Interim Report January – June 2020

JM GROUP

STABILITY IN THE SWEDISH HOUSING BUSINESS

JANUARY–JUNE 2020

Revenue amounted to SEK 7,476m (7,613), and revenue excluding JM Construction, Business area Construction (under closure), amounted to SEK 7,403m (7,517).

Operating profit amounted to SEK 840m (819)[1]. The operating margin was 11.2 percent (10.8). Operating profit excluding JM Construction, Business area Construction, decreased to SEK 860m (1,020) and the operating margin to 11.6 percent (13.6).

Profit before tax amounted to SEK 802m (779). Profit after tax amounted to SEK 630m (614).

Return on equity for the past twelve months amounted to 22.6 percent (19.8). Earnings per share for the first six months amounted to SEK 9.20 (8.80).

Consolidated cash flow including net investment in properties amounted to SEK 592m (371).

The number of residential units sold decreased to 1,447 (1,548), and housing starts were 1,368 (1,365).

[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 of 2019.

APRIL–JUNE 2020

Revenue decreased to SEK 3,662m (3,944).

Operating profit decreased to SEK 357m (506). The operating margin decreased to 9.7 percent (12.8).

Profit before tax decreased to SEK 340m (488). Profit after tax decreased to SEK 266m (386).

Consolidated cash flow including net investment in properties amounted to SEK 404m (–97).

The number of residential units sold decreased to 642 (881), and housing starts decreased to 731 (959).

ACCORDING TO SEGMENT REPORTING	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL YEAR
SEK M	2020	2019	2020	2019	2019/2020	2019
Revenue	7,476	7,613	3,662	3,944	15,555	15,692
Revenue excluding JM Construction, Business area Construction	*7,403*	*7,517*	*3,635*	*3,798*	*15,324*	*15,438*
Operating profit	840	819	357	506	2,029	2,008
Operating profit excluding JM Construction, Business area Construction	*860*	*1,020*	*369*	*514*	*2,083*	*2,243*
Operating margin, %	11.2	10.8	9.7	12.8	13.0	12.8
Operating margin excluding JM Construction, Business area Construction, %	*11.6*	*13.6*	*10.2*	*13.5*	*13.6*	*14.5*
Profit before tax	802	779	340	488	1,951	1,928
Cash flow from operating activities	592	371	404	–97	1,512	1,291
Return on equity, %					22.6	22.2
Equity/assets ratio, %	42	40				42
Earnings per share, SEK	9.00	8.80	3.80	5.50	22.70	22.50
Number of residential units sold [1) 2)]	1,447	1,548	642	881	3,494	3,595
Number of housing starts [3) 4)]	1,368	1,365	731	959	3,272	3,269
Number of residential units in current production	7,249	7,829				7,813
Revenue according to IFRS	7,400	7,481	3,547	3,882	15,524	15,605
Operating profit according to IFRS	865	825	368	512	2,022	1,982
Earnings per share according to IFRS, SEK	9.20	8.80	3.90	5.50	22.30	21.90
1) Of which rental units in JM Property Development	*-*	*-*	*-*	*-*	*376*	*376*
2) Of which residential units in JM International and JM Residential Sweden to investors	*69*	*-*	*69*	*-*	*295*	*226*
3) Of which rental units in JM Property Development	*-*	*143*	*-*	*143*	*-*	*143*
4) Of which residential units in JM International and JM Residential Sweden to investors	*69*	*-*	*69*	*-*	*295*	*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 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: Kalkbrottet, Malmö

Group

A WORD FROM THE CEO

STABLE DEVELOPMENT IN THE SECOND QUARTER GIVEN CAUTION LINKED TO COVID-19

Our residential business in Sweden has had a stable development during the second quarter given the circumstances surrounding COVID-19. Sales and housing starts are lower but still sufficient for adequately maintaining cash flow and production capacity during the quarter overall. There was more of a negative impact in Norway and Finland during the quarter, and some changes were made in the Norwegian operations to lower the cost level. The supply of newly produced residential units on the market increased slightly in the second quarter of 2020 in both Stockholm and the rest of Sweden at the same time as the transaction volume decreased. The transaction volume on the total housing market in Sweden increased in the second quarter. Prices remained at a good level.

The lower demand at the beginning of the second quarter has gradually improved during the quarter. We assess the underlying demand for housing to continue to be good on our markets. The reservation and sales levels continue to be high in the projects that will be completed in 2020 in all our markets. This presents opportunities for maintaining production and stable cash flow during this period of weaker demand, assuming continued stability in the staffing situation and supplier chains. If the market continues to improve, the conditions are in place for a higher level of housing starts during the second half of the year compared to the first half, primarily attributable to the international business.

GOOD RESERVATION AND SALES LEVELS IN CURRENT PRODUCTION IN STOCKHOLM

We have observed a slower decision process among customers in Stockholm during the second quarter due to COVID-19, but we have also had a gradual improvement throughout the quarter. We continue to experience good demand for the freehold apartments we have in current production. Despite the caution in the market, reservation and sales levels in Stockholm have been good, given the circumstances, with 220 residential units sold in the second quarter compared to 268 during the same period last year.

The housing operations in Stockholm continued to have good profitability and a good level of housing starts during the quarter given the circumstances surrounding COVID-19.

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

The housing business in the rest of Sweden showed good profitability and, given the circumstances, good sales and housing starts during the second quarter. During the quarter, our customers in the rest of Sweden have also been cautious due to COVID-19, but the market was less impacted by COVID-19 than the market in Stockholm.

In Norway, activity on the housing market has been cautious during the second quarter due to COVID-19. This has required an adjustment in the staffing to meet current conditions.

In Finland, the housing market was also impacted clearly by COVID-19 at the same time as the business is supported by the possibility of selling residential units in blocks to investors.

The level of reserved and sold residential units in projects that will be completed in 2020 is high also in the rest of Sweden, Norway and Finland.

JM AND COVID-19

COVID-19 and its effects will create uncertainty and risks for a while. 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 at a good level, and it is even higher for projects that will be completed in 2020. This, together with very limited disruptions so far in terms of staffing and supplier chains, presents possibilities for keeping the business reasonably stable even during a period of a weaker market.

We have had a stable second quarter, given the circumstances, where JM's strategy for bridging the acute COVID-19 period continues to be to safeguard cash flows and production capacity. To date, the business is naturally dimensioned within the framework of our business model, which has good adaptability.

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 stable second quarter given the circumstances, where JM's strategy for bridging the acute COVID-19 period continues to be to safeguard cash flows and production capacity."

MARKET, SALES AND HOUSING STARTS

JANUARY–JUNE 2020

The housing market in Stockholm has been cautious during the second quarter with lower levels of sold residential units and housing starts. Profitability continued to be good given the lower sales level, and housing starts in the second quarter have a normal level of reservations.

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

In Norway, the activity on the housing market decreased during the quarter, where the market has become more cautious. Also in Finland, the housing market has been cautious.

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 decreased to 1,447 (1,548) [1) 2)]. The percentage of sold or reserved homes in relation to current production amounts to 65 percent (62), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 567 residential units (506), JM Residential Sweden sold 578 (487), JM International sold 302 (555), and JM Property Development sold 0 (0).

The number of housing starts was 1,368 (1,365)[3) 4)]. JM Residential Stockholm started production on 498 residential units (375), JM Residential Sweden on 537 (515), JM International on 333 (332) and JM Property Development on 0 (143).

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 7,249 (7,829), of which 463 are rental units (736) in JM Property Development.

1) *Of which 0 rental units (0) in JM Property Development*
2) *Of which 69 residential units (0) in JM International and JM Residential Sweden to investors*
3) *Of which 0 rental units (143) in JM Property Development*
4) *Of which 69 residential units (0) in JM International and JM Residential Sweden to investors*

REVENUE, OPERATING PROFIT AND OPERATING MARGIN

JANUARY–JUNE 2020

Consolidated revenue according to segment reporting for the second quarter amounted to SEK 7,476m (7,613). Revenue restated according to IFRS amounted to SEK 7,400m (7,481).

Operating profit according to segment reporting amounted to SEK 840m (819), and the operating margin amounted to 11.2 percent (10.8). Operating profit restated according to IFRS amounted to SEK 865m (825). The restatement is related to JM International, with a positive effect on earnings of SEK 8m (–1) and leases according to IFRS 16 with a positive effect on earnings of SEK 17m (7). Profit for the first six months of 2019 included a loss in JM Construction of SEK –155m that was primarily attributable to the discontinuation of the housing operations.

Revenue excluding JM Construction Business area Construction amounted to SEK 7,403m (7,517), operating profit to SEK 860m (1,020), and the operating margin to 11.6 percent (13.6).

During the first six months, properties were sold for SEK 30m (131) with gains of SEK 18m (72).

Rental income from JM's project properties amounted to SEK 39m (45). Net rental income was SEK 27m (29).

JM has not received government support attributable to COVID-19 other than the general reduction in employer's contributions and sick pay costs of around SEK 7m, where the effect is allocated throughout the year.

