Interim Report January–June 2021

JM GROUP

CONTINUED HIGH DEMAND AND STRONG SALES

JANUARY–JUNE 2021

Revenue decreased to SEK 7,056m (7,476).

Operating profit increased to SEK 1,015m (840). The operating margin increased to 14.4 percent (11.2).

Gains from sale of properties and from joint venture of SEK 178m (18) are included in the operating profit.

Profit before tax increased to SEK 984m (802). Profit after tax increased to SEK 812m (630).

Return on equity for the past twelve months amounted to 23.1 percent (22.6). Earnings per share for the first six months of the year amounted to SEK 11.60 (9.00).

Consolidated cash flow including net investment in properties amounted to SEK 884m (592).

The number of residential units sold increased to 2,471 (1,447), and housing starts increased to 1,727 (1,368).

APRIL–JUNE 2021

Revenue increased to SEK 3,719m (3,662).

Operating profit increased to SEK 609m (357). The operating margin increased to 16.4 percent (9.7).

Gains from sale of properties and from joint venture of SEK 167m (0) are included in the operating profit.

Profit before tax increased to SEK 594m (340). Profit after tax increased to SEK 503m (266).

Consolidated cash flow including net investment in properties amounted to SEK 792m (404).

The number of residential units sold increased to 1,210 (642), and housing starts increased to 800 (731).

ACCORDING TO SEGMENT REPORTING	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL YEAR
SEK M	2021	2020	2021	2020	2020/2021	2020
Revenue	7,056	7,476	3,719	3,662	14,968	15,388
Operating profit	1,015	840	609	357	2,203	2,028
Operating margin, %	14.4	11.2	16.4	9.7	14.7	13.2
Profit before tax	984	802	594	340	2,137	1,955
Cash flow from operating activities	884	592	792	404	2,007	1,715
Return on equity, %					23.1	20.8
Equity/assets ratio, %	47	42				47
Earnings per share, SEK	11.60	9.00	7.20	3.80	25.10	22.50
Number of residential units sold [1) 2)]	2,471	1,447	1,210	642	5,050	4,026
Number of housing starts [3) 4)]	1,727	1,368	800	731	3,558	3,199
Number of residential units in current production	7,353	7,249				7,976
Revenue according to IFRS	7,603	7,400	4,058	3,547	16,494	16,291
Operating profit according to IFRS	1,038	865	586	368	2,191	2,018
Earnings per share according to IFRS, SEK	11.80	9.20	6.80	3.90	24.60	22.00
[1)] *Of which rental units in JM Property Development*	*320*	–	*320*	–	*738*	*418*
[2)] *Of which residential units in JM International and JM Residential Sweden to investors*	*359*	*69*	*94*	*69*	*460*	*170*
[3)] *Of which rental units in JM Property Development*	–	–	–	–	–	–
[4)] *Of which residential units in JM International and JM Residential Sweden to investors*	*359*	*69*	*94*	*69*	*460*	*170*

For the Group's income statement and balance sheet in accordance with IFRS, IFRS 15 Revenue from Contracts with Customers is applied, which means that revenue and profit/loss from JM's operations outside of Sweden, JM International, are reported according to the completed contract method. Segment reporting and project management are reported according to the percentage of completion method. The Group's calculations according to IFRS are presented on pages 22-23.
For definitions of key financial figures, see "Definitions Key Financial Figures" at jm.se/investors.

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

Cover photo: Mellsteninhelmi, Espoo, Finland

Group

A WORD FROM THE CEO

CONTINUED HIGH DEMAND

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

Demand for rental properties was also very high during the quarter, which facilitated the successful sale of two rental properties in Stockholm, at a high price level, in total around SEK 1,300m with profit recognition during the second and fourth quarters, respectively, 2021.

The supply of newly produced residential units on the market remained at the same low level in Stockholm and the rest of Sweden in the second quarter 2021 at the same time as the transaction volume continued to increase.

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

Assuming that the market continues to be positive, there is a good possibility of exceeding the target level of 3,800 housing starts in 2021. An increased level of housing starts is a priority to continue to meet the high demand for JM's residential units.

STRONG SALES AND HOUSING STARTS ACCORDING TO PLAN IN STOCKHOLM

We have seen continued high demand in Stockholm in the second quarter, with good demand for residential units in ongoing production.

Sales in Stockholm continued to be strong with 332 residential units sold in the second quarter, compared to 357 in the first quarter. The housing business in Stockholm continued to have good profitability and housing starts according to plan during the second quarter due to strong sales. Revenue and the operating profit, however, continued to be negatively impacted during the year by the lower start levels for projects during the years 2018–2020 and the lower prices from 2017 until the first half of 2020. The level of land transfers to projects also continued to be low during the quarter.

STRONG SALES AND GOOD LEVEL OF HOUSING STARTS IN THE REST OF SWEDEN, NORWAY AND FINLAND

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

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

The international business also developed very well during the quarter in terms of both revenue and profit.

GOOD PROJECT PORTFOLIO AND STRONG FINANCIAL POSITION

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

Best wishes for a pleasant summer.

Johan Skoglund,
President and CEO

"We continued to have high demand in the second quarter, with strong sales at good price levels in all our markets"

MARKET, SALES AND HOUSING STARTS

JANUARY–JUNE 2021

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

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

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

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

The number of residential units sold in the form of signed contracts increased to 2,471 (1,447) [1) 2)]. The percentage of sold and reserved residential units in relation to current production amounted to 78 percent (65), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 689 residential units (567), JM Residential Sweden sold 621 (578), JM International sold 841 (302), and JM Property Development sold 320 (0).

The number of housing starts increased to 1,727 (1,368)[3) 4)]. JM Residential Stockholm started production on 537 residential units (498), JM Residential Sweden on 639 (537), JM International on 551 (333) and JM Property Development on 0 (0).

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

The number of residential units in current production increased to 7,353 (7,249), of which 335 are rental units (463) in JM Property Development.

[1)] *Of which 320 rental units (0) in JM Property Development*
[2)] *Of which 359 residential units (69) in JM International and JM Residential Sweden to investors*
[3)] *Of which 0 rental units (0) in JM Property Development*
[4)] *Of which 359 residential units (69) in JM International and JM Residential Sweden to investors*

REVENUE, OPERATING PROFIT AND OPERATING MARGIN

JANUARY–JUNE 2021

Consolidated revenue according to segment reporting for the first six months decreased to SEK 7,056m (7,476). Revenue restated according to IFRS increased to SEK 7,603m (7,400). The lower revenue according to segment reporting is primarily attributable to a lower level of current production and a low level of transferred land to projects in JM Residential Stockholm.

Operating profit according to segment reporting increased to SEK 1,015m (840), and the operating margin increased to 14.4 percent (11.2). Operating profit restated according to IFRS increased to SEK 1,038m (865). The restatement is related to JM International, with a positive effect on earnings of SEK 12m (8), and leases according to IFRS 16, with a positive effect on earnings of SEK 11m (17).

During the first six months, properties were sold for SEK 542m (30) with gains of SEK 162m (18), and income from joint venture amounted to SEK 16m (0), primarily attributable to value adjustments regarding rental properties.

Rental income from JM's project properties amounted to SEK 21m (39). Net rental income was SEK 10m (27).

JM has not received any state support during the first six months attributable to COVID-19.

