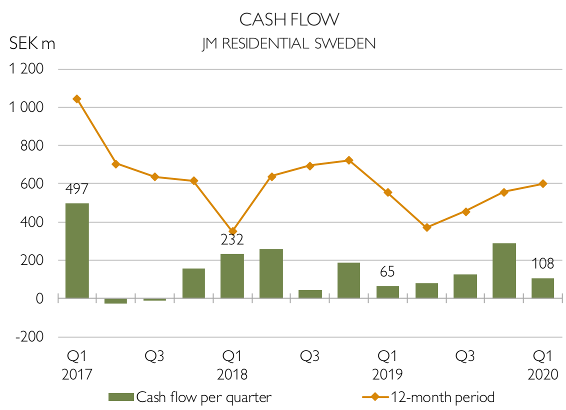
Cash flow in the first quarter is burdened by a temporary increase in working capital.

Production was started in the first quarter on 261 residential units in apartment buildings in Malmö, Linköping, Örebro and Uppsala.

During the first quarter, 150 building rights were acquired in Malmö and Uppsala.

SEK M	JANUARY–MARCH 2020	2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Revenue	1,050	1,110	4,408	4,468
Operating profit	166	180	705	719
Operating margin, %	15.8	16.2	16.0	16.1
Average operating capital			1,226	1,183
Return on operating capital, %			57.5	60.8
Operating cash flow	108	65	600	557
Carrying amount, development properties	1,461	1,559		1,461
Number of available building rights	10,500	10,500		10,500
Number of residential units sold	300	243	1,141	1,084
Number of housing starts	261	271	1,085	1,095
Number of residential units in current production	1,930	2,547		1,994
Number of employees	597	610		601





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 increased due to increased sales. The profit and the margin excluding the sale of property amounted to SEK 51m (60) and 5.8 percent (7.0).

Cash flow in the first quarter is burdened by a slight increase in working capital and is primarily attributable to infrastructure costs in Norway.

NORWAY

Prices on the existing home market increased slightly during the first quarter, and activity was good. At the end of the quarter, the market became more cautious due to COVID-19.

During the first quarter, 111 residential units (130) were sold and production started on 100 units (46). Housing starts consist of 94 residential units in apartment buildings in the Oslo region and 6 residential units in single-family homes in Tønsberg outside of Oslo.

The number of residential units in current production amounted to 1,280 (1,296).

No building rights were acquired during the first quarter. Available building rights correspond to 7,400 residential units (8,200).

FINLAND

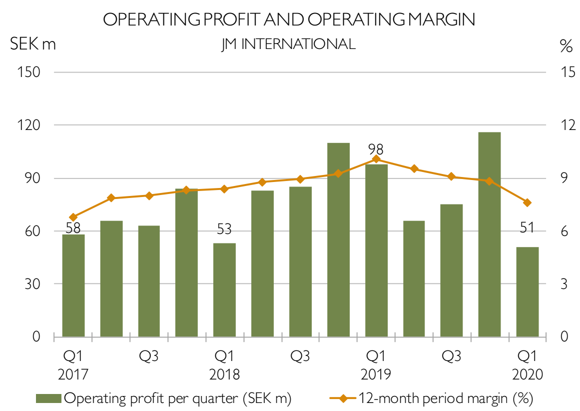
The housing market in the Helsinki region continued to be stable during most part of the quarter. The market became more cautious during the final weeks of the quarter due to COVID-19.

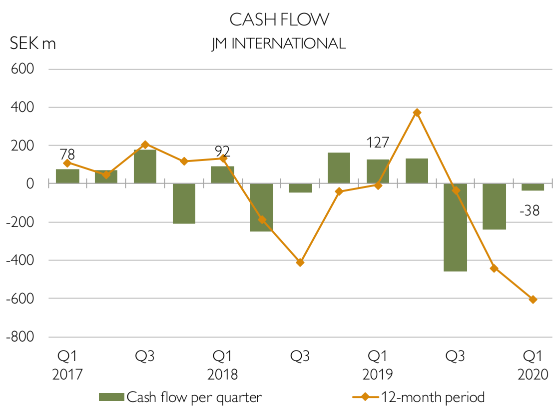
During the first quarter, 47 residential units (56) were sold and production started on 36 units (0). Housing starts consisted of residential units in an apartment building in Esbo.

The number of residential units in current production amounted to 738 (364). During the first quarter, 0 building rights (0) were acquired. Available building rights correspond to 4,200 residential units (3,500).

It is difficult to get an overview of the impact of COVID-19 on the housing market in Norway and Finland at this point in time. No extraordinary measures have been needed to date due to the current situation. Current projects with completion in 2020 have a high sales rate, which supports profitability and cash flow even during a period of weaker sales.