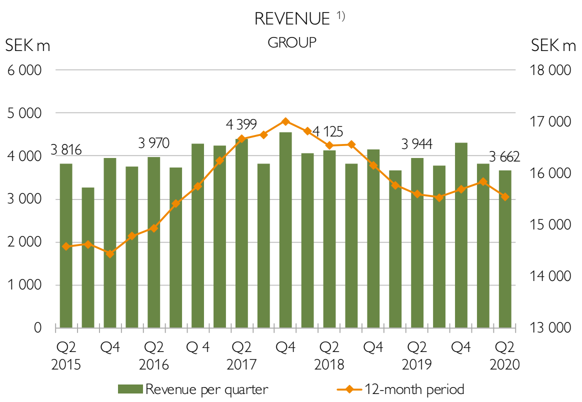
APRIL–JUNE 2020

Consolidated revenue according to segment reporting for the second quarter decreased to SEK 3,662m (3,944). Revenue restated according to IFRS decreased to SEK 3,547m (3,882).

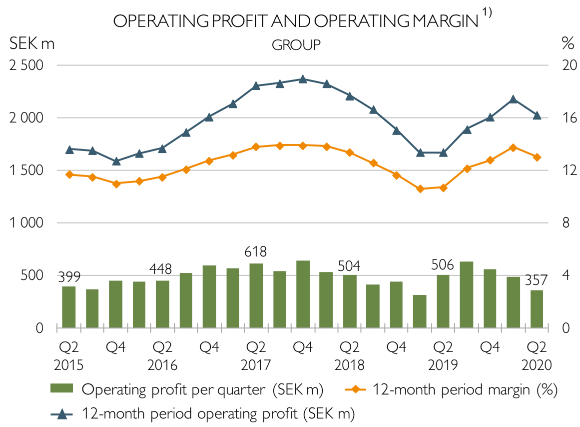
Operating profit according to segment reporting decreased to SEK 357m (506), and the operating margin decreased to 9.7 percent (12.8). Operating profit restated according to IFRS decreased to SEK 368m (512). The restatement is related to JM International, with a positive effect on earnings of SEK 3m (3) and leases according to IFRS 16 with a positive effect on earnings of SEK 8m (3).

During the second quarter, properties were sold for SEK 0m (60) with gains/losses of SEK 0m (34).

Rental income from JM's project properties amounted to SEK 20m (24). Net rental income was SEK 14m (17).



1) *According to segment reporting*



1) *According to segment reporting*

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY–JUNE 2020	2019	APRIL–JUNE 2020	2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	442	445	192	216	913	916
JM Residential Sweden	335	373	169	193	681	719
JM International	70	164	19	66	261	355
JM Property Development	–3	12	–6	6	179	194
JM Construction	20	–155	–2	34	34	–141
Group-wide expenses	–24	–20	–15	–9	–39	–35
Total	**840**	**819**	**357**	**506**	**2,029**	**2,008**
Of which property sales	*18*	*72*	*-*	*34*	*222*	*276*

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY–JUNE 2020	2019	APRIL–JUNE 2020	2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	14.6	16.1	13.7	16.2	15.6	16.4
JM Residential Sweden	15.6	16.2	15.5	16.1	15.8	16.1
JM International	3.9	9.3	2.1	7.3	6.5	8.8
JM Construction	3.2	–18.0	–0.6	6.2	2.4	–8.3

OPERATING PROFIT, SEK M	JANUARY–JUNE 2020	2019	APRIL–JUNE 2020	2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Operating profit excluding JM Construction, Business area Construction	860	1,020	369	514	2,083	2,243
Operating margin excluding JM Construction, Business area Construction, %	11.6	13.6	10.2	13.5	13.6	14.5
Operating profit JM Construction, Business area Construction	–20	–201	–12	–8	–54	–235
Operating profit, total	**840**	**819**	**357**	**506**	**2,029**	**2,008**

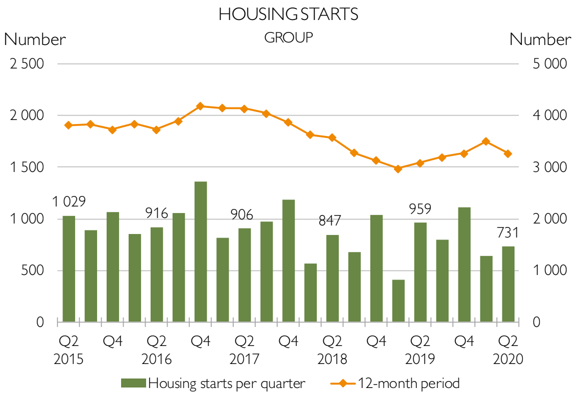
RESIDENTIAL UNITS IN CURRENT PRODUCTION	6/30/2020	6/30/2019	12/31/2019
Number of residential units in current production [1] [2]	7,249	7,829	7,813
Percentage of sold residential units in current production, % [3]	51	55	53
Percentage reserved residential units in current production, %	14	7	12
Percentage sold and reserved residential units in current production, %	65	62	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*	*463*	*736*	*600*
Including residential units in projects where costs incurred are only reported as project properties under construction	*320*	*736*	*457*

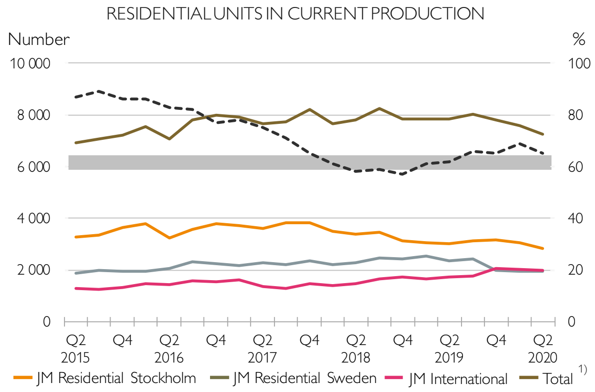
[2] *Beginning with production start-up through final occupancy according to plan.*

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

UNSOLD UNITS	6/30/2020	6/30/2019	12/31/2019
Completed production, number of unsold units [1]	186	143	157
The number of unsold residential units in the balance sheet reported as “Participations in tenant-owners associations, etc.”	137	67	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 – JUNE 2020

The number of available building rights at the end of the second quarter increased to 38,600 (36,500), of which 21,600 (21,200) are recognized in the balance sheet. The increase in available building rights is primarily attributable to JM Finland. Capital tied up in building rights (development properties in the balance sheet) for residential units decreased to SEK 8,705m (8,952).

JM acquired development properties for residential units during the first six months of the year for SEK 670m (879), of which SEK 306m relates to JM Residential Stockholm, SEK 258m to JM Residential Sweden and SEK 106m to JM International.

FINANCIAL ITEMS

JANUARY–JUNE 2020

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

The total interest-bearing liability according to segment reporting was SEK 2,819m (2,323), of which the provision for pension liabilities comprised SEK 1,720m (1,507). At the end of the second 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 0.4 years (0.2).

Consolidated available liquidity was SEK 5,372m (3,968). Aside from cash and cash equivalents of SEK 2,572m (1,168), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 2.8 years (3.5).

Interest-bearing net liabilities including pension liabilities according to segment reporting totaled SEK 247m (1,155) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 1,124m (1,196). Of these liabilities, SEK 373m (426) were current.

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

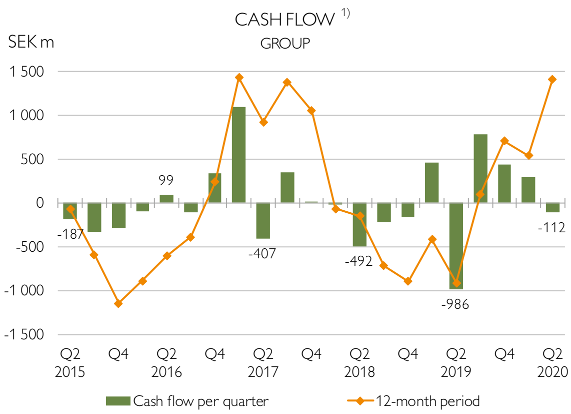
CASH FLOW

JANUARY–JUNE 2020

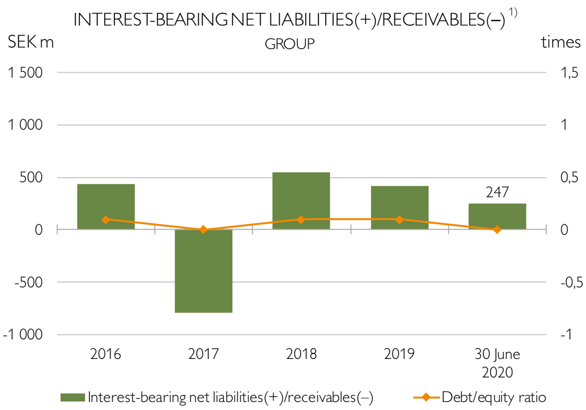
Cash flow from operating activities according to segment reporting was SEK 592m (371). Net investments in development properties resulted in a cash flow of SEK 342m (–357). The increased holdings of repurchased residential units resulted in a cash flow of SEK –263m (226). Consolidated cash flow attributable to project properties (sales minus investment) during the first six months was SEK –245m (–229).