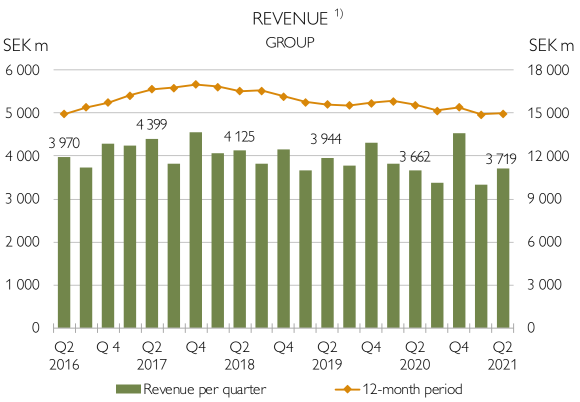
APRIL–JUNE 2021

Consolidated revenue according to segment reporting for the second quarter increased to SEK 3,719m (3,662). Revenue restated according to IFRS increased to SEK 4,058m (3,547).

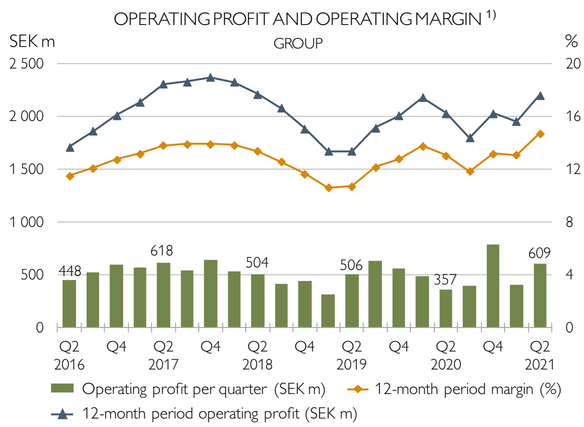
Operating profit according to segment reporting increased to SEK 609m (357), and the operating margin increased to 16.4 percent (9.7). Operating profit restated according to IFRS increased to SEK 586m (368). The restatement is related to JM International, with an effect on earnings of SEK −30m (3), and leases according to IFRS 16, with an effect on earnings of SEK 7m (8).

During the second quarter, properties were sold for SEK 541m (0) with gains/losses of SEK 161m (0), and income from joint venture amounted to SEK 6m (0), primarily attributable to value adjustments regarding rental properties.

Rental income from JM's project properties amounted to SEK 11m (20). Net rental income was SEK 6m (14).



[1)] *According to segment reporting*



[1)] *According to segment reporting*

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	378	442	196	192	862	926
JM Residential Sweden	337	335	177	169	659	657
JM International	165	70	98	19	371	276
JM Property Development	157	−3	153	−6	338	178
JM Construction	6	20	3	−2	17	31
Group-wide expenses	−28	−24	−18	−15	−44	−40
Total	**1,015**	**840**	**609**	**357**	**2,203**	**2,028**
Of which property sales	*162*	*18*	*161*	*–*	*331*	*187*
Of which income from joint venture	*16*	*–*	*6*	*–*	*20*	*4*

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	14.8	14.6	14.9	13.7	14.6	14.6
JM Residential Sweden	15.3	15.6	15.3	15.5	15.5	15.7
JM International	8.5	3.9	9.0	2.1	9.5	7.4
JM Construction	1.3	3.2	1.3	−0.6	1.6	2.5

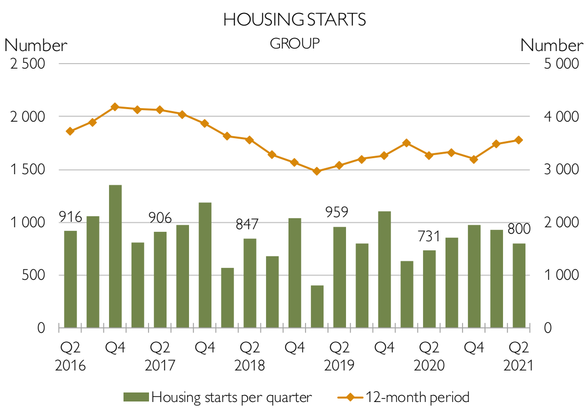
RESIDENTIAL UNITS IN CURRENT PRODUCTION	6/30/2021	6/30/2020	12/31/2020
Number of residential units in current production [1) 2)]	7,353	7,249	7,976
Percentage of sold residential units in current production, % [3)]	62	51	60
Percentage reserved residential units in current production, %	16	14	14
Percentage sold and reserved residential units in current production, %	78	65	74
[1)] *Of which rental units and residential care units in current production in JM Property Development — not included in the percentage of sold and reserved residential units in current production*	*335*	*463*	*463*
Including residential units in projects where costs incurred are only reported as project properties under construction	*320*	*320*	*320*

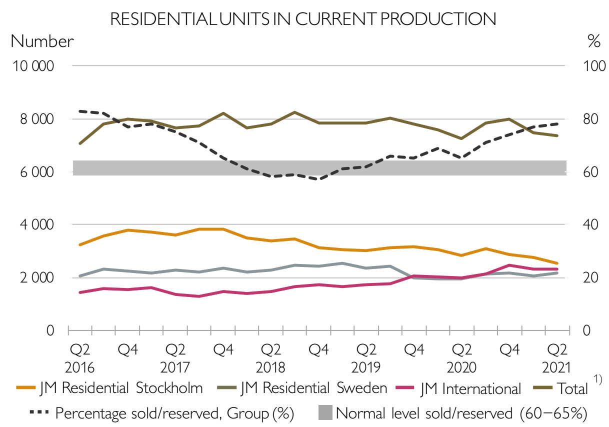
[2)] *Beginning with production start-up through final occupancy according to plan.*

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

UNSOLD UNITS	6/30/2021	6/30/2020	12/31/2020
Completed production, number of unsold units [1)]	97	186	143
The number of unsold residential units in the balance sheet recognized as "Participations in tenant-owners associations, etc."	70	137	85

[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 2021

The number of available building rights at the end of the first six months amounted to 37,300 (38,600), of which 19,700 (21,600) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units decreased to SEK 8,139m (8,705).

JM acquired development properties for residential units during the first six months of the year for SEK 828m (670), of which SEK 431m relates to JM Residential Stockholm, SEK 95m to JM Residential Sweden and SEK 302m to JM International.

FINANCIAL ITEMS

JANUARY–JUNE 2021

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

The total interest-bearing liability according to segment reporting was SEK 2,726m (2,819), of which the provision for pension liabilities comprised SEK 1,708m (1,720). At the end of the first six months, the average interest rate for the total interest-bearing loan stock including pension liabilities was 1.5 percent (1.8). The average term for fixed-rate loans excluding the pension liability was 0.4 years (0.4).

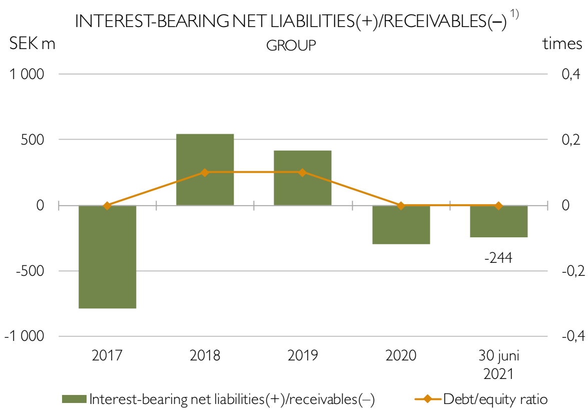
Consolidated available liquidity increased to SEK 5,769m (5,372). Aside from cash and cash equivalents of SEK 2,969m (2,572), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 2.6 years (2.8).