	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
SEK M	**2020**	**2019**	**2019/2020**	**2019**
Revenue	882	860	4,043	4,021
- of which JM Norway	*674*	*721*	*3,139*	*3,186*
Operating profit [1]	51	98	308	355
- of which JM Norway	*41*	*89*	*250*	*298*
Operating margin, %	5.8	11.4	7.6	8.8
- of which JM Norway	*6.1*	*12.3*	*8.0*	*9.4*
Average operating capital			3,368	3,229
Return on operating capital, %			9.1	11.0
Operating cash flow	–38	127	–604	–439
Carrying amount, development properties	2,292	2,261		2,497
Carrying amount, project properties	4	5		5
Number of available building rights	11,600	11,700		11,800
Number of residential units sold [2]	158	186	987	1,015
Number of housing starts [3]	136	46	1,132	1,042
Number of residential units in current production	2,018	1,660		2,048
Number of employees	522	467		518
[1] Of which property sales	*-*	*38*	*-*	*38*
[2] Of which residential units to investors	*-*	*-*	*226*	*226*
[3] Of which residential units to investors	*-*	*-*	*226*	*226*





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 35m (24), of which rental income was SEK 18m (22), and contracting revenue together with the sale of services amounted to SEK 17m (2). Operating profit was SEK 3m (6). The operating profit is burdened by startup costs for the new business operations, JM@home.

Net rental income for project properties was SEK 13m (12).

Cash flow during the first quarter is negative due to ongoing investments in project properties.

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

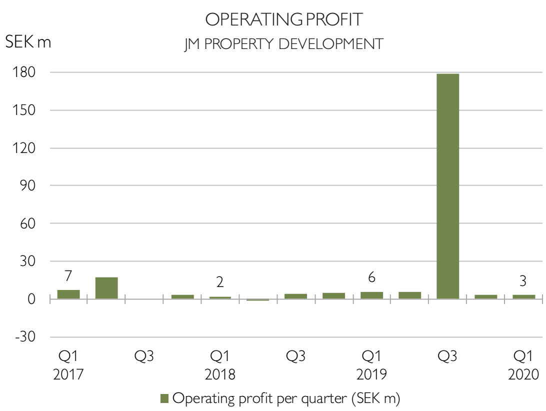
The portfolio of rental units includes two fully rented and occupied projects: Tjärtunnan in Stureby with 187 rental units and Alphyddan in Nacka with 93 rental units.

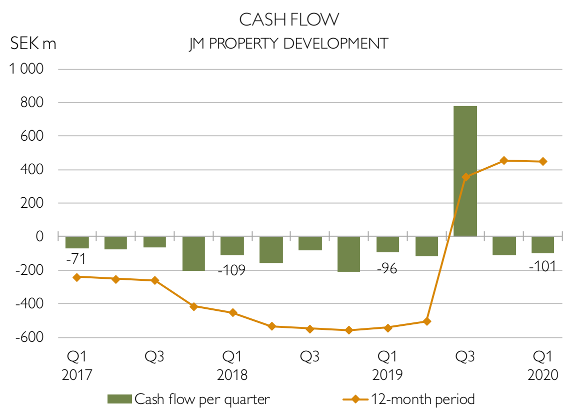
The rental project Valla Park in Sundbyberg (Sundbyberg Lådmakaren 4), with 143 rental units, was sold in 2019 and the legal title will be transferred upon the planned completion date in 2022. Revenue and profit are recognized gradually as the project is implemented.

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.

	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
SEK M	2020	2019	2019/2020	2019
Revenue	35	24	238	227
Operating profit [1]	3	6	191	194
Average operating capital			1,545	1,570
Return on operating capital, %			12.4	12.4
Operating cash flow	–101	–96	449	454
Carrying amount, development properties	10	10		10
Carrying amount, project properties	1,494	1,738		1,394
Number of available building rights [2]	900	800		800
Number of residential units sold [2]	-	-	376	376
Number of housing starts [2]	-	-	143	143
Number of residential units in current production [2]	600	593		600
Number of employees	66	60		68
[1] Of which property sales	-	-	*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 the Greater Stockholm area.

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

Business segment revenue excluding Business area Construction decreased due to lower activity in the civil engineering operations. The operating profit includes gains from property sales of SEK 18m (0).

The loss in the first quarter 2019 of –189m was primarily due to the discontinuation of the housing operations.

Some project risks remain until current projects in Business area Construction are completed.

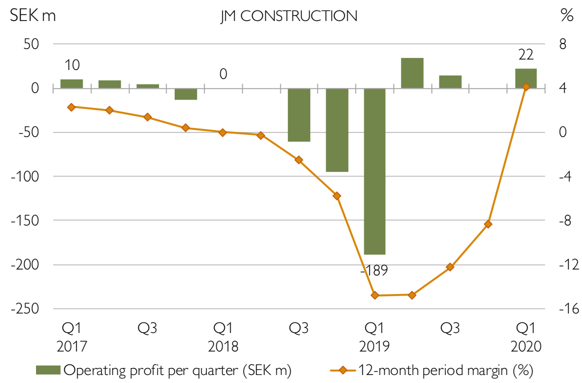
Cash flow in the first quarter is burdened by an increase in working capital.

In the first quarter, the business segment received a number of assignments in the civil engineering operations, of which the largest is groundworks for the extensive addition to and renovation of Arlanda's Terminal 5 (IN3PRENÖR AB).

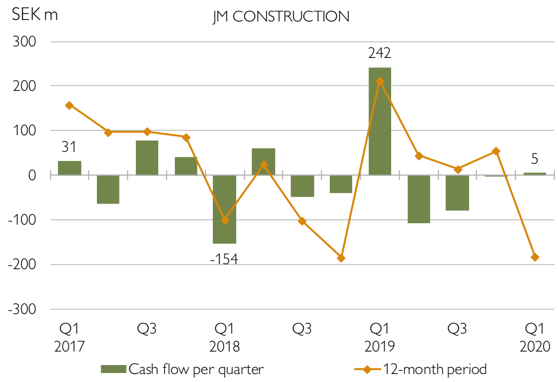
The largest ongoing external assignments are groundworks in the Stockholm Norvik goods harbor in Nynäshamn (Ports of Stockholm), an infrastructure project in Tyresö (Tyresö Municipality), and the new production of apartment buildings in Norra Djurgårdsstaden (Riksbyggen). The business segment also has several internal current projects.