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Financial income	3	3	1	2	6	6
Financial expenses	–41	–43	–18	–20	–84	–86
Financial income and expenses	**–38**	**–40**	**–17**	**–18**	**–78**	**–80**

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Interest-bearing net liabilities(+)/receivables(–) at beginning of period	**420**	**546**	**198**	**130**	**1,155**	**546**
Change in interest-bearing net liabilities/receivables	–173	609	49	1,025	–908	–126
Interest-bearing net liabilities(+)/receivables(–) at end of the period	**247**	**1,155**	**247**	**1,155**	**247**	**420**



[1)] *Total cash flow for the period*



[1)] *According to segment reporting*

APRIL – JUNE 2020

Cash flow from operating activities was SEK 404m (–97) during the second quarter. Net investments in development properties resulted in a cash flow of SEK 198m (–274). The increased holdings of repurchased residential units resulted in a cash flow of SEK –203m (131). Consolidated cash flow attributable to project properties (sales minus investment) amounted to SEK –145m (–122).

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 have occurred that have affected these reported risks.

COVID-19 and its effects will create uncertainty and risks for a while. 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 at a good level, and it is even higher for projects that will be completed in 2020. This, together with 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.

CONVERTIBLE PROGRAM

The 2020 Annual General Meeting resolved that JM would raise a debenture loan with a maximum nominal value of SEK 230m by issuing a maximum of 645,000 convertible debentures with a maturity of four years aimed at all employees in Sweden.

Upon expiry of the subscription period, the loan amounts to about SEK 34m through the issue of approximately 157,000 convertible debentures. In accordance with IAS 32, the liability and equity components of the convertible debenture loan are reported separately, which means that the debenture loan is reported in the balance sheet as a liability initially with the nominal amount excluding the equity component.

The subscribed convertible bonds may be converted to shares at a price of SEK 217 between June 1, 2023, and April 24, 2024.

Through conversion, JM's share capital could increase by a maximum of SEK 157,000, which corresponds to a dilution of 0.2 percent of the shares and votes in the company. The convertible debenture loan was settled against cash in June 2020.

OUTSTANDING SHARES

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

DIVIDEND IN 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 second quarter decreased to 2,555 (2,635). The number of wage-earners was 990 (1,045), and the number of salaried employees was 1,565 (1,590). 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.

Ryttarstugan in Täby Park in Täby outside of Stockholm entered production during the first quarter. The area consists of 167 apartments in apartment buildings with 6-7 floors divided into two associations, of which Ryttarstugan Västra is the first. Central and child-friendly housing are offered here, located 300 m from rail traffic. Many of the residential units will have a view of the planned city park.

Production started during the second quarter on 61 residential units in Kalkbrottet in Limhamn, Malmö, which is located as close to the city and entertainment as it is to nature and the sea. At the northern edge of Kalkbrottet, two apartment buildings with four to five floors and 49 apartments will be constructed as well as 12 attractive townhouses with two to three floors.

In Helsinki, Finland, the Pilivinna project entered production in the second quarter. In Pasila's old railway depot, an apartment building with 82 residential units and lush courtyards is being constructed. The area is located close to a full-service shopping center, including public transportation connections to the center of Helsinki.

Ryttarstugan, Täby

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 fell at the start of the quarter but then stabilized toward the end of the quarter. The total supply of residential units has been normal, but the supply of newly produced residential units increased slightly during the quarter, although it is still lower than compared to the same period last year.

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

The housing market in Stockholm was cautious during the second quarter, but customers are still showing interest in JM's projects and sales was at a good level given the circumstances surrounding COVID-19. The willingness of customers to sign a contract early in the process was below normal, though.

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

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

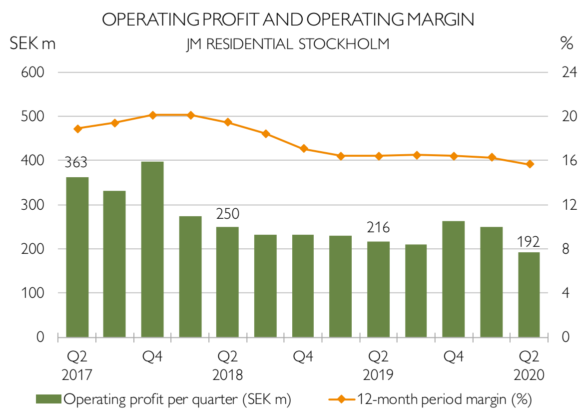
Revenue in the quarter was strengthened by a higher level of transferred land to projects. The lower profit is primarily due to relatively low sales. Current projects with completion in 2020 have a high sales rate, which supports profitability and cash flow even during a period of weaker sales. The business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

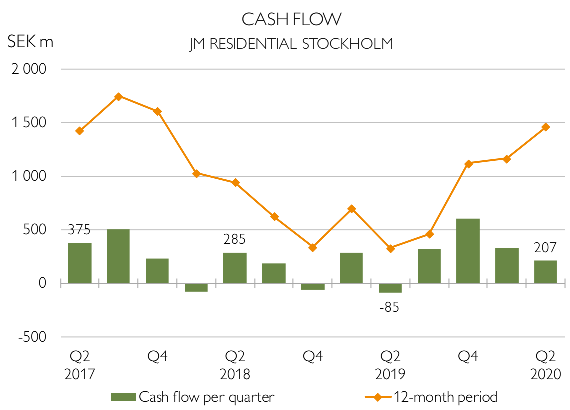
Cash flow during the first six months is in balance despite a slight increase of residential units in the balance sheet.

Production was started in the second quarter on 258 residential units in apartment buildings in Sollentuna, Stockholm and Täby.

During the second quarter, JM purchased approximately 450 building rights in Södertälje.

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	**2020**	**2019**	**2020**	**2019**	**2019/2020**	**2019**
Revenue	3,025	2,765	1,403	1,330	5,835	5,575
Operating profit [1]	442	445	192	216	913	916
Operating margin, %	14.6	16.1	13.7	16.2	15.6	16.4
Average operating capital					5,682	5,811
Return on operating capital, %					16.1	15.8
Operating cash flow	538	199	207	–85	1,457	1,118
Carrying amount, development properties	4,816	5,132				4,949
Number of available building rights	12,800	13,500				12,800
Number of residential units sold	567	506	220	268	1,181	1,120
Number of housing starts	498	375	258	286	1,112	989
Number of residential units in current production	2,843	3,001				3,171
Number of employees	897	907				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 second quarter, average prices on the existing home market have primarily remained the same.

The supply of new production during the second quarter increased somewhat within most of the business segment's submarkets and decreased marginally in some of the submarkets compared to the first quarter. The supply of newly produced homes in Uppsala is significantly lower, and in Gothenburg and Malmö it is somewhat lower compared to the corresponding period last year.

Competition for land for residential purposes was high during the quarter in some areas and decreased slightly in some local submarkets.

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

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

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

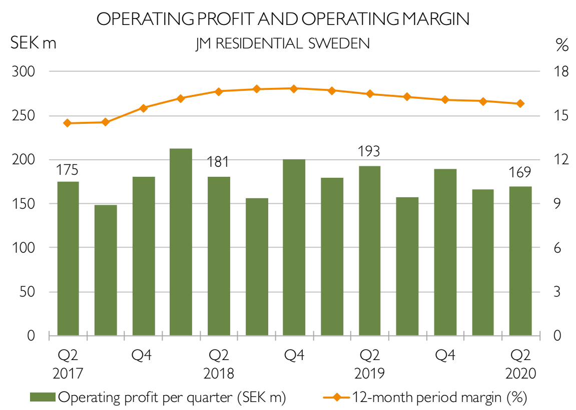
Current projects with completion in 2020 have a high sales rate, which supports profitability even during a period of weaker sales. The business unit is thus equipped to bridge a more uncertain market during 2020, assuming continued stability in the staffing situation and supplier chains.

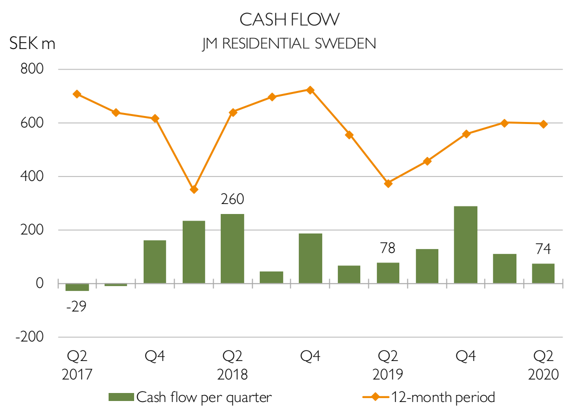
Cash flow in the first six months is burdened by a slight increase in working capital and a temporary increase of residential units in the balance sheet.

During the second quarter, production was started on a total of 276 residential units in apartment buildings in Malmö, Gothenburg, Västerås and Norrtälje, of which 69 residential units in rental properties sold to investors during the quarter.

During the second quarter, 240 building rights were acquired in Malmö and Västerås.