Interest-bearing net receivables including the pension liability according to segment reporting totaled SEK 244m (–247) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 502m (1,124). Of these liabilities, SEK 130m (373) were current.

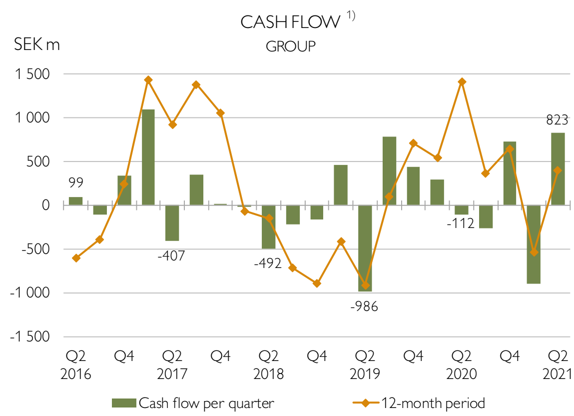
The valuation of financial assets and liabilities shows no significant difference between carrying amount and fair value.

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Financial income	1	3	0	1	4	6
Financial expenses	−32	−41	−15	−18	−70	−79
Financial income and expenses	**−31**	**−38**	**−15**	**−17**	**−66**	**−73**

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Interest-bearing net liabilities (+)/receivables(−) at beginning of period	**−300**	**420**	**449**	**198**	**247**	**420**
Change in interest-bearing net liabilities/-receivables	56	−173	−693	49	−491	−720
Interest-bearing net liabilities(+)/receivables(−) at end of period	**−244**	**247**	**−244**	**247**	**−244**	**−300**



1) According to segment reporting



1) Total cash flow for the period

CASH FLOW

JANUARY–JUNE 2021

Cash flow from operating activities according to segment reporting was SEK 884m (592). Net investments in development properties resulted in a cash flow of SEK –356m (342). The decreased holdings of unsold residential units in the balance sheet resulted in a cash flow of SEK 94m (–263). Consolidated cash flow attributable to project properties (sales minus investment) during the first six months was SEK 262m (–245), including payment received for property sales of SEK 550m.

APRIL–JUNE 2021

Cash flow from operating activities was SEK 792m (404) during the second quarter. Net investments in development properties resulted in a cash flow of SEK –128m (198). The decreased holdings of repurchased residential units resulted in a cash flow of SEK 138m (–203). Consolidated cash flow attributable to project properties (sales minus investment) was SEK 401m (–145), including payment received for property sales of SEK 550m.

RISKS AND UNCERTAINTY FACTORS

JM's risks and risk management are presented in the 2020 Annual Report on pages 32–37 and 83. Aside from the uncertainty from COVID-19, no significant changes have occurred that have affected these reported risks.

COVID-19 and its effects have created uncertainty and risks for some 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 at a high level. This, together with very limited disruptions in terms of staffing and supplier chains, presents possibilities for keeping the business reasonably stable even during a weaker market where the risks are judged to have decreased in 2021.

REPURCHASE AND HOLDINGS OF OWN SHARES

Following the Annual General Meeting on March 24, 2021, 385,400 shares were bought back for SEK 125m. Holdings of own shares subsequently total 385,400. The number of outstanding shares, excluding holdings of treasury shares, at June 30, 2021, totals 69,197,862.

PERSONNEL

The number of employees in the first six months decreased to 2,460 (2,555). The number of wage-earners decreased to 908 (990), and the number of salaried employees was 1,552 (1,565). Current staffing is aligned with the current and increasing project volume, and adjustments are made on a regular basis. Demand on the labor market for qualified project development skills continued to be strong.

Business Segments
JM Residential Stockholm

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

The average prices on the existing home market continued to increase during the second quarter. The total supply of residential units has been high, and the supply of newly produced residential units continued to be at a low level in the second quarter.

Competition for well-situated land for housing is considered to have increased during the second quarter. Prices continued to be at a level that requires selective acquisition.

The housing market in Stockholm continued to improve during the second quarter. Customers are showing strong interest in JM's projects, with very good sales during the second quarter. The willingness of customers to sign a contract early in the process is still at a normal level.

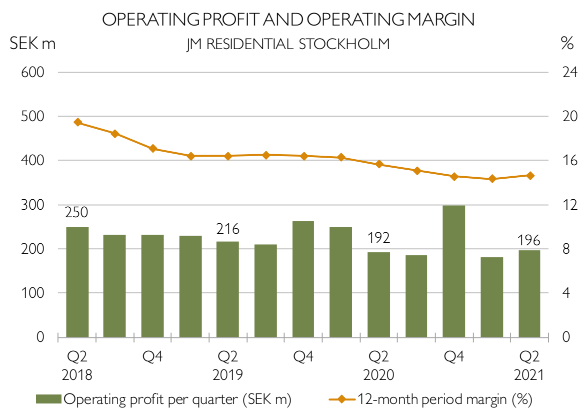
Profitability has remained good based on the good sales level. Revenue and the operating profit, however, continues to be negatively impacted during the year by the lower start levels for projects during the years 2018–2020 and the lower prices from 2017 until the first half of 2020. The level of land transfers to projects also continued to be low during the second quarter.

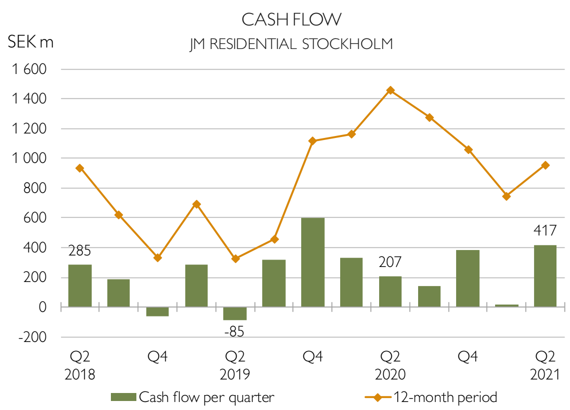
A decrease in working capital had a positive impact on cash flow for the first six months.

Production was started in the second quarter on 239 residential units in apartment buildings in Järfälla, Nacka, Stockholm and Täby.

During the second quarter, JM purchased approximately 100 building rights in Huddinge.

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	**2021**	**2020**	**2021**	**2020**	**2020/2021**	**2020**
Revenue	2,560	3,025	1,312	1,403	5,893	6,358
Operating profit	378	442	196	192	862	926
Operating margin, %	14.8	14.6	14.9	13.7	14.6	14.6
Average operating capital					5,157	5,372
Return on operating capital, %					16.7	17.2
Operating cash flow	433	538	417	207	959	1,064
Carrying amount, development properties	4,361	4,816				4,246
Number of available building rights	11,500	12,800				12,500
Number of residential units sold	689	567	332	220	1,462	1,340
Number of housing starts	537	498	239	258	1,071	1,032
Number of residential units in current production	2,526	2,843				2,878
Number of employees	810	897				872





JM Residential Sweden

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

Average prices on the existing home market were stable in the second quarter, as prices on each submarket increased slightly or remained the same.