	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
SEK M	**2020**	**2019**	**2019/2020**	**2019**
Revenue [1]	296	312	1,675	1,691
- of which Business area Construction	*46*	*–50*	*350*	*254*
Operating profit [2]	22	–189	70	–141
- of which Business area Construction	*–8*	*–193*	*–50*	*–235*
Operating margin, %	7.4	–60.6	4.2	–8.3
- of which Business area Construction	*–17.4*	*-*	*–14.3*	*–92.5*
Operating cash flow	5	242	–183	54
Carrying amount, development properties	19	39		21
Number of employees	270	411		283
[1] Of which internal	*71*	*72*	*289*	*290*
[2] Of which sale of properties and operations	*18*	*-*	*86*	*68*

OPERATING PROFIT AND OPERATING MARGIN
JM CONSTRUCTION



CASH FLOW
JM CONSTRUCTION



Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Revenue	3,814	3,669	15,837	15,692
Production and operating costs	–3,105	–3,154	–12,945	–12,994
Gross profit	**709**	**515**	**2,892**	**2,698**
Selling and administrative expenses	–244	–240	–970	–966
Gains/losses on the sale of property [1]	18	38	256	276
Operating profit	**483**	**313**	**2,178**	**2,008**
Financial income and expenses	–21	–22	–79	–80
Profit before tax	**462**	**291**	**2,099**	**1,928**
Taxes	–98	–63	–393	–358
Profit for the period	**364**	**228**	**1,706**	**1,570**
Other comprehensive income	–129	57	–395	–209
Comprehensive income for the period	**235**	**285**	**1,311**	**1,361**
Earnings per share [2], diluted, SEK	5.20	3.30	24.40	22.50
Average number of shares, diluted	*69,985,557*	*69,950,321*	*69,985,557*	*69,985,557*
[1] Of which sale of operations	-	-	*15*	*15*

[2] Net profit for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	3/31/2020	3/31/2019	12/31/2019
ASSETS			
Non-current assets	**193**	**220**	**219**
Project properties	1,498	1,743	1,399
Development properties	8,594	8,911	8,938
Participations in tenant-owners associations, etc.	438	434	366
Current receivables [1]	4,007	4,040	4,274
Cash and cash equivalents	2,684	2,150	2,397
Total current assets	**17,221**	**17,278**	**17,374**
Total assets	**17,414**	**17,498**	**17,593**
EQUITY AND LIABILITIES [2]			
Equity	**7,561**	**7,083**	**7,326**
Non-current interest-bearing liabilities	267	171	425
Other non-current liabilities	749	770	765
Non-current provisions	3,151	3,128	3,223
Total non-current liabilities	**4,167**	**4,069**	**4,413**
Current interest-bearing liabilities	899	688	690
Other current liabilities	4,652	5,529	5,030
Current provisions	135	129	134
Total current liabilities	**5,686**	**6,346**	**5,854**
Total equity and liabilities	**17,414**	**17,498**	**17,593**
[1] Of which receivables from property sales	*76*	*123*	*76*
[2] Of which liabilities for property acquisition	*863*	*1,514*	*949*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	FULL-YEAR 2019
Opening balance at beginning of period	**7,326**	**6,798**	**6,798**
Total comprehensive income for the period	235	285	1,361
Dividend	-	-	–835
Equity component of convertible debentures	-	-	2
Closing balance at end of period	**7,561**	**7,083**	**7,326**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Cash flow from operating activities before change in working capital and taxes [1] [2]	**403**	**610**	**1,951**	**2,158**
Paid tax	–165	–131	–467	–433
Investment in development properties	–345	–263	–1,901	–1,819
Payment on account for development properties	489	180	1,588	1,279
Investment in project properties	–100	–107	–419	–426
Sale of project properties	-	-	865	865
Change in current liabilities/receivables	–94	179	–606	–333
Cash flow from operating activities	**188**	**468**	**1,011**	**1,291**
Cash flow from investing activities	**–1**	**2**	**–10**	**–7**
Loans raised	105	13	750	658
Amortization of debt	0	–22	–377	–399
Dividend	-	-	–835	–835
Cash flow from financing activities	**105**	**–9**	**–462**	**–576**
Cash flow for the period	**292**	**461**	**539**	**708**
Cash and cash equivalents at end of period	**2,684**	**2,150**	**2,684**	**2,397**
[1] Of which purchases of participations in tenant-owners associations	*–391*	*–369*	*–2,002*	*–1,980*
[2] Of which sale of participations in tenant-owners associations	*331*	*464*	*2,138*	*2,271*

CONSOLIDATED KEY FINANCIAL FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Operating margin	12.7	8.5	13.8	12.8
Return on equity			23.3	22.2
Return on capital employed			22.1	21.0
Debt/equity ratio, multiple	0.0	0.0		0.1
Equity/assets ratio	43	40		42