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	**2020**	**2019**	**2020**	**2019**	**2019/2020**	**2019**
Revenue	2,143	2,309	1,093	1,199	4,302	4,468
Operating profit	335	373	169	193	681	719
Operating margin, %	15.6	16.2	15.5	16.1	15.8	16.1
Average operating capital					1,274	1,183
Return on operating capital, %					53.5	60.8
Operating cash flow	182	143	74	78	596	557
Carrying amount, development properties	1,532	1,549				1,461
Number of available building rights	10,500	10,500				10,500
Number of residential units sold [1]	578	487	278	244	1,175	1,084
Number of housing starts [2]	537	515	276	244	1,117	1,095
Number of residential units in current production	1,961	2,366				1,994
Number of employees	599	609				601
[1] *Of which residential units to investors*	69	-	69	-	69	-
[2] *Of which residential units to investors*	69	-	69	-	69	-





JM International

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

Business segment revenue is at the same level as previous year. The profit and the margin excluding the sale of property amounted to SEK 70m (126) and 3.9 percent (7.1). The lower profit is primarily due to low sales and an adjustment to the Norwegian operations to lower the cost level.

Cash flow was strengthened in the second quarter due to occupancy in two residential projects in Finland.

NORWAY

Prices on the existing home market have been stable during the second quarter while activity has been low. The market has been cautious due to COVID-19. The quarter has been burdened by costs, and the organization in Norway has been reduced slightly to adapt the business to the current market conditions. The market has also slowed more abruptly in Stavanger due to the fall in oil prices, and JM has withdrawn a project from the market there and decided to discontinue its operations. A planned project in Bergen is also being revised. In total these measures are burdening profit for the second quarter by around SEK 25m.

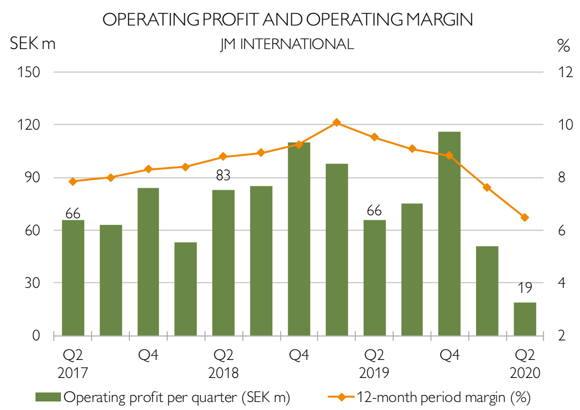
JM Norway's revenue decreased to SEK 1,323m (1,467), and operating profit decreased to SEK 49m (143). The operating margin decreased to 3.7 percent (9.7).

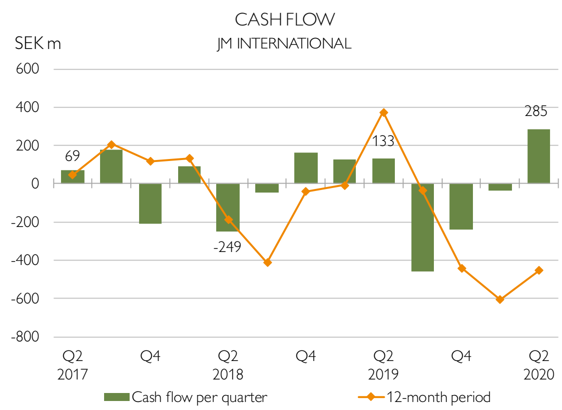
During the second quarter, 86 residential units (128) were sold, and production started on 115 residential units (104). Housing starts consist of 36 residential units in apartment buildings in the Oslo region, 9 residential units in single-family homes in Tønsberg outside of Oslo, 20 residential units in apartment buildings in Sandefjord, and 50 residential units in apartment buildings in Trondheim.

The number of residential units in current production amounted to 1,315 (1,180).

During the second quarter, JM purchased building rights corresponding to 1,300 residential units in Jessheim outside of Oslo and in Drammen. Available building rights correspond to 8,600 residential units (8,300).

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	**2020**	**2019**	**2020**	**2019**	**2019/2020**	**2019**
Revenue	1,778	1,765	896	905	4,034	4,021
- of which JM Norway	*1,323*	*1,467*	*649*	*746*	*3,042*	*3,186*
Operating profit [1]	70	164	19	66	261	355
- of which JM Norway	*49*	*143*	*8*	*54*	*204*	*298*
Operating margin, %	3.9	9.3	2.1	7.3	6.5	8.8
- of which JM Norway	*3.7*	*9.7*	*1.2*	*7.2*	*6.7*	*9.4*
Average operating capital					3,395	3,229
Return on operating capital, %					7.7	11.0
Operating cash flow	247	260	285	133	–452	–439
Carrying amount, development properties	2,347	2,261				2,497
Carrying amount, project properties	25	5				5
Number of available building rights	14,200	11,700				11,800
Number of residential units sold [2]	302	555	144	369	762	1,015
Number of housing starts [3]	333	332	197	286	1,043	1,042
Number of residential units in current production	1,982	1,726				2,048
Number of employees	526	480				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*





FINLAND

Prices on the housing market in the Helsinki region have been stable during the second quarter, while activity has been low. The market has been cautious due to COVID-19. The willingness of customers to convert reservations to contracts was at a normal level in the second quarter. At the same time, the business is supported by the possibility of selling residential units in blocks to investors.

During the second quarter, 58 residential units (241) were sold and production started on 82 units (182). Housing starts consist of residential units in apartment buildings in Helsinki.

The number of residential units in current production amounted to 667 (546).

During the second quarter, 0 building rights (250) were acquired. Available building rights correspond to 5,600 residential units (3,400).

It is still difficult to get an overview of the impact of COVID-19 on the housing market in Norway and Finland. Current projects with completion in 2020 have a high sales rate, which supports profitability and cash flow even during a period of weaker sales.

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 70m (53), of which rental income was SEK 38m (45). Contracting revenue and sales of services amounted to SEK 32m (8). Operating profit was SEK –3m (12). The operating profit is burdened by startup and development costs for the new business operations, JM@home.

Net rental income for project properties was SEK 27m (30).

Cash flow during the first six months 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 corresponding occupancy rate is 94 percent.

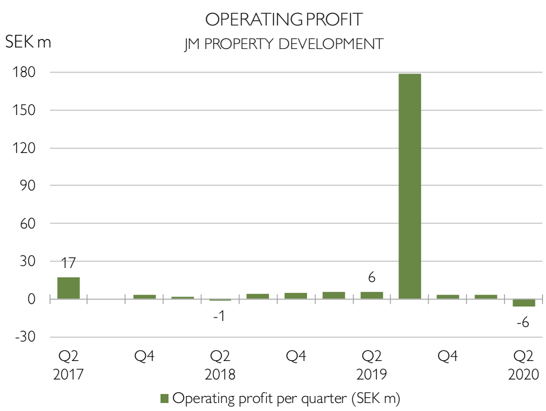
The portfolio of rental units includes three fully rented and occupied projects: Tjärtunnan in Stockholm with 187 rental units, Alphyddan in Nacka with 93 rental units, and Alba Lilium in Stockholm with 137 rental units.

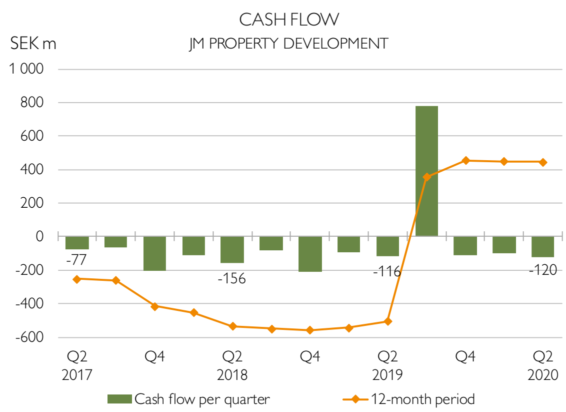
The rental project Valla Park in Sundbyberg (Sundbyberg Lådmakaren 4), with 143 rental units, was sold in 2019 and the legal title will be transferred upon the planned completion date in 2022. Revenue and profit are recognized gradually as the project is implemented.

An additional two rental projects in JM's own balance sheet continue to be either in production or rented: 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–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	2020	2019	2020	2019	2019/2020	2019
Revenue	70	53	35	29	244	227
Operating profit [1]	–3	12	–6	6	179	194
Average operating capital					1,523	1,570
Return on operating capital, %					11.8	12.4
Operating cash flow	–221	–212	–120	–116	445	454
Carrying amount, development properties	10	10				10
Carrying amount, project properties	1,618	1,860				1,394
Number of available building rights [2]	1,100	800				800
Number of residential units sold [2]	-	-	-	-	376	376
Number of housing starts [2]	-	143	-	143	-	143
Number of residential units in current production [2]	463	736				600
Number of employees	71	65				68
[1] Of which property sales	-	-	-	-	*170*	*170*

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





JM Construction

The JM Constrution business segment carries out construction work for external and internal customers in the Greater Stockholm area.