The total supply of newly produced homes remained at an unchanged, low level compared to the previous quarter. The supply of newly produced homes in Gothenburg and Malmö was at a lower level, and in Uppsala the supply was at the same low level as in the corresponding period last year.

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

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

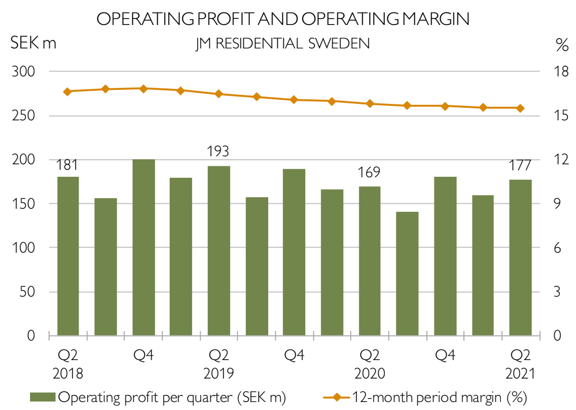
Operating profit and operating margin were in line with the previous year. Demand is high and the price development is positive in basically all submarkets for JM's resedential units.

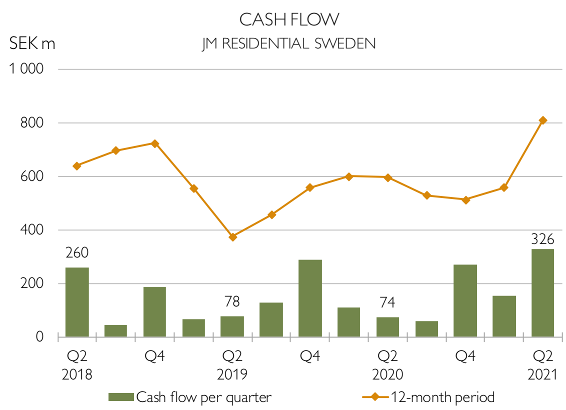
A decrease in working capital had a positive impact on cash flow for the first six months.

Production was started in the second quarter on 362 residential units, all of them in apartment buildings in Lund, Gothenburg and Uppsala.

Around 400 building rights were acquired in Lomma, Knivsta, and Uppsala.

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	2021	2020	2021	2020	2020/2021	2020
Revenue	2,196	2,143	1,154	1,093	4,246	4,193
Operating profit	337	335	177	169	659	657
Operating margin, %	15.3	15.6	15.3	15.5	15.5	15.7
Average operating capital					1,339	1,307
Return on operating capital, %					49.2	50.3
Operating cash flow	480	182	326	74	810	512
Carrying amount, development properties	1,439	1,532				1,451
Number of available building rights	10,400	10,500				9,900
Number of residential units sold [1]	621	578	263	278	1,251	1,208
Number of housing starts [2]	639	537	362	276	1,174	1,072
Number of residential units in current production	2,178	1,961				2,172
Number of employees	580	599				591
[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 was higher than in the previous year. Operating profit and the operating margin increased to SEK 165m (70) and 8.5 percent (3.9), respectively. The higher profit is primarily explained by a strong market and good sales. The corresponding period the previous year was burdened by costs for adapting the Norwegian operations to then-current market conditions.

Cash flow during the first six months is in balance taking into consideration investments in development properties.

NORWAY

Prices on the existing home market have been stable during the second quarter, and the activity level was high.

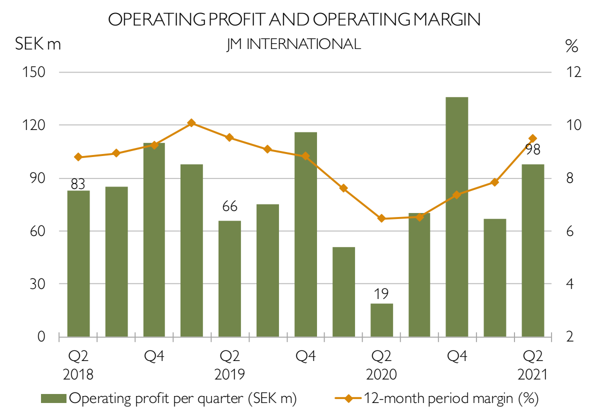
JM Norway's revenue amounted to SEK 1,311m (1,323), and operating profit increased to SEK 119m (49). The operating margin increased to 9.1 percent (3.7).

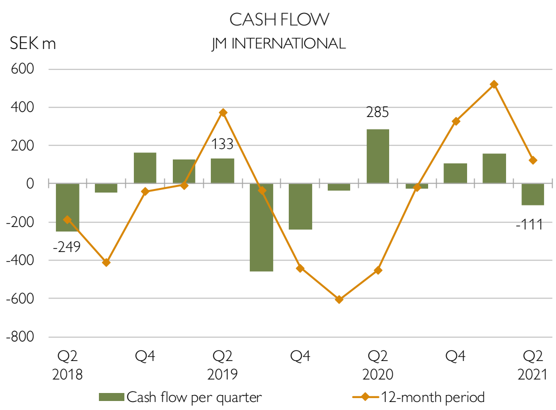
Good sales during the second quarter strengthened the operating profit and the operating margin.

During the second quarter, 137 residential units (86) were sold, and production started on 75 residential units (115) in the Oslo region and Vestfold. The number of residential units in current production amounted to 1,103 (1,315).

During the second quarter, 385 building rights were acquired. Available building rights correspond to 8,500 residential units (8,600)

SEK M	JANUARY–JUNE 2021	2020	APRIL–JUNE 2021	2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Revenue	1,940	1,778	1,084	896	3,909	3,747
- of which JM Norway	*1,311*	*1,323*	*675*	*649*	*2,704*	*2,716*
Operating profit [1]	165	70	98	19	371	276
- of which JM Norway	*119*	*49*	*67*	*8*	*275*	*205*
Operating margin, %	8.5	3.9	9.0	2.1	9.5	7.4
- of which JM Norway	*9.1*	*3.7*	*9.9*	*1.2*	*10.2*	*7.5*
Average operating capital					3,336	3,400
Return on operating capital, %					11.1	8.1
Operating cash flow	45	247	−111	285	124	326
Carrying amount, development properties	2,329	2,347				2,108
Carrying amount, project properties	111	25				33
Number of available building rights	14,000	14,200				14,200
Number of residential units sold [2]	841	302	295	144	1,599	1,060
Number of housing starts [3]	551	333	199	197	1,313	1,095
Number of residential units in current production	2,314	1,982				2,463
Number of employees	526	526				530
[1] *Of which property sales*	*1*	–	–	–	–	*−1*
[2] *Of which residential units to investors*	*359*	–	*94*	–	*460*	*101*
[3] *Of which residential units to investors*	*359*	–	*94*	–	*460*	*101*





FINLAND

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

JM Finland is recognizing a positive development in earnings.

During the second quarter, 158 residential units (58) were sold, and production started on 124 residential units (82). Of the sold residential units and housing starts, 94 are residential units to investors. The number of residential units in current production amounted to 1,211 (667).

During the second quarter, 128 building rights were acquired in a new region for JM, Tammerfors. Available building rights correspond to 5,500 residential units (5,600).