ACCORDING TO SEGMENT REPORTING

REVENUE BY COUNTRY

SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Sweden	2,932	2,710	11,673	11,451
Norway	674	820	3,261	3,407
Finland	208	139	901	832
Belgium	-	0	2	2
Total	**3,814**	**3,669**	**15,837**	**15,692**

REVENUE BY BUSINESS SEGMENT

SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	1,622	1,435	5,762	5,575
JM Residential Sweden	1,050	1,110	4,408	4,468
JM International	882	860	4,043	4,021
JM Property Development	35	24	238	227
JM Construction	296	312	1,675	1,691
Elimination	–71	–72	–289	–290
Total	**3,814**	**3,669**	**15,837**	**15,692**

OPERATING PROFIT BY BUSINESS SEGMENT

SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	250	229	937	916
JM Residential Sweden	166	180	705	719
JM International	51	98	308	355
JM Property Development	3	6	191	194
JM Construction	22	–189	70	–141
Group-wide expenses	–9	–11	–33	–35
Total	**483**	**313**	**2,178**	**2,008**

OPERATING MARGIN BY BUSINESS SEGMENT

%	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	15.4	16.0	16.3	16.4
JM Residential Sweden	15.8	16.2	16.0	16.1
JM International	5.8	11.4	7.6	8.8
JM Construction	7.4	–60.6	4.2	–8.3

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK M	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	5,740	5,811
JM Residential Sweden	1,226	1,183
JM International	3,368	3,229
JM Property Development	1,545	1,570

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	16.3	15.8
JM Residential Sweden	57.5	60.8
JM International	9.1	11.0
JM Property Development	12.4	12.4

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

SEK M	JANUARY–MARCH 2020	OCT.–DECEMBER 2019	JULY–SEPTEMBER 2019	APRIL–JUNE 2019	JANUARY–MARCH 2019
Cost-based effect	345	424	303	409	488
Revaluation effect	146	255	198	143	184
Sales effect	178	92	111	132	–13
Total	**669**	**771**	**612**	**684**	**659**

Starting in the first quarter 2020, 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 www.jm.se/investors

REVALUATION EFFECTS – HOUSING BUSINESS

SEK M	JANUARY–MARCH 2020	OCT.–DECEMBER 2019	JULY–SEPTEMBER 2019	APRIL–JUNE 2019	JANUARY–MARCH 2019
JM Residential Stockholm	–30	17	–12	–59	–13
JM Residential Sweden	135	161	139	166	151
JM International	41	77	71	36	46
Total	**146**	**255**	**198**	**143**	**184**

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK M	JANUARY–MARCH 2020	2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	331	284	1,165	1,118
JM Residential Sweden	108	65	600	557
JM International	–38	127	–604	–439
JM Property Development	–101	–96	449	454
JM Construction	5	242	–183	54

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	3/31/2020	3/31/2019	12/31/2019
JM Residential Stockholm	4,812	5,042	4,949
JM Residential Sweden	1,461	1,559	1,461
JM International	2,292	2,261	2,497
JM Property Development	10	10	10
JM Construction	19	39	21
Total	**8,594**	**8,911**	**8,938**

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	3/31/2020	3/31/2019	12/31/2019
JM Residential Stockholm	12,900	13,400	12,800
JM Residential Sweden	10,500	10,500	10,500
JM International	11,600	11,700	11,800
JM Property Development [1]	900	800	800
Total	**35,900**	**36,400**	**35,900**
Of which rights carried in the balance sheet (development properties)			
JM Residential Stockholm	7,700	8,600	7,800
JM Residential Sweden	6,800	6,800	6,600
JM International	6,500	5,800	6,600
JM Property Development [1]	100	200	100
Total	**21,100**	**21,400**	**21,100**

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

NUMBER	JANUARY–MARCH 2020	2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	347	238	1,229	1,120
JM Residential Sweden	300	243	1,141	1,084
JM International	158	186	987	1,015
JM Property Development [1]	-	-	376	376
Total	**805**	**667**	**3,733**	**3,595**

[1] Refers to rental units and residential care units.

ACCORDING TO SEGMENT REPORTING

HOUSING STARTS BY BUSINESS SEGMENT

NUMBER	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	240	89	1,140	989
JM Residential Sweden	261	271	1,085	1,095
JM International	136	46	1,132	1,042
JM Property Development [1]	-	-	143	143
Total	**637**	**406**	**3,500**	**3,269**

RESIDENTIAL UNITS IN CURRENT PRODUCTION

NUMBER	3/31/2020	3/31/2019	12/31/2019
JM Residential Stockholm	3,035	3,042	3,171
JM Residential Sweden	1,930	2,547	1,994
JM International	2,018	1,660	2,048
JM Property Development [1]	600	593	600
Total	**7,583**	**7,842**	**7,813**

PROJECT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	3/31/2020	3/31/2019	12/31/2019
Properties under development	901	912	801
Completed rental unit properties	587	820	587
Completed commercial properties	10	11	11
Total	**1,498**	**1,743**	**1,399**

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Opening balance at beginning of period	**8,938**	**8,306**	**8,911**	**8,306**
New purchases	273	737	1,281	1,745
Transferred to production	–448	–179	–1,337	–1,068
Other	–169	47	–261	–45
Closing balance at end of period	**8,594**	**8,911**	**8,594**	**8,938**