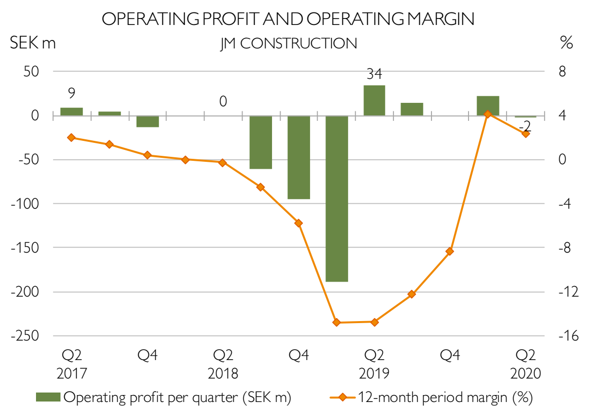
Demand in the civil engineering market in Stockholm is at a good level. Business segment revenue excluding Business area Construction decreased due to lower activity in the civil engineering operations. The operating profit for the first six months includes gains from property sales of SEK 18m (34).
The loss in the first six months of 2019 of –155m was primarily due to the discontinuation of the housing operations.

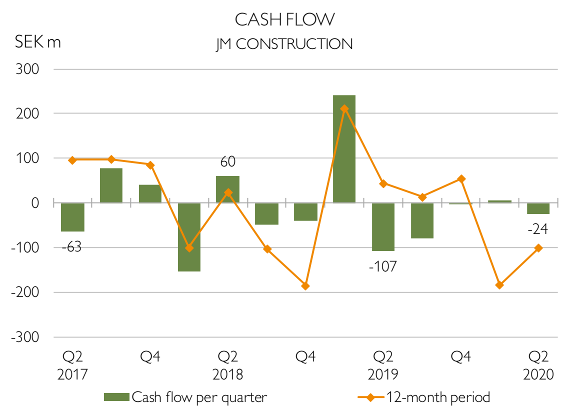
Some project risks remain until current projects in Business area Construction are completed.

Cash flow in the first six months is burdened by an increase in working capital. In the second quarter, the business segment received a number of assignments in the civil engineering operations, of which the largest are another phase in the ongoing infrastructure project in Tyresö and groundworks for Norra Parken Silverdal in Sollentuna for HB Silverdal Exploatering.

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), groundworks for Arlanda Terminal 5 (INTREPRENÖR AB), and the new production of apartment buildings in Norra Djurgårdsstaden (Riksbyggen). The business segment also has several ongoing internal projects.

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Revenue [1]	616	862	320	550	1,445	1,691
- of which Business area Construction	*73*	*96*	*27*	*146*	*231*	*254*
Operating profit [2]	20	–155	–2	34	34	–141
- of which Business area Construction	*–20*	*–201*	*–12*	*–8*	*–54*	*–235*
Operating margin, %	3.2	–18.0	–0.6	6.2	2.4	–8.3
- of which Business area Construction	*–27.4*		*–44.4*	*–5.5*	*–23.4*	*–92.5*
Operating cash flow	–19	135	–24	–107	–100	54
Carrying amount, development properties	19	31				21
Number of employees	269	398				283
[1] Of which internal	*156*	*141*	*85*	*69*	*305*	*290*
[2] Of which sale of properties and operations	*18*	*34*	*-*	*34*	*52*	*68*





Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Revenue	7,476	7,613	3,662	3,944	15,555	15,692
Production and operating costs	–6,141	–6,366	–3,036	–3,212	–12,769	–12,994
Gross profit	**1,335**	**1,247**	**626**	**732**	**2,786**	**2,698**
Selling and administrative expenses	–513	–500	–269	–260	–979	–966
Gains/losses on the sale of property [1]	18	72	-	34	222	276
Operating profit	**840**	**819**	**357**	**506**	**2,029**	**2,008**
Financial income and expenses	–38	–40	–17	–18	–78	–80
Profit before tax	**802**	**779**	**340**	**488**	**1,951**	**1,928**
Taxes	–172	–165	–74	–102	–365	–358
Profit for the period	**630**	**614**	**266**	**386**	**1,586**	**1,570**
Other comprehensive income	–92	18	37	–39	–319	–209
Comprehensive income for the period	**538**	**632**	**303**	**347**	**1,267**	**1,361**
Earnings per share [2], diluted, SEK	9.00	8.80	3.80	5.50	22.70	22.50
Average number of shares, diluted	*69,996,413*	*69,924,046*	*70,024,336*	*69,955,656*	*69,982,452*	*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	6/30/2020	6/30/2019	12/31/2019
ASSETS			
Non-current assets	**200**	**221**	**219**
Project properties	1,643	1,865	1,399
Development properties	8,724	8,983	8,938
Participations in tenant-owners associations, etc.	603	296	366
Current receivables [1]	3,796	3,993	4,274
Cash and cash equivalents	2,572	1,168	2,397
Total current assets	**17,338**	**16,305**	**17,374**
Total assets	**17,538**	**16,526**	**17,593**
EQUITY AND LIABILITIES [2]			
Equity	**7,430**	**6,597**	**7,326**
Non-current interest-bearing liabilities	293	314	425
Other non-current liabilities	751	770	765
Non-current provisions	3,280	3,296	3,223
Total non-current liabilities	**4,324**	**4,380**	**4,413**
Current interest-bearing liabilities	806	502	690
Other current liabilities	4,837	4,904	5,030
Current provisions	141	143	134
Total current liabilities	**5,784**	**5,549**	**5,854**
Total equity and liabilities	**17,538**	**16,526**	**17,593**
[1] Of which receivables from property sales	*51*	*78*	*76*
[2] Of which liabilities for property acquisition	*1,147*	*1,216*	*949*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	FULL-YEAR 2019
Opening balance at beginning of period	**7,326**	**6,798**	**6,798**
Total comprehensive income for the period	538	632	1,361
Dividend	–435	–835	–835
Equity component of convertible debentures	1	2	2
Closing balance at the end of the period	**7,430**	**6,597**	**7,326**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Cash flow from operating activities before change in working capital and taxes [1) 2)]	**652**	**1,329**	**249**	**719**	**1,481**	**2,158**
Paid tax	–264	–272	–99	–141	–425	–433
Investment in development properties	–473	–720	–128	–457	–1,572	–1,819
Payment on account for development properties	815	363	326	183	1,731	1,279
Investment in project properties	–245	–229	–145	–122	–442	–426
Sale of project properties	-	-	-	-	865	865
Change in current liabilities/receivables	107	–100	201	–279	–126	–333
Cash flow from operating activities	**592**	**371**	**404**	**–97**	**1,512**	**1,291**
Cash flow from investing activities	**–1**	**1**	**0**	**–1**	**–9**	**–7**
Loans raised	139	138	34	125	659	658
Amortization of debt	–115	–200	–115	–178	–314	–399
Dividend	–435	–835	–435	–835	–435	–835
Cash flow from financing activities	**–411**	**–897**	**–516**	**–888**	**–90**	**–576**
Cash flow for the period	**180**	**–525**	**–112**	**–986**	**1,413**	**708**
Cash and cash equivalents at end of the period	**2,572**	**1,168**	**2,572**	**1,168**	**2,572**	**2,397**
[1)] *Of which the purchase of participations in tenant-owners associations and freehold residential units*	*–835*	*–875*	*–444*	*–506*	*–1,940*	*–1,980*
[2)] *Of which the sale of participations in tenant-owners associations and freehold residential units*	*572*	*1,101*	*241*	*637*	*1,742*	*2,271*

GROUP KEY FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Operating margin	11.2	10.8	9.7	12.8	13.0	12.8
Return on equity					22.6	22.2
Return on capital employed					21.2	21.0
Debt/equity ratio, multiple	0.0	0.2				0.1
Equity/assets ratio	42	40				42

ACCORDING TO SEGMENT REPORTING

REVENUE BY COUNTRY

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Sweden	5,697	5,687	2,765	2,977	11,461	11,451
Norway	1,323	1,628	649	808	3,102	3,407
Finland	456	298	248	159	990	832
Belgium	-	-	-	-	2	2
Total	**7,476**	**7,613**	**3,662**	**3,944**	**15,555**	**15,692**

REVENUE BY BUSINESS SEGMENT

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	3,025	2,765	1,403	1,330	5,835	5,575
JM Residential Sweden	2,143	2,309	1,093	1,199	4,302	4,468
JM International	1,778	1,765	896	905	4,034	4,021
JM Property Development	70	53	35	29	244	227
JM Construction	616	862	320	550	1,445	1,691
Elimination	–156	–141	–85	–69	–305	–290
Total	**7,476**	**7,613**	**3,662**	**3,944**	**15,555**	**15,692**

OPERATING PROFIT BY BUSINESS SEGMENT

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	442	445	192	216	913	916
JM Residential Sweden	335	373	169	193	681	719
JM International	70	164	19	66	261	355
JM Property Development	–3	12	–6	6	179	194
JM Construction	20	–155	–2	34	34	–141
Group-wide expenses	–24	–20	–15	–9	–39	–35
Total	**840**	**819**	**357**	**506**	**2,029**	**2,008**