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 117m (70), of which rental income was SEK 21m (38). Contracting revenue and sales of services amounted to SEK 96m (32). Operating profit increased to SEK 157m (–3), of which income from joint venture was SEK 16m (0), primarily attributable to value adjustments regarding rental properties.

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

Net rental income for project properties was SEK 10m (27).

Cash flow during the first six months was impacted by investments in project properties and the sale of a project property in the second quarter.

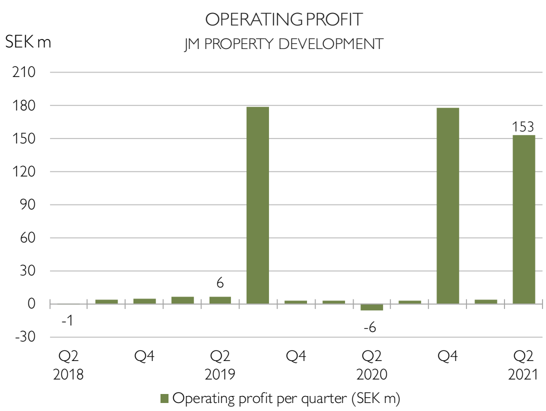
During the second quarter, the completed rental property Manegen i Täby, with 128 residential units, and one rental property in current production, Havreflingan in Järfälla with 192 residential units, were sold. The legal title for Manegen was transferred in second quarter 2021, and the legal title for Havreflingan will be transferred and with profit recognition in the fourth quarter 2021. The gains from the sale of Manegen amounted to SEK 161m in the second quarter 2021, with a positive effect on cash flow of SEK 550m.

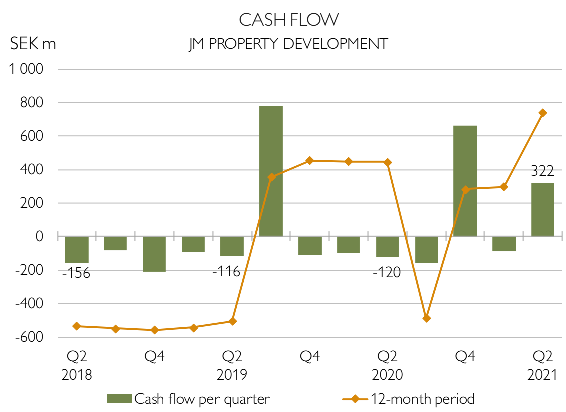
Production continues for another rental project, Valla Park in Sundbyberg, consisting of 143 rental units. Occupancy and completion are planned for 2022, and the legal title for the rental property will be transferred to the external orderer in conjunction with completion.

In the first quarter, production was started on the office project K1 Karlbergs Strand in Karlberg, Solna, on JM's own balance sheet, covering approximately 20,000 m^2. The majority of the property will serve as JM's new head office.

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Revenue	117	70	65	35	216	169
Operating profit [1) 2)]	157	−3	153	−6	338	178
Average operating capital					1,460	1,513
Return on operating capital, %					23.1	11.8
Operating cash flow	234	−221	322	−120	739	284
Carrying amount, development properties	10	10				10
Carrying amount, project properties	1,158	1,618				1,213
Number of available building rights [3)]	1,400	1,100				1,200
Number of residential units sold [3)]	320	–	320	–	738	418
Number of housing starts [3)]	–	–	–	–	–	–
Number of residential units in current production [3)]	335	463				463
Number of employees	80	71				78
1) Of which property sales	*161*	–	*161*	–	*331*	*170*
2) Of which income from joint venture	*16*	–	*6*	–	*20*	*4*

3) Refers to rental units and residential care units.





JM Construction

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

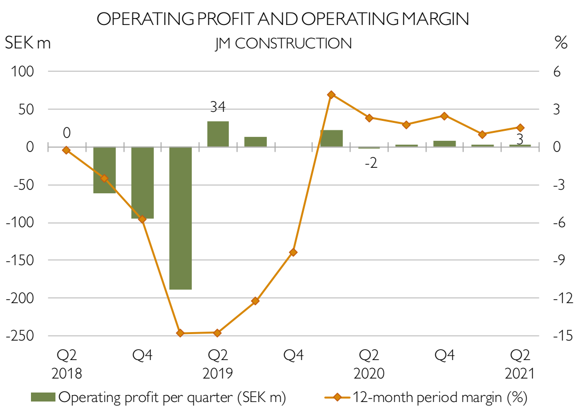
Demand in the civil engineering market in Stockholm is at a good level but with greater competition for the assignments. Business segment revenue decreased due to lower external activity for JM in the civil engineering operations, where profitability is prioritized over volume. The business segment focuses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

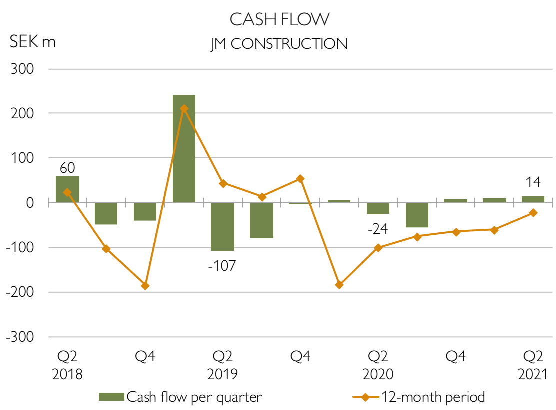
Cash flow during the first six months is in balance.

The business segment received in the second quarter a number of external assignments in the civil engineering operations, of which the largest is ground and foundation works in Ursvik Västra for the City of Sundbyberg.

The largest ongoing external assignments are the infrastructure project in Tyresö (Tyresö Municipality), groundworks for Arlanda Terminal 5 (IN3PRENÖR AB), detailing work in Norra Djurgårdsstaden (City of Stockholm) and the restoration and renovation of an existing road network in Huddinge (Huddinge Municipality). The business segment also has several ongoing internal projects.

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	2021	2020	2021	2020	2020/2021	2020
Revenue [1]	456	616	226	320	1,093	1,253
Operating profit [2]	6	20	3	−2	17	31
Operating margin, %	1.3	3.2	1.3	−0.6	1.6	2.5
Operating cash flow	24	−19	14	−24	−22	−65
Carrying amount, development properties	16	19				16
Number of employees	261	269				257
[1] *Of which internal*	*213*	*156*	*122*	*85*	*389*	*332*
[2] *Of which property sales*	*0*	*18*	*0*	*–*	*0*	*18*





Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Revenue	7,056	7,476	3,719	3,662	14,968	15,388
Production and operating costs	–5,683	–6,141	–2,980	–3,036	–12,149	–12,607
Gross profit	**1,373**	**1,335**	**739**	**626**	**2,819**	**2,781**
Selling and administrative expenses	–536	–513	–297	–269	–967	–944
Gains/losses on the sale of property, etc. [1]	178	18	167	–	351	191
Operating profit	**1,015**	**840**	**609**	**357**	**2,203**	**2,028**
Financial income and expenses	–31	–38	–15	–17	–66	–73
Profit before tax	**984**	**802**	**594**	**340**	**2,137**	**1,955**
Taxes	–172	–172	–91	–74	–380	–380
Profit for the period	**812**	**630**	**503**	**266**	**1,757**	**1,575**
Other comprehensive income	191	–92	–9	37	68	–215
Comprehensive income for the period	**1,003**	**538**	**494**	**303**	**1,825**	**1,360**
Earnings per share [2] , diluted, SEK	11.60	9.00	7.20	3.80	25.10	22.50
Average number of shares, diluted	*70,000,876*	*69,996,413*	*69,912,694*	*70,024,336*	*70,045,823*	*70,061,421*
[1] *Of which income from joint venture*	*16*	*–*	*6*	*–*	*20*	*4*