[1] *Refers to rental units and residential care units.*

Group five-year overview

ACCORDING TO SEGMENT REPORTING, SEK M	2019	2018	2017	2016	2015
Revenue	15,692	16,161	17,008	15,752	14,447
Operating profit	2,008	1,886	2,369	2,011	1,590
Profit before tax	1,928	1,817	2,579	1,951	1,518
Total assets	17,593	16,487	15,405	12,848	12,230
Cash flow from operating activities	1,291	–473	2,013	1,957	–230
Interest-bearing net liabilities (+)/receivables (–)	420	546	–790	435	1,198
Operating margin, %	12.8	11.7	13.9	12.8	11.0
Return on equity, %	22.2	22.2	38.7	31.4	24.8
Equity/assets ratio, %	42	41	40	40	38
Earnings per share, SEK	22.50	20.60	31.00	21.20	15.50
Dividend per share, SEK	6.25 [1]	12.00	11.00	9.50	8.25
Number of available building rights	35,900	35,900	34,800	32,500	31,100
Number of residential units sold	3,595	2,463	3,100	3,843	3,770
Number of housing starts	3,269	3,135	3,873	4,187	3,731
Number of residential units in current production	7,813	7,835	8,200	7,984	7,212

[1] *The Board of Director's modified proposal for the 2019 dividend of SEK 6.25 per share was resolved by the AGM on March 26, 2020, although the intention is still to pay a total dividend in 2020 of SEK 12.50.*

Group quarterly overview

ACCORDING TO SEGMENT REPORTING, SEK M	2020		2019		
INCOME STATEMENT	Q1	Q4	Q3	Q2	Q1
Revenue	3,814	4,311	3,768	3,944	3,669
Production and operating costs	–3,105	–3,520	–3,108	–3,212	–3,154
Gross profit	**709**	**791**	**660**	**732**	**515**
Selling and administrative expenses	–244	–254	–212	–260	–240
Gains/losses on the sale of property	18	22	182	34	38
Operating profit	**483**	**559**	**630**	**506**	**313**
Financial income and expenses	–21	–18	–22	–18	–22
Profit before tax	**462**	**541**	**608**	**488**	**291**
Taxes	–98	–99	–94	–102	–63
Profit for the period	**364**	**442**	**514**	**386**	**228**

BALANCE SHEET	12/31	12/31	9/30	6/30	3/31
ASSETS					
Non-current assets	**193**	**219**	**221**	**221**	**220**
Project properties	1,498	1,399	1,286	1,865	1,743
Development properties	8,594	8,938	9,170	8,983	8,911
Participations in tenant-owners associations, etc.	438	366	422	296	434
Current receivables	4,007	4,274	4,013	3,993	4,040
Cash and cash equivalents	2,684	2,397	1,955	1,168	2,150
Total current assets	**17,221**	**17,374**	**16,846**	**16,305**	**17,278**
Total assets	**17,414**	**17,593**	**17,067**	**16,526**	**17,498**
EQUITY AND LIABILITIES					
Equity	**7,561**	**7,326**	**6,866**	**6,597**	**7,083**
Non-current interest-bearing liabilities	267	425	418	314	171
Other non-current liabilities	749	765	798	770	770
Non-current provisions	3,151	3,223	3,652	3,296	3,128
Total non-current liabilities	**4,167**	**4,413**	**4,868**	**4,380**	**4,069**
Current interest-bearing liabilities	899	690	741	502	688
Other current liabilities	4,652	5,030	4,448	4,904	5,529
Current provisions	135	134	144	143	129
Total current liabilities	**5,686**	**5,854**	**5,333**	**5,549**	**6,346**
Total equity and liabilities	**17,414**	**17,593**	**17,067**	**16,526**	**17,498**

CASH FLOW STATEMENT	Q1	Q4	Q3	Q2	Q1
From operating activities	188	474	446	–97	468
From investing activities	–1	–2	–6	–1	2
From financing activities	105	–28	349	–888	–9
Total cash flow for the period	**292**	**444**	**789**	**–986**	**461**
Cash and cash equivalents at end of period	**2,684**	**2,397**	**1,955**	**1,168**	**2,150**

INTEREST-BEARING NET LIABILITIES/RECEIVABLES	Q1	Q4	Q3	Q2	Q1
Interest-bearing net liabilities(+)/receivables(–) at beginning of period	**420**	**951**	**1,155**	**130**	**546**
Change in interest-bearing net liabilities/receivables	–222	–531	–204	1,025	–416
Interest-bearing net liabilities(+)/receivables(–) at end of period	**198**	**420**	**951**	**1,155**	**130**

DEVELOPMENT PROPERTIES	Q1	Q4	Q3	Q2	Q1
Carrying amount at beginning of period	**8,938**	**9,170**	**8,983**	**8,911**	**8,306**
New purchases	273	285	581	142	737
Transferred to production	–448	–458	–354	–77	–179
Other	–169	–59	–40	7	47
Carrying amount at end of period	**8,594**	**8,938**	**9,170**	**8,983**	**8,911**

KEY RATIOS	Q1	Q4	Q3	Q2	Q1
Operating margin, %	12.7	13.0	16.7	12.8	8.5
Debt/equity ratio, multiple	0.0	0.1	0.1	0.2	0.0
Equity/assets ratio, %	43	42	40	40	40
Earnings per share, SEK	5.20	6.30	7.40	5.50	3.30
Number of available building rights	35,900	35,900	36,400	36,500	36,400
Number of residential units sold	805	941	1,106	881	667
Number of housing starts	637	1,107	797	959	406
Number of residential units in current production	7,583	7,813	8,033	7,829	7,842