OPERATING MARGIN BY BUSINESS SEGMENT

%	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	14.6	16.1	13.7	16.2	15.6	16.4
JM Residential Sweden	15.6	16.2	15.5	16.1	15.8	16.1
JM International	3.9	9.3	2.1	7.3	6.5	8.8
JM Construction	3.2	–18.0	–0.6	6.2	2.4	–8.3

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK M	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	5,682	5,811
JM Residential Sweden	1,274	1,183
JM International	3,395	3,229
JM Property Development	1,523	1,570

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	16.1	15.8
JM Residential Sweden	53.5	60.8
JM International	7.7	11.0
JM Property Development	11.8	12.4

ACCORDING TO SEGMENT REPORTING

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

SEK M	APRIL–JUNE 2020	JANUARY–MARCH 2020	OCTOBER–DECEMBER 2019	JULY–SEPTEMBER 2019	APRIL–JUNE 2019
Cost-based effect	338	345	424	303	409
Revaluation effect	236	146	255	198	143
Sales effect	35	178	92	111	132
Total	**609**	**669**	**771**	**612**	**684**

Starting in Q1 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 jm.se/investors

REVALUATION EFFECTS – HOUSING BUSINESS

SEK M	APRIL–JUNE 2020	JANUARY–MARCH 2020	OCTOBER–DECEMBER 2019	JULY–SEPTEMBER 2019	APRIL–JUNE 2019
JM Residential Stockholm	13	–30	17	–12	–59
JM Residential Sweden	190	135	161	139	166
JM International	33	41	77	71	36
Total	**236**	**146**	**255**	**198**	**143**

OPERATING CASH FLOW BY BUSINESS SEGMENT

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	2020	2019	2020	2019	2019/2020	2019
JM Residential Stockholm	538	199	207	–85	1,457	1,118
JM Residential Sweden	182	143	74	78	596	557
JM International	247	260	285	133	–452	–439
JM Property Development	–221	–212	–120	–116	445	454
JM Construction	–19	135	–24	–107	–100	54

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	6/30/2020	6/30/2019	12/31/2019
JM Residential Stockholm	4,816	5,132	4,949
JM Residential Sweden	1,532	1,549	1,461
JM International	2,347	2,261	2,497
JM Property Development	10	10	10
JM Construction	19	31	21
Total	**8,724**	**8,983**	**8,938**

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	6/30/2020	6/30/2019	12/31/2019
JM Residential Stockholm	12,800	13,500	12,800
JM Residential Sweden	10,500	10,500	10,500
JM International	14,200	11,700	11,800
JM Property Development [1)]	1,100	800	800
Total	**38,600**	**36,500**	**35,900**
Including those carried in the balance sheet (development properties)			
JM Residential Stockholm	7,800	8,400	7,800
JM Residential Sweden	6,800	6,900	6,600
JM International	6,900	5,800	6,600
JM Property Development [1)]	100	100	100
Total	**21,600**	**21,200**	**21,100**

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
NUMBER	2020	2019	2020	2019	2019/2020	2019
JM Residential Stockholm	567	506	220	268	1,181	1,120
JM Residential Sweden	578	487	278	244	1,175	1,084
JM International	302	555	144	369	762	1,015
JM Property Development [1)]	-	-	-	-	376	376
Total	**1,447**	**1,548**	**642**	**881**	**3,494**	**3,595**

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

ACCORDING TO SEGMENT REPORTING

HOUSING STARTS BY BUSINESS SEGMENT

NUMBER	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
JM Residential Stockholm	498	375	258	286	1,112	989
JM Residential Sweden	537	515	276	244	1,117	1,095
JM International	333	332	197	286	1,043	1,042
JM Property Development [1]	-	143	-	143	-	143
Total	**1,368**	**1,365**	**731**	**959**	**3,272**	**3,269**

RESIDENTIAL UNITS IN CURRENT PRODUCTION

NUMBER	6/30/2020	6/30/2019	12/31/2019
JM Residential Stockholm	2,843	3,001	3,171
JM Residential Sweden	1,961	2,366	1,994
JM International	1,982	1,726	2,048
JM Property Development [1]	463	736	600
Total	**7,249**	**7,829**	**7,813**

PROJECT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	6/30/2020	6/30/2019	12/31/2019
Properties under development	746	1,041	801
Completed rental unit properties	866	813	587
Completed commercial properties	31	11	11
Total	**1,643**	**1,865**	**1,399**