[2] *Net profit/loss for the period.*

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	6/30/2021	6/30/2020	12/31/2020
ASSETS			
Non-current assets	**336**	**200**	**278**
Project properties	1,269	1,643	1,246
Development properties	8,155	8,724	7,831
Participations in tenant-owners associations, etc.	375	603	445
Current receivables [1]	3,569	3,796	3,828
Cash and cash equivalents	2,969	2,572	3,037
Total current assets	**16,337**	**17,338**	**16,387**
Total assets	**16,673**	**17,538**	**16,665**
EQUITY AND LIABILITIES [2]			
Equity	**7,808**	**7,430**	**7,817**
Non-current interest-bearing liabilities	281	293	354
Other non-current liabilities	373	751	372
Non-current provisions	3,012	3,280	3,290
Total non-current liabilities	**3,666**	**4,324**	**4,016**
Current interest-bearing liabilities	737	806	579
Other current liabilities	4,313	4,837	4,120
Current provisions	149	141	133
Total current liabilities	**5,199**	**5,784**	**4,832**
Total equity and liabilities	**16,673**	**17,538**	**16,665**
[1] *Of which receivables from property sales*	*0*	*51*	*1*
[2] *Of which liabilities for property acquisition*	*526*	*1,147*	*459*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	FULL-YEAR 2020
Opening balance at beginning of period	**7,817**	**7,326**	**7,326**
Total comprehensive income for the period	1,003	538	1,360
Dividend	−887	−435	−870
Buy-back of shares	−125	–	–
Equity component of convertible debentures	–	1	1
Closing balance at the end of the period	**7,808**	**7,430**	**7,817**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Cash flow from operating activities before change in working capital and taxes [1] [2]	**944**	**652**	**558**	**249**	**2,012**	**1,720**
Paid tax	−328	−264	−135	−99	−548	−484
Investment in development properties	−791	−473	−377	−128	−1,847	−1,529
Payment on account for development properties	435	815	249	326	1,630	2,010
Investment in project properties	−288	−245	−149	−145	−734	−691
Sale of project properties	550	–	550	–	1,610	1,060
Change in current liabilities/receivables	362	107	96	201	−116	−371
Cash flow from operating activities	**884**	**592**	**792**	**404**	**2,007**	**1,715**
Cash flow from investing activities	**0**	**−1**	**−1**	**0**	**−78**	**−79**
Loans raised	359	139	343	34	673	453
Amortization of debt	−301	−115	−186	−115	−757	−571
Buy-back of shares	−125	–	−125	–	−125	–
Dividend	−887	−435	–	−435	−1,322	−870
Cash flow from financing activities	**−954**	**−411**	**32**	**−516**	**−1,531**	**−988**
Cash flow for the period	**−70**	**180**	**823**	**−112**	**398**	**648**
Cash and cash equivalents at end of the period	**2,969**	**2,572**	**2,969**	**2,572**	**2,969**	**3,037**
[1] Of which the purchase of participations in tenant-owners associations and freehold residential units	*−424*	*−835*	*−147*	*−444*	*−814*	*−1,225*
[2] Of which the sale of participations in tenant-owners associations and freehold residential units	*518*	*572*	*285*	*241*	*1,094*	*1,148*

GROUP KEY FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Operating margin	14.4	11.2	16.4	9.7	14.7	13.2
Return on equity					23.1	20.8
Return on capital employed					21.2	19.6
Debt/equity ratio, multiple	–	0.0				–
Equity/assets ratio	47	42				47

ACCORDING TO SEGMENT REPORTING

REVENUE BY COUNTRY

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Sweden	5,116	5,697	2,635	2,765	11,060	11,641
Norway	1,311	1,323	675	649	2,704	2,716
Finland	629	456	409	248	1,204	1,031
Belgium	–	–	0	–	0	0
Total	**7,056**	**7,476**	**3,719**	**3,662**	**14,968**	**15,388**

REVENUE BY BUSINESS SEGMENT

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	2,560	3,025	1,312	1,403	5,893	6,358
JM Residential Sweden	2,196	2,143	1,154	1,093	4,246	4,193
JM International	1,940	1,778	1,084	896	3,909	3,747
JM Property Development	117	70	65	35	216	169
JM Construction	456	616	226	320	1,093	1,253
Elimination	−213	−156	−122	−85	−389	−332
Total	**7,056**	**7,476**	**3,719**	**3,662**	**14,968**	**15,388**

OPERATING PROFIT BY BUSINESS SEGMENT

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	378	442	196	192	862	926
JM Residential Sweden	337	335	177	169	659	657
JM International	165	70	98	19	371	276
JM Property Development	157	−3	153	−6	338	178
JM Construction	6	20	3	−2	17	31
Group-wide expenses	−28	−24	−18	−15	−44	−40
Total	**1,015**	**840**	**609**	**357**	**2,203**	**2,028**

OPERATING MARGIN BY BUSINESS SEGMENT

%	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	14.8	14.6	14.9	13.7	14.6	14.6
JM Residential Sweden	15.3	15.6	15.3	15.5	15.5	15.7
JM International	8.5	3.9	9.0	2.1	9.5	7.4
JM Construction	1.3	3.2	1.3	−0.6	1.6	2.5

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

SEK M	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	5,157	5,372
JM Residential Sweden	1,339	1,307
JM International	3,336	3,400
JM Property Development	1,460	1,513

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

%	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	16.7	17.2
JM Residential Sweden	49.2	50.3
JM International	11.1	8.1
JM Property Development	23.1	11.8

ACCORDING TO SEGMENT REPORTING

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

SEK M	APRIL–JUNE 2021	JANUARY–MARCH 2021	OCT–DECEMBER 2020	JULY–SEPTEMBER 2020	APRIL–JUNE 2020
Cost-based effect	247	265	318	269	338
Revaluation effect	390	178	255	234	236
Sales effect	80	163	235	68	35
Total	**717**	**606**	**808**	**571**	**609**

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/en/about-us/investors

REVALUATION EFFECTS – HOUSING BUSINESS

SEK M	APRIL–JUNE 2021	JANUARY–MARCH 2021	OCT–DECEMBER 2020	JULY–SEPTEMBER 2020	APRIL–JUNE 2020
JM Residential Stockholm	93	−15	−31	36	13
JM Residential Sweden	191	135	166	136	190
JM International	106	58	120	62	33
Total	**390**	**178**	**255**	**234**	**236**

OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	433	538	417	207	959	1,064
JM Residential Sweden	480	182	326	74	810	512
JM International	45	247	−111	285	124	326
JM Property Development	234	−221	322	−120	739	284
JM Construction	24	−19	14	−24	−22	−65

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	6/30/2021	6/30/2020	12/31/2020
JM Residential Stockholm	4,361	4,816	4,246
JM Residential Sweden	1,439	1,532	1,451
JM International	2,329	2,347	2,108
JM Property Development	10	10	10
JM Construction	16	19	16
Total	**8,155**	**8,724**	**7,831**