Business Segment quarterly overview

ACCORDING TO SEGMENT REPORTING, SEK M	2020		2019		
JM RESIDENTIAL STOCKHOLM	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	1,622	1,551	1,259	1,330	1,435
Operating profit [1)]	250	262	209	216	229
Operating margin, %	15.4	16.9	16.6	16.2	16.0
Average operating capital	5,740	5,811	5,802	5,754	5,668
Return on operating capital, % [2)]	16.3	15.8	15.3	15.8	16.7
Operating cash flow	331	598	321	–85	284
Carrying amount, development properties	4,812	4,949	5,049	5,132	5,042
Number of available building rights	12,900	12,800	13,000	13,500	13,400
Number of residential units sold	347	353	261	268	238
Number of housing starts	240	336	278	286	89
Number of residential units in current production	3,035	3,171	3,112	3,001	3,042
[1)] Of which property sales	-	-	*0*	-	-
JM RESIDENTIAL SWEDEN	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	1,050	1,185	974	1,199	1,110
Operating profit	166	189	157	193	180
Operating margin, %	15.8	15.9	16.1	16.1	16.2
Average operating capital	1,226	1,183	1,164	1,096	1,042
Return on operating capital, % [2)]	57.5	60.8	62.8	66.6	68.9
Operating cash flow	108	287	127	78	65
Carrying amount, development properties	1,461	1,461	1,545	1,549	1,559
Number of available building rights	10,500	10,500	10,500	10,500	10,500
Number of residential units sold	300	313	284	244	243
Number of housing starts	261	291	289	244	271
Number of residential units in current production	1,930	1,994	2,426	2,366	2,547
JM INTERNATIONAL	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	882	1,275	981	905	860
Operating profit [1)]	51	116	75	66	98
Operating margin, %	5.8	9.1	7.6	7.3	11.4
Average operating capital	3,368	3,229	3,064	2,967	2,888
Return on operating capital, % [2)]	9.1	11.0	11.4	12.1	13.0
Operating cash flow	–38	–239	–460	133	127
Carrying amount, development properties	2,292	2,497	2,538	2,261	2,261
Carrying amount, project properties	4	5	5	5	5
Number of available building rights	11,600	11,800	12,100	11,700	11,700
Number of residential units sold [3)]	158	275	185	369	186
Number of housing starts [4)]	136	480	230	286	46
Number of residential units in current production	2,018	2,048	1,759	1,726	1,660
[1)] Of which property sales	-	-	-	-	*38*
[3)] Of which residential units to investors	-	*44*	-	*182*	-
[4)] Of which residential units to investors	-	*44*	-	*182*	-
JM PROPERTY DEVELOPMENT	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	35	40	134	29	24
Operating profit [1)]	3	3	179	6	6
Average operating capital	1,545	1,570	1,574	1,583	1,447
Return on operating capital, % [2)]	12.4	12.4	12.5	1.3	1.0
Operating cash flow	–101	–112	778	–116	–96
Carrying amount, development properties	10	10	10	10	10
Carrying amount, project properties	1,494	1,394	1,281	1,860	1,738
Number of available building rights [3)]	900	800	800	800	800
Number of residential units sold [3)]	-	-	376	-	-
Number of housing starts [3)]	-	-	-	143	-
Number of residential units in current production [3)]	600	600	736	736	593
[1)] Of which property sales	-	-	*170*	-	-
[3)] Refers to rental units and residential care units.					
JM CONSTRUCTION	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	296	347	482	550	312
Operating profit [1)]	22	0	14	34	–189
Operating margin, %	7.4	0.0	2.9	6.2	–60.6
Operating cash flow	5	–1	–80	–107	242
[1)] Of which sale of properties and operations	*18*	*22*	*12*	*34*	-
JM OTHER	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue (elimination)	–71	–87	–62	–69	–72
Operating profit (Group-wide expenses)	–9	–11	–4	–9	–11

[2)] Calculated on 12-month rolling profits and average capital.

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Revenue	3,853	3,599	15,859	15,605
Production and operating costs	–3,127	–3,082	–12,795	–12,750
Gross profit	**726**	**517**	**3,064**	**2,855**
Selling and administrative expenses	–247	–242	–984	–979
Gains/losses on the sale of property [1]	18	38	86	106
Operating profit	**497**	**313**	**2,166**	**1,982**
Financial income and expenses	–32	–26	–106	–100
Profit before tax	**465**	**287**	**2,060**	**1,882**
Taxes	–93	–61	–388	–356
Profit for the period	**372**	**226**	**1,672**	**1,526**
Other comprehensive income				
Items that will be reclassified as income				
Translation differences from the translation of foreign operations	–117	69	–145	41
Items that will not be reclassified as income				
Restatement of defined-benefit pensions	1	–22	–294	–317
Tax attributable to other comprehensive income	0	4	61	65
Comprehensive income for the period	**256**	**277**	**1,294**	**1,315**
Net profit for the period attributable to shareholders of the Parent Company	372	226	1,672	1,526
Comprehensive income for the period is attributable to shareholders of the Parent Company	256	277	1,294	1,315
Earnings per share [2], basic, is attributable to shareholders of the Parent Company, SEK	5.30	3.20	24.00	21.90
Earnings per share [2], diluted, is attributable to shareholders of the Parent Company, SEK	5.30	3.20	23.90	21.90
Number of outstanding shares at end of period	*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*
Average number of shares, diluted	*69,985,557*	*69,950,321*	*69,985,557*	*69,985,557*
[1] Of which sale of operations	-	-	*15*	*15*