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Opening balance at beginning of period	**8,938**	**8,306**	**8,594**	**8,911**	**8,983**	**8,306**
New purchases	670	879	397	142	1,536	1,745
Transferred to production	–750	–256	–302	–77	–1,562	–1,068
Other	–134	54	35	7	–233	–45
Closing balance at the end of the period	**8,724**	**8,983**	**8,724**	**8,983**	**8,724**	**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 för 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	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	3,662	3,814	4,311	3,768	3,944	3,669
Production and operating costs	–3,036	–3,105	–3,520	–3,108	–3,212	–3,154
Gross profit	**626**	**709**	**791**	**660**	**732**	**515**
Selling and administrative expenses	–269	–244	–254	–212	–260	–240
Gains/losses on the sale of property	-	18	22	182	34	38
Operating profit	**357**	**483**	**559**	**630**	**506**	**313**
Financial income and expenses	–17	–21	–18	–22	–18	–22
Profit before tax	**340**	**462**	**541**	**608**	**488**	**291**
Taxes	–74	–98	–99	–94	–102	–63
Profit for the period	**266**	**364**	**442**	**514**	**386**	**228**
CONSOLIDATED BALANCE SHEET	**6/30**	**3/31**	**12/31**	**9/30**	**6/30**	**3/31**
ASSETS						
Non-current assets	**200**	**193**	**219**	**221**	**221**	**220**
Project properties	1,643	1,498	1,399	1,286	1,865	1,743
Development properties	8,724	8,594	8,938	9,170	8,983	8,911
Participations in tenant-owners associations, etc.	603	438	366	422	296	434
Current receivables	3,796	4,007	4,274	4,013	3,993	4,040
Cash and cash equivalents	2,572	2,684	2,397	1,955	1,168	2,150
Total current assets	**17,338**	**17,221**	**17,374**	**16,846**	**16,305**	**17,278**
Total assets	**17,538**	**17,414**	**17,593**	**17,067**	**16,526**	**17,498**
EQUITY AND LIABILITIES						
Equity	**7,430**	**7,561**	**7,326**	**6,866**	**6,597**	**7,083**
Non-current interest-bearing liabilities	293	267	425	418	314	171
Other non-current liabilities	751	749	765	798	770	770
Non-current provisions	3,280	3,151	3,223	3,652	3,296	3,128
Total non-current liabilities	**4,324**	**4,167**	**4,413**	**4,868**	**4,380**	**4,069**
Current interest-bearing liabilities	806	899	690	741	502	688
Other current liabilities	4,837	4,652	5,030	4,448	4,904	5,529
Current provisions	141	135	134	144	143	129
Total current liabilities	**5,784**	**5,686**	**5,854**	**5,333**	**5,549**	**6,346**
Total equity and liabilities	**17,538**	**17,414**	**17,593**	**17,067**	**16,526**	**17,498**
CASH FLOW STATEMENT	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
From operating activities	404	188	474	446	–97	468
From investing activities	0	–1	–2	–6	–1	2
From financing activities	–516	105	–28	349	–888	–9
Total cash flow for the period	**–112**	**292**	**444**	**789**	**–986**	**461**
Cash and cash equivalents at end of the period	**2,572**	**2,684**	**2,397**	**1,955**	**1,168**	**2,150**
INTEREST-BEARING NET LIABILITIES/RECEIVABLES	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Interest-bearing net liabilities(+)/receivables(–) at beginning of period	**198**	**420**	**951**	**1,155**	**130**	**546**
Change in interest-bearing net liabilities/receivables	49	–222	–531	–204	1,025	–416
Interest-bearing net liabilities(+)/receivables(–) at end of the period	**247**	**198**	**420**	**951**	**1,155**	**130**
DEVELOPMENT PROPERTIES	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Carrying amount at beginning of period	**8,594**	**8,938**	**9,170**	**8,983**	**8,911**	**8,306**
New purchases	397	273	285	581	142	737
Transferred to production	–302	–448	–458	–354	–77	–179
Other	35	–169	–59	–40	7	47
Carrying amount at end of period	**8,724**	**8,594**	**8,938**	**9,170**	**8,983**	**8,911**
KEY RATIOS	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Operating margin, %	9.7	12.7	13.0	16.7	12.8	8.5
Debt/equity ratio, multiple	0.0	0.0	0.1	0.1	0.2	0.0
Equity/assets ratio, %	42	43	42	40	40	40
Earnings per share, SEK	3.80	5.20	6.30	7.40	5.50	3.30
Number of available building rights	38,600	35,900	35,900	36,400	36,500	36,400
Number of residential units sold	642	805	941	1,106	881	667
Number of housing starts	731	637	1,107	797	959	406
Number of residential units in current production	7,249	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	**Q 2**	**Q 1**	**Q4**	**Q 3**	**Q 2**	**Q 1**
Revenue	1,403	1,622	1,551	1,259	1,330	1,435
Operating profit [1]	192	250	262	209	216	229
Operating margin, %	13.7	15.4	16.9	16.6	16.2	16.0
Average operating capital	5,682	5,740	5,811	5,802	5,754	5,668
Return on operating capital, % [2]	16.1	16.3	15.8	15.3	15.8	16.7
Operating cash flow	207	331	598	321	–85	284
Carrying amount, development properties	4,816	4,812	4,949	5,049	5,132	5,042
Number of available building rights	12,800	12,900	12,800	13,000	13,500	13,400
Number of residential units sold	220	347	353	261	268	238
Number of housing starts	258	240	336	278	286	89
Number of residential units in current production	2,843	3,035	3,171	3,112	3,001	3,042
[1] Of which property sales	-	-	-	*0*	-	-
JM RESIDENTIAL SWEDEN	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	1,093	1,050	1,185	974	1,199	1,110
Operating profit [1]	169	166	189	157	193	180
Operating margin, %	15.5	15.8	15.9	16.1	16.1	16.2
Average operating capital	1,274	1,226	1,183	1,164	1,096	1,042
Return on operating capital, % [2]	53.5	57.5	60.8	62.8	66.6	68.9
Operating cash flow	74	108	287	127	78	65
Carrying amount, development properties	1,532	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	10,500
Number of residential units sold [3]	278	300	313	284	244	243
Number of housing starts [4]	276	261	291	289	244	271
Number of residential units in current production	1,961	1,930	1,994	2,426	2,366	2,547
[1] Of which property sales	-	-	-	-	-	-
[3] Of which residential units to investors	*69*	-	-	-	-	-
[4] Of which residential units to investors	*69*	-	-	-	-	-
JM INTERNATIONAL	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	896	882	1,275	981	905	860
Operating profit [1]	19	51	116	75	66	98
Operating margin, %	2.1	5.8	9.1	7.6	7.3	11.4
Average operating capital	3,395	3,368	3,229	3,064	2,967	2,888
Return on operating capital, % [2]	7.7	9.1	11.0	11.4	12.1	13.0
Operating cash flow	285	–38	–239	–460	133	127
Carrying amount, development properties	2,347	2,292	2,497	2,538	2,261	2,261
Carrying amount, project properties	25	4	5	5	5	5
Number of available building rights	14,200	11,600	11,800	12,100	11,700	11,700
Number of residential units sold [3]	144	158	275	185	369	186
Number of housing starts [4]	197	136	480	230	286	46
Number of residential units in current production	1,982	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	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	35	35	40	134	29	24
Operating profit [1]	–6	3	3	179	6	6
Average operating capital	1,523	1,545	1,570	1,574	1,583	1,447
Return on operating capital, % [2]	11.8	12.4	12.4	12.5	1.3	1.0
Operating cash flow	–120	–101	–112	778	–116	–96
Carrying amount, development properties	10	10	10	10	10	10
Carrying amount, project properties	1,618	1,494	1,394	1,281	1,860	1,738
Number of available building rights [3]	1,100	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]	463	600	600	736	736	593
[1] Of which property sales	-	-	-	*170*	-	-
[3] Refers to rental units and residential care units.						
JM CONSTRUCTION	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	320	296	347	482	550	312
Operating profit [1]	–2	22	0	14	34	–189
Operating margin, %	–0.6	7.4	0.0	2.9	6.2	–60.6
Operating cash flow	–24	5	–1	–80	–107	242
[1] Of which sale of properties and operations	-	*18*	*22*	*12*	*34*	-
JM OTHER	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue (elimination)	–85	–71	–87	–62	–69	–72
Operating profit (Group-wide expenses)	–15	–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–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Revenue	7,400	7,481	3,547	3,882	15,524	15,605
Production and operating costs	–6,035	–6,221	–2,908	–3,139	–12,564	–12,750
Gross profit	**1,365**	**1,260**	**639**	**743**	**2,960**	**2,855**
Selling and administrative expenses	–518	–507	–271	–265	–990	–979
Gains/losses on the sale of property [1]	18	72	-	34	52	106
Operating profit	**865**	**825**	**368**	**512**	**2,022**	**1,982**
Financial income and expenses	–56	–49	–24	–23	–107	–100
Profit before tax	**809**	**776**	**344**	**489**	**1,915**	**1,882**
Taxes	–168	–165	–75	–104	–359	–356
Profit for the period	**641**	**611**	**269**	**385**	**1,556**	**1,526**
Other comprehensive income						
Items that will be reclassified as income						
Translation differences from the translation of foreign operations	–94	97	23	28	–150	41
Items that will not be reclassified as income						
Restatement of defined-benefit pensions	14	–111	13	–89	–192	–317
Tax attributable to other comprehensive income	–3	23	–3	19	39	65
Comprehensive income for the period	**558**	**620**	**302**	**343**	**1,253**	**1,315**
Net profit for the period is attributable to shareholders of the Parent Company	641	611	269	385	1,556	1,526
Comprehensive income for the period is attributable to shareholders of the Parent Company	558	620	302	343	1,253	1,315
Earnings per share [2], basic, is attributable to shareholders of the Parent Company, SEK	9.20	8.80	3.90	5.50	22.40	21.90
Earnings per share [2], diluted, is attributable to shareholders of the Parent Company, SEK	9.20	8.80	3.90	5.50	22.30	21.90
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	*69,996,413*	*69,924,046*	*70,024,336*	*69,955,656*	*69,982,452*	*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	6/30/2020	6/30/2019	12/31/2019
ASSETS			
Non-current assets [1]	**382**	**470**	**419**
Project properties	1,643	1,865	1,399
Development properties	8,724	8,983	8,938
Right-of-use leasehold rights	582	277	650
Participations in tenant-owners associations, etc.	603	296	366
Work in progress	3,577	3,201	3,781
Current receivables	5,343	4,791	5,022
Cash and cash equivalents	2,572	1,168	2,397
Total current assets	**23,044**	**20,581**	**22,553**
Total assets	**23,426**	**21,051**	**22,972**
EQUITY AND LIABILITIES [2] [3] [4] [5]			
Equity	**7,250**	**6,431**	**7,126**
Non-current interest-bearing liabilities	1,179	995	1,359
Other non-current liabilities	751	770	765
Non-current provisions	3,243	3,262	3,187
Total non-current liabilities	**5,173**	**5,027**	**5,311**
Current interest-bearing liabilities	6,017	4,378	5,320
Other current liabilities	4,845	5,072	5,081
Current provisions	141	143	134
Total current liabilities	**11,003**	**9,593**	**10,535**
Total equity and liabilities	**23,426**	**21,051**	**22,972**
Pledged assets	433	481	475
Contingent liabilities	7,845	9,693	9,547
[1] *Of which right-of-use offices and cars*	*182*	*249*	*200*
[2] *Of which project financing JM International*	*3,053*	*2,626*	*3,093*
[3] *Of which project financing JM Residential Stockholm and JM Residential Sweden*	*2,361*	*1,574*	*1,693*
[4] *Of which liabilities for property acquisition*	*1,147*	*1,216*	*949*
[5] *Of which current and non-current interest-bearing leasing liabilities*	*766*	*527*	*852*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	FULL-YEAR 2019
Opening balance at beginning of period	**7,126**	**6,644**	**6,644**
Total comprehensive income for the period	558	620	1,315
Dividend	–435	–835	–835
Equity component of convertible debentures	1	2	2
Closing balance at the end of the period	**7,250**	**6,431**	**7,126**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO IFRS, SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Cash flow from operating activities before change in working capital and taxes [1] [2]	**–159**	**807**	**–232**	**489**	**–306**	**660**
Paid tax	–264	–272	–99	–141	–425	–433
Investment in development properties	–473	–720	–128	–457	–1,572	–1,819
Payment on account for development properties	189	164	111	138	562	537
Investment in project properties	–245	–229	–145	–122	–442	–426
Sale of project properties	-	-	-	-	865	865
Change in current liabilities/receivables	258	–319	366	–369	–210	–787
Cash flow from operating activities [3]	**–694**	**–569**	**–127**	**–462**	**–1,528**	**–1,403**
Cash flow from investing activities	**–1**	**1**	**0**	**–1**	**–9**	**–7**
Loans raised	139	138	34	125	659	658
Amortization of debt	–166	–252	–141	–207	–416	–502
Loans raised, project financing [3]	2,303	1,433	1,321	593	4,792	3,922
Amortization of debt, project financing [3]	–966	–441	–764	–199	–1,650	–1,125
Dividend	–435	–835	–435	–835	–435	–835
Cash flow from financing activities	**875**	**43**	**15**	**–523**	**2,950**	**2,118**
Cash flow for the period	**180**	**–525**	**–112**	**–986**	**1,413**	**708**
Cash and cash equivalents at end of the period	**2,572**	**1,168**	**2,572**	**1,168**	**2,572**	**2,397**
[1] Of which the purchase of participations in tenant-owners associations and freehold residential units	*–835*	*–875*	*–444*	*–506*	*–1,940*	*–1,980*
[2] Of which the sale of participations in tenant-owners associations and freehold residential units	*572*	*1,101*	*241*	*637*	*1,742*	*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/out payments, 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 six months of 2020 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated accounts have been 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, are expected to have no or a small impact on JM's financial reporting.