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	6/30/2021	6/30/2020	12/31/2020
JM Residential Stockholm	11,500	12,800	12,500
JM Residential Sweden	10,400	10,500	9,900
JM International	14,000	14,200	14,200
JM Property Development [1)]	1,400	1,100	1,200
Total	**37,300**	**38,600**	**37,800**
Including those carried in the balance sheet (development properties)			
JM Residential Stockholm	6,700	7,800	7,300
JM Residential Sweden	5,800	6,800	6,300
JM International	6,700	6,900	6,500
JM Property Development [1)]	500	100	300
Total	**19,700**	**21,600**	**20,400**

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

NUMBER	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	689	567	332	220	1,462	1,340
JM Residential Sweden	621	578	263	278	1,251	1,208
JM International	841	302	295	144	1,599	1,060
JM Property Development [1)]	320	–	320	–	738	418
Total	**2,471**	**1,447**	**1,210**	**642**	**5,050**	**4,026**

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

HOUSING STARTS BY BUSINESS SEGMENT

NUMBER	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
JM Residential Stockholm	537	498	239	258	1,071	1,032
JM Residential Sweden	639	537	362	276	1,174	1,072
JM International	551	333	199	197	1,313	1,095
JM Property Development [1]	–	–	–	–	–	–
Total	**1,727**	**1,368**	**800**	**731**	**3,558**	**3,199**

RESIDENTIAL UNITS IN CURRENT PRODUCTION

NUMBER	6/30/2021	6/30/2020	12/31/2020
JM Residential Stockholm	2,526	2,843	2,878
JM Residential Sweden	2,178	1,961	2,172
JM International	2,314	1,982	2,463
JM Property Development [1]	335	463	463
Total	**7,353**	**7,249**	**7,976**

PROJECT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	6/30/2021	6/30/2020	12/31/2020
Properties under development	1,237	746	1,215
Completed rental unit properties	–	866	0
Completed commercial properties	32	31	31
Total	**1,269**	**1,643**	**1,246**

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Opening balance at beginning of period	**7,831**	**8,938**	**8,215**	**8,594**	**8,724**	**8,938**
New purchases	828	670	341	397	1,180	1,022
Transferred to production	−460	−750	−247	−302	−1,598	−1,888
Other	−44	−134	−154	35	−151	−241
Closing balance at the end of the period	**8,155**	**8,724**	**8,155**	**8,724**	**8,155**	**7,831**

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

Group five-year overview

ACCORDING TO SEGMENT REPORTING, SEK M	2020	2019	2018	2017	2016
Revenue	15,388	15,692	16,161	17,008	15,752
Operating profit	2,028	2,008	1,886	2,369	2,011
Profit before tax	1,955	1,928	1,817	2,579	1,951
Total assets	16,665	17,593	16,487	15,405	12,848
Cash flow from operating activities	1,715	1,291	−473	2,013	1,957
Interest-bearing net liabilities (+)/receivables (–)	−300	420	546	−790	435
Operating margin, %	13.2	12.8	11.7	13.9	12.8
Return on equity, %	20.8	22.2	22.2	38.7	31.4
Equity/assets ratio, %	47	42	41	40	40
Earnings per share, SEK	22.50	22.50	20.60	31.00	21.20
Dividend per share, SEK	12.75	12.50	12.00	11.00	9.50
Number of available building rights	37,800	35,900	35,900	34,800	32,500
Number of residential units sold	4,026	3,595	2,463	3,100	3,843
Number of housing starts	3,199	3,269	3,135	3,873	4,187
Number of residential units in current production	7,976	7,813	7,835	8,200	7,984


Ryttarstugan Östra, Täby, Sweden

Ryttarstugan Östra is starting to take shape in Täby Park just north of Stockholm. Here, residents live in a central and child-friendly location close to the commuter train, schools and sports activities. The 74 residential units, ranging from studios to four bedrooms, feature at least one balcony or patio and offer the option of intelligent functions for more comfortable and safer daily routines.

Guldkornet is emerging in the historic Kvarnen area at the top of Eriksberg in Gothenburg. The two buildings, one of which has 14 floors, have 107 residential units, ranging from studios to four bedrooms, with a lovely view of Eriksberg and Göta Älv. The area has easy access to downtown Gothenburg by bike, bus or boat.


Guldkornet, Gothenburg, Sweden


Skulpturen, Drammen, Norway

Skulpturen in Drammen, Norway, is a new and centrally located residential neighborhood in the Gulskogen district, a well-known area for culture enthusiasts. The first phase, 44 out of a total 250 residential units, is now available. The residential units range from one to three bedrooms and are located close to schools, services and transportation.

In Espoo's maritime district Haukilahti, Finland, JM is building 30 residential units in the Mellsteninhelmi project close to the water. The residential units will be split between two buildings and range from one to three bedrooms. They are located a stone's throw from Espoo's boardwalk, featuring a swimming beach and cafés, and close to schools and other services.


Mellsteninhelmi, Espoo, Finland

Group quarterly overview

ACCORDING TO SEGMENT REPORTING, SEK M	2021		2020			
INCOME STATEMENT	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	3,719	3,337	4,530	3,382	3,662	3,814
Production and operating costs	−2,980	−2,703	−3,680	−2,786	−3,036	−3,105
Gross profit	**739**	**634**	**850**	**596**	**626**	**709**
Selling and administrative expenses	−297	−239	−233	−198	−269	−244
Gains/losses on the sale of property, etc.	167	11	172	1	–	18
Operating profit	**609**	**406**	**789**	**399**	**357**	**483**
Financial income and expenses	−15	−16	−19	−16	−17	−21
Profit before tax	**594**	**390**	**770**	**383**	**340**	**462**
Taxes	−91	−81	−127	−81	−74	−98
Profit for the period	**503**	**309**	**643**	**302**	**266**	**364**
CONSOLIDATED BALANCE SHEET	6/30	3/31	12/31	09/30	06/30	03/31
ASSETS						
Non-current assets	**336**	**298**	**278**	**194**	**200**	**193**
Project properties	1,269	1,387	1,246	1,791	1,643	1,498
Development properties	8,155	8,215	7,831	8,411	8,724	8,594
Participations in tenant-owners associations, etc.	375	422	445	558	603	438
Current receivables	3,569	3,726	3,828	3,847	3,796	4,007
Cash and cash equivalents	2,969	2,148	3,037	2,314	2,572	2,684
Total current assets	**16,337**	**15,898**	**16,387**	**16,921**	**17,338**	**17,221**
Total assets	**16,673**	**16,196**	**16,665**	**17,115**	**17,538**	**17,414**
EQUITY AND LIABILITIES						
Equity	**7,808**	**7,439**	**7,817**	**7,704**	**7,430**	**7,561**
Non-current interest-bearing liabilities	281	366	354	362	293	267
Other non-current liabilities	373	373	372	679	751	749
Non-current provisions	3,012	3,231	3,290	3,398	3,280	3,151
Total non-current liabilities	**3,666**	**3,970**	**4,016**	**4,439**	**4,324**	**4,167**
Current interest-bearing liabilities	737	505	579	632	806	899
Other current liabilities	4,313	4,141	4,120	4,198	4,837	4,652
Current provisions	149	141	133	142	141	135
Total current liabilities	**5,199**	**4,787**	**4,832**	**4,972**	**5,784**	**5,686**
Total equity and liabilities	**16,673**	**16,196**	**16,665**	**17,115**	**17,538**	**17,414**
CASH FLOW STATEMENT	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
From operating activities	792	92	1,288	−165	404	188
From investing activities	−1	1	−78	0	0	−1
From financing activities	32	−986	−484	−93	−516	105
Total cash flow for the period	**823**	**−893**	**726**	**−258**	**−112**	**292**
Cash and cash equivalents at end of the period	**2,969**	**2,148**	**3,037**	**2,314**	**2,572**	**2,684**
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	**449**	**−300**	**409**	**247**	**198**	**420**
Change in interest-bearing net liabilities/receivables	−693	749	−709	162	49	−222
Interest-bearing net liabilities(+)/receivables(−) at end of period	**−244**	**449**	**−300**	**409**	**247**	**198**
DEVELOPMENT PROPERTIES	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Carrying amount at beginning of period	**8,215**	**7,831**	**8,411**	**8,724**	**8,594**	**8,938**
New purchases	341	487	249	103	397	273
Transferred to production	−247	−213	−792	−346	−302	−448
Other	−154	110	−37	−70	35	−169
Carrying amount at end of period	**8,155**	**8,215**	**7,831**	**8,411**	**8,724**	**8,594**
KEY RATIOS	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating margin, %	16.4	12.2	17.4	11.8	9.7	12.7
Debt/equity ratio, multiple	–	0.1	–	0.1	0.0	0.0
Equity/assets ratio, %	47	46	47	45	42	43
Earnings per share, SEK	7.20	4.40	9.20	4.30	3.80	5.20
Number of available building rights	37,300	37,300	37,800	37,900	38,600	35,900
Number of residential units sold	1,210	1,261	1,623	956	642	805
Number of housing starts	800	927	976	855	731	637
Number of residential units in current production	7,353	7,485	7,976	7,829	7,249	7,583