[2] Net profit/loss for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	3/31/2020	3/31/2019	12/31/2019
ASSETS			
Non-current assets [1]	**392**	**470**	**419**
Project properties	1,498	1,743	1,399
Development properties	8,594	8,911	8,938
Right-of-use leasehold rights	651	266	650
Participations in tenant-owners associations, etc.	438	434	366
Work in progress	3,740	3,206	3,781
Current receivables	5,252	4,708	5,022
Cash and cash equivalents	2,684	2,150	2,397
Total current assets	**22,857**	**21,418**	**22,553**
Total assets	**23,249**	**21,888**	**22,972**
EQUITY AND LIABILITIES [2] [3] [4] [5]			
Equity	**7,382**	**6,921**	**7,126**
Non-current interest-bearing liabilities	1,223	941	1,359
Other non-current liabilities	749	770	765
Non-current provisions	3,115	3,090	3,187
Total non-current liabilities	**5,087**	**4,801**	**5,311**
Current interest-bearing liabilities	5,996	4,273	5,320
Other current liabilities	4,649	5,764	5,081
Current provisions	135	129	134
Total current liabilities	**10,780**	**10,166**	**10,535**
Total equity and liabilities	**23,249**	**21,888**	**22,972**
Pledged assets	420	535	475
Contingent liabilities	8,381	9,472	9,547
[1] Of which right-of-use offices and cars	*199*	*250*	*200*
[2] Of which project financing JM International	*2,954*	*2,579*	*3,093*
[3] Of which project financing JM Residential Stockholm and JM Residential Sweden	*2,259*	*1,526*	*1,693*
[4] Of which liabilities for property acquisition	*863*	*1,514*	*949*
[5] Of which current and non-current interest-bearing leasing liabilities	*853*	*517*	*852*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	FULL-YEAR 2019
Opening balance at beginning of period	**7,126**	**6,644**	**6,644**
Total comprehensive income for the period	256	277	1,315
Dividend	-	-	-835
Equity component of convertible debentures	-	-	2
Closing balance at end of period	**7,382**	**6,921**	**7,126**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Cash flow from operating activities before change in working capital and taxes 1) 2)	**73**	**318**	**415**	**660**
Paid tax	–165	–131	–467	–433
Investment in development properties	–345	–263	–1,901	–1,819
Payment on account for development properties	78	26	589	537
Investment in project properties	–100	–107	–419	–426
Sale of project properties	0	-	865	865
Change in current liabilities/receivables	–108	50	–945	–787
Cash flow from operating activities 3)	**–567**	**–107**	**–1,863**	**–1,403**
Cash flow from investing activities	**–1**	**2**	**–10**	**–7**
Loans raised	105	13	750	658
Amortization of debt	–25	–45	–482	–502
Loans raised, project financing 3)	982	840	4,064	3,922
Amortization of debt, project financing 3)	–202	–242	–1,085	–1,125
Dividend	-	-	–835	–835
Cash flow from financing activities	**860**	**566**	**2,412**	**2,118**
Cash flow for the period	**292**	**461**	**539**	**708**
Cash and cash equivalents at end of period	**2,684**	**2,150**	**2,684**	**2,397**
1) Of which purchases of participations in tenant-owners associations	*–391*	*–369*	*–2,002*	*–1,980*
2) Of which sale of participations in tenant-owners associations	*331*	*464*	*2,138*	*2,271*

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 interim report for the first quarter of 2020 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS). Since the Parent Company is an enterprise within the EU, only EU-approved IFRS are applied. The Parent Company's accounts were prepared in accordance with RFR 2.

The accounting principles and methods of calculation for the Group have not changed compared to the description on pages 86–89 of the 2019 Annual Report.

NEW AND AMENDED STANDARDS AS OF 2020

The amended standards according to IFRS the Group applies as of January 1, 2020, is 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.

ACCOUNTING FOR HOUSING DEVELOPMENT IN SWEDEN

The 2019 Annual Report described the ongoing investigation and the preliminary assessment from Finansinspektionen (FI) that tenant-owner associations cannot be considered independent from an IFRS perspective. JM does not share FI's preliminary assessment and submitted a written response at the end of June 2019 stating that the tenant-owners associations are independent and should not be consolidated.

On January 29, 2020, JM received a new letter entitled "Request for opinion," in which FI's preliminary assessment continues to be that tenant-owners associations cannot be considered independent from an IFRS perspective. JM still does not share FI's preliminary assessment and submitted a written response at the end of February 2020 stating that the tenant-owners associations are independent and should not be consolidated.