SEGMENT REPORTING

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

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

In addition, JM International's project financing, as well as part of the financing of JM Residential Stockholm and JM Residential Sweden, is recorded as a deduction item to "Revenue less progress billings" or "Progress billings in excess of recognized revenue" and raised/repaid project financing is reported in the cash flow from operating activities.

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

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

ACCOUNTING FOR HOUSING DEVELOPMENT IN SWEDEN

The 2019 Annual Report described the ongoing investigation and the preliminary assessment from Finansinspektionen that tenant-owner associations cannot be considered independent from an IFRS perspective.

Finansinspektionen (FI) announced on May 20, 2020 its decision, in which the authority determined that the tenant-owners associations that JM develops should not be considered independent from an IFRS perspective and must therefore be consolidated in JM's consolidated financial statements. JM does not share FI's assessment, and even if a change in the accounting will not affect JM's segment reporting, project governance or risk profile, JM considers it to be of principle importance for the matter to be further assessed by a court of law. JM has therefore appealed FI's decision to the Administrative Court at the beginning of June 2020. The process to reach a final ruling is judged to potentially take several years.

IFRS is a principle-based framework, the application of which often requires judgments, and it is often possible in such complex matters as this to reach different conclusions. The tenant-owner associations' independence is fundamental for JM's business, and JM makes the assessment that the company's business model and structure enable the associations even from a financial reporting perspective to be considered independent.

The regulatory framework in this matter has not changed for many years. JM's opinion and assessment have been described in JM's financial statements and were also accepted for a long time by the stock exchange in its previous supervisory role. In addition to support from current and earlier auditors, JM also received support for its interpretation in the form of opinions from reputable experts.

JM considers segment reporting, which it continues to base on the percentage of completion method with the tenant-owners association as a customer, 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. FI's interpretation of the consolidated financial statements does not affect the Parent Company's financial reporting either, and revenue will continue to be reported over time (gradually).

FI's position on the tenant-owners associations' independence from a financial reporting perspective does not affect the associations' actual independence, either. JM considers the associations' boards of directors to be independent, and JM has never had any representation in the associations' boards of directors. This ensures strong consumer protection and provides a safeguard for home buyers.

In the annual reports for 2018 and 2019, JM provided disclosures regarding effects on earnings, equity and the tenant-owners associations' liabilities in the event that the tenant-owners associations would be consolidated. JM intends to continue to provide such disclosures.

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	FULL-YEAR 2019
Net sales	5,301	5,207	10,294
Production and operating costs	–4,194	–4,046	–8,021
Gross profit	**1,107**	**1,161**	**2,273**
Selling and administrative expenses	–372	–344	–652
Gains/losses on the sale of property	-	-	0
Operating profit	**735**	**817**	**1,621**
Financial income and expenses	56	77	151
Profit before appropriations and tax	**791**	**894**	**1,772**
Appropriations	–4	–241	–221
Profit before tax	**787**	**653**	**1,551**
Taxes	–154	–119	–292
Profit for the period	**633**	**534**	**1,259**

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	6/30/2020	6/30/2019	12/31/2019
Assets			
Non-current assets	1,706	1,363	1,680
Current assets	13,793	12,604	13,100
Total assets	**15,499**	**13,967**	**14,780**
Equity and liabilities			
Equity	4,115	3,190	3,916
Untaxed reserves	2,380	2,390	2,380
Provisions	1,507	1,753	1,453
Non-current liabilities	812	803	803
Current liabilities	6,685	5,831	6,228
Total equity and liabilities	**15,499**	**13,967**	**14,780**
Pledged assets	100	169	100
Contingent liabilities	8,597	9,572	10,263

Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–JUNE 2020	JANUARY–JUNE 2019	APRIL–JUNE 2020	APRIL–JUNE 2019	JULY–JUNE 2019/2020	FULL-YEAR 2019
Revenue for the period (segment reporting)	**7,476**	**7,613**	**3,662**	**3,944**	**15,555**	**15,692**
Restatement JM International	–76	–132	–115	–62	–760	–816
Reclassification property sale	-	-	-	-	729	729
Revenue for the period (IFRS)	**7,400**	**7,481**	**3,547**	**3,882**	**15,524**	**15,605**
Operating profit/loss for the period (segment reporting)	**840**	**819**	**357**	**506**	**2,029**	**2,008**
Restatement JM International	8	–1	3	3	–34	–43
Leases IFRS 16	17	7	8	3	27	17
Operating profit/loss for the period (IFRS)	**865**	**825**	**368**	**512**	**2,022**	**1,982**
Profit/loss for the period (segment reporting)	**630**	**614**	**266**	**386**	**1,586**	**1,570**
Restatement JM International	12	–2	3	–1	–28	–42
Leases IFRS 16	–1	–1	0	-	–2	–2
Profit/loss for the period (IFRS)	**641**	**611**	**269**	**385**	**1,556**	**1,526**

CONSOLIDATED BALANCE SHEET

SEK M	6/30/2020	6/30/2019	12/31/2019
Balance sheet total (segment reporting)	**17,538**	**16,526**	**17,593**
Restatement JM International	–290	–201	–257
Reclassification project financing JM International, interest-bearing	2,654	2,293	2,705
Reclassification project financing JM International, non-interest-bearing [1]	399	333	388
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,676	1,737	2,007
Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings	–315	–163	–314
Leases IFRS 16	764	526	850
Balance sheet total (IFRS)	**23,426**	**21,051**	**22,972**

[1] *Billing on account to customers.*

CONSOLIDATED EQUITY

SEK M	6/30/2020	6/30/2019	12/31/2019
Equity (segment reporting)	**7,430**	**6,597**	**7,326**
Restatement JM International	–178	–165	–198
Leases IFRS 16	–2	–1	–2
Equity (IFRS)	**7,250**	**6,431**	**7,126**

GROUP KEY FIGURES

%	6/30/2020	6/30/2019	12/31/2019
Equity/assets ratio (segment reporting)	**42**	**40**	**42**
Equity/assets ratio (IFRS)	**31**	**31**	**31**

CONSOLIDATED CASH FLOW

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	2020	2019	2020	2019	2019/2020	2019
Cash flow from operating activities (segment reporting)	**592**	**371**	**404**	**–97**	**1,512**	**1,291**
Reclassification project financing JM International	–114	–291	18	–159	–599	–776
Reclassification project financing JM Residential Stockholm and JM Residential Sweden, interest-bearing	–1,223	–700	–575	–234	–2,544	–2,021
Leases IFRS 16	51	51	26	28	103	103
Cash flow from operating activities (IFRS)	**–694**	**–569**	**–127**	**–462**	**–1,528**	**–1,403**

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	6/30/2020	6/30/2019	12/31/2019
Interest-bearing net liabilities (+)/receivables (–) at end of period (segment reporting)	**247**	**1,155**	**420**
Reclassification project financing JM International	2,654	2,293	2,705
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,676	1,737	2,007
Leases IFRS 16	767	527	852
Interest-bearing net liabilities (+)/receivables (–) at end of period (IFRS)	**6,344**	**5,712**	**5,984**

Stockholm July 14, 2020
JM AB (publ)

The Board of Directors and the CEO certify that the report for the first six months of the year gives a true and fair view of the Parent Company's and the Group's operations, position and results and describes the substantial risks and uncertainties faced by the Parent Company and the companies included in the Group.

Fredrik Persson
Chair of Board

Kaj-Gustaf Bergh
Member

Kerstin Gillsbro
Member

Camilla Krogh
Member

Olav Line
Member

Eva Nygren
Member

Thomas Thuresson
Member

Annica Ånäs
Member

Peter Olsson
Employee representative

Jan Strömberg
Employee representative

Johan Skoglund
President and CEO

This interim report has not been subject for review by the company's auditors.

JM in brief

BUSINESS CONCEPT

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

VISION

We are laying the foundations for a better life.

BUSINESS

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

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

JM should promote long-term sustainability work in all its operations. Annual sales total approximately SEK 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 and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CEST on July 14, 2020.

FOR MORE INFORMATION PLEASE CONTACT:

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Tel. +46 8 782 89 71

FINANCIAL CALENDAR

October 22, 2020	Interim Report January - September

PRESS RELEASES, Q2 2020

June 24	JM acquiring building rights in Södertälje, Stockholm
June 17	JM acquiring building rights in Malmö
June 5	Change in JM's Executive Management
May 26	JJM appeals Finansinspektionen's decision on consolidation of tenant-owners associations in the consolidated financial statements
May 25	Malin Lundgren new Director of Human Resources
May 20	Finansinspektionen finds that JM must consolidate tenant-owners associations in its consolidated financial statements according to IFRS
April 29	Mikael Åslund new Business Unit Manager for JM Property Development
April 29	JM selling and starting production on rental properties in Västerås for SEK 160M
April 28	Interim Report January - March 2020

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

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