Business Segment Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M	2021		2020			
JM RESIDENTIAL STOCKHOLM	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	1,312	1,248	2,023	1,310	1,403	1,622
Operating profit	196	182	299	185	192	250
Operating margin, %	14.9	14.6	14.8	14.1	13.7	15.4
Average operating capital	5,157	5,283	5,372	5,552	5,682	5,740
Return on operating capital, % *)	16.7	16.2	17.2	16.0	16.1	16.3
Operating cash flow	417	16	383	143	207	331
Carrying amount, development properties	4,361	4,486	4,246	4,587	4,816	4,812
Number of available building rights	11,500	11,900	12,500	12,600	12,800	12,900
Number of residential units sold	332	357	474	299	220	347
Number of housing starts	239	298	282	252	258	240
Number of residential units in current production	2,526	2,773	2,878	3,095	2,843	3,035
JM RESIDENTIAL SWEDEN	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	1,154	1,042	1,137	913	1,093	1,050
Operating profit	177	160	181	141	169	166
Operating margin, %	15.3	15.4	15.9	15.4	15.5	15.8
Average operating capital	1,339	1,345	1,307	1,295	1,274	1,226
Return on operating capital, % *)	49.2	48.4	50.3	51.4	53.5	57.5
Operating cash flow	326	154	270	60	74	108
Carrying amount, development properties	1,439	1,441	1,451	1,530	1,532	1,461
Number of available building rights	10,400	10,300	9,900	10,200	10,500	10,500
Number of residential units sold [1]	263	358	380	250	278	300
Number of housing starts [2]	362	277	250	285	276	261
Number of residential units in current production	2,178	2,063	2,172	2,138	1,961	1,930
[1] Of which residential units to investors	–	–	–	–	*69*	–
[2] Of which residential units to investors	–	–	–	–	*69*	–
JM INTERNATIONAL	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	1,084	856	1,102	867	896	882
Operating profit [1]	98	67	136	70	19	51
Operating margin, %	9.0	7.8	12.3	8.1	2.1	5.8
Average operating capital	3,336	3,335	3,400	3,440	3,395	3,368
Return on operating capital, % *)	11.1	8.8	8.1	7.4	7.7	9.1
Operating cash flow	–111	156	106	–27	285	–38
Carrying amount, development properties	2,329	2,262	2,108	2,265	2,347	2,292
Carrying amount, project properties	111	90	33	25	25	4
Number of available building rights	14,000	13,900	14,200	13,900	14,200	11,600
Number of residential units sold [2]	295	546	351	407	144	158
Number of housing starts [3]	199	352	444	318	197	136
Number of residential units in current production	2,314	2,314	2,463	2,133	1,982	2,018
[1] Of which property sales	–	*1*	*–2*	*1*	–	–
[2] Of which residential units to investors	*94*	*265*	–	*101*	–	–
[3] Of which residential units to investors	*94*	*265*	–	*101*	–	–
JM PROPERTY DEVELOPMENT	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	65	52	57	42	35	35
Operating profit [1][2]	153	4	178	3	–6	3
Average operating capital	1,460	1,513	1,513	1,507	1,523	1,545
Return on operating capital, % *)	23.1	11.8	11.8	0.2	11.8	12.4
Operating cash flow	322	–88	660	–155	–120	–101
Carrying amount, development properties	10	10	10	10	10	10
Carrying amount, project properties	1,158	1,297	1,213	1,766	1,618	1,494
Number of available building rights [3]	1,400	1,200	1,200	1,200	1,100	900
Number of residential units sold [3]	320	–	418	–	–	–
Number of housing starts [3]	–	–	–	–	–	–
Number of residential units in current production [3]	335	335	463	463	463	600
[1] Of which property sales	*161*	–	*170*	–	–	–
[2] Of which income from joint venture	*6*	*10*	*4*	–	–	–
[3] Refers to rental units and residential care units.						
JM CONSTRUCTION	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue	226	230	307	330	320	296
Operating profit [1]	3	3	8	3	–2	22
Operating margin, %	1.3	1.3	2.6	0.9	–0.6	7.4
Operating cash flow	14	10	9	–55	–24	5
[1] Of which property sales	*0*	–	–	–	–	*18*
JM OTHER	**Q 2**	**Q 1**	**Q 4**	**Q 3**	**Q 2**	**Q 1**
Revenue (elimination)	–122	–91	–96	–80	–85	–71
Operating profit (Group-wide expenses)	–18	–10	–13	–3	–15	–9

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

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Revenue	7,603	7,400	4,058	3,547	16,494	16,291
Production and operating costs	−6,037	−6,035	−3,178	−2,908	−13,339	−13,337
Gross profit	**1,566**	**1,365**	**880**	**639**	**3,155**	**2,954**
Selling and administrative expenses	−545	−518	−300	−271	−984	−957
Gains/losses on the sale of property, etc. [1]	17	18	6	–	20	21
Operating profit	**1,038**	**865**	**586**	**368**	**2,191**	**2,018**
Financial income and expenses	−43	−56	−21	−24	−88	−101
Profit before tax	**995**	**809**	**565**	**344**	**2,103**	**1,917**
Taxes	−170	−168	−87	−75	−380	−378
Profit for the period	**825**	**641**	**478**	**269**	**1,723**	**1,539**
Other comprehensive income						
Items that will be reclassified