IFRS is a principle-based framework that often requires assessments. In complex matters like this, it is possible for different parties to make different assessments. An accounting revision in line with FI's preliminary assessment does not affect JM's segment reporting, project governance or business risk profile. JM considers segment reporting to most accurately reflect 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–MARCH 2020	JANUARY–MARCH 2019	FULL-YEAR 2019
Net sales	2,744	2,659	10,294
Production and operating costs	–2,175	–2,089	–8,021
Gross profit	**569**	**570**	**2,273**
Selling and administrative expenses	–173	–160	–652
Gains/losses on the sale of property	-	0	0
Operating profit	**396**	**410**	**1,621**
Financial income and expenses	–14	90	151
Profit before appropriations and tax	**382**	**500**	**1,772**
Appropriations	-	–91	–221
Profit before tax	**382**	**409**	**1,551**
Taxes	–82	–66	–292
Profit for the period	**300**	**343**	**1,259**

CONDENSED PARENT COMPANY BALANCE SHEET

SEK M	3/31/2020	3/31/2019	12/31/2019
Assets			
Non-current assets	1,707	1,480	1,680
Current assets	13,661	13,370	13,100
Total assets	**15,368**	**14,850**	**14,780**
Equity and liabilities			
Equity	4,216	3,833	3,916
Untaxed reserves	2,380	2,390	2,380
Provisions	1,382	1,642	1,453
Non-current liabilities	793	793	803
Current liabilities	6,597	6,192	6,228
Total equity and liabilities	**15,368**	**14,850**	**14,780**
Pledged assets	100	169	169
Contingent liabilities	9,298	9,332	10,263

Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–MARCH 2020	JANUARY–MARCH 2019	APRIL–MARCH 2019/2020	FULL-YEAR 2019
Revenue for the period (segment reporting)	**3,814**	**3,669**	**15,837**	**15,692**
Restatement JM International	39	–70	–707	–816
Reclassification property sale	-	-	729	729
Revenue for the period (IFRS)	**3,853**	**3,599**	**15,859**	**15,605**
Operating profit/loss for the period (segment reporting)	**483**	**313**	**2,178**	**2,008**
Restatement JM International	5	–4	–34	–43
Leases IFRS 16	9	4	22	17
Operating profit/loss for the period (IFRS)	**497**	**313**	**2,166**	**1,982**
Profit/loss for the period (segment reporting)	**364**	**228**	**1,706**	**1,570**
Restatement JM International	9	–1	–32	–42
Leases IFRS 16	–1	–1	–2	–2
Profit/loss for the period (IFRS)	**372**	**226**	**1,672**	**1,526**

CONSOLIDATED BALANCE SHEET

SEK M	3/31/2020	3/31/2019	12/31/2019
Balance sheet total (segment reporting)	**17,414**	**17,498**	**17,593**
Restatement JM International	–228	–231	–257
Reclassification project financing JM International, interest-bearing	2,596	2,100	2,705
Reclassification project financing JM International, non-interest-bearing [1]	358	479	388
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,604	1,738	2,007
Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings	–345	–212	–314
Leases IFRS 16	850	516	850
Balance sheet total (IFRS)	**23,249**	**21,888**	**22,972**

1) Billing on account to customers.

CONSOLIDATED EQUITY

SEK M	3/31/2020	3/31/2019	12/31/2019
Equity (segment reporting)	**7,561**	**7,083**	**7,326**
Restatement JM International	–176	–161	–198
Leases IFRS 16	–3	–1	–2
Equity (IFRS)	**7,382**	**6,921**	**7,126**

GROUP KEY FIGURES

%	3/31/2020	3/31/2019	12/31/2019
Equity/assets ratio (segment reporting)	**43**	**40**	**42**
Equity/assets ratio (IFRS)	**32**	**32**	**31**

CONSOLIDATED CASH FLOW

	JANUARY–MARCH		APRIL–MARCH	FULL-YEAR
SEK M	2020	2019	2019/2020	2019
Cash flow from operating activities (segment reporting)	**188**	**468**	**1,011**	**1,291**
Reclassification project financing JM International	–132	–132	–776	–776
Reclassification project financing JM Residential Stockholm and JM Residential Sweden, interest-bearing	–648	–466	–2,203	–2,021
Leases IFRS 16	25	23	105	103
Cash flow from operating activities (IFRS)	**–567**	**–107**	**–1,863**	**–1,403**

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	3/31/2020	3/31/2019	12/31/2019
Interest-bearing net liabilities (+)/receivables (–) at end of period (segment reporting)	**198**	**130**	**420**
Reclassification project financing JM International	2,596	2,100	2,705
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,604	1,738	2,007
Leases IFRS 16	853	517	852
Interest-bearing net liabilities (+)/receivables (–) at end of period (IFRS)	**6,251**	**4,485**	**5,984**

Stockholm, April 28, 2020
JM AB (publ)

Johan Skoglund
President and CEO

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

Rörviksbacken, Stockholm

JM in brief

BUSINESS CONCEPT

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

VISION

We are laying the foundations for a better life.

BUSINESS

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

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

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

FINANCIAL TARGETS 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 April 28, 2020.

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FINANCIAL CALENDAR

July 14, 2020	Interim Report January - June
October 22, 2020	Interim Report January - September

PRESS RELEASES, Q1 2020

March 26	Annual General Meeting - JM AB
March 24	The Nomination Committee's amended proposal to the 2020 AGM regarding fees to the Board
March 23	Amended dividend proposal for 2019
February 21	Notice of JM AB's Annual General Meeting on March 26, 2020
February 11	Annual General Meeting 2020 - JM AB Regarding Chairperson and Board Members
January 31	Year-end Report January - December 2019
January 21	Change in JM's Executive Management

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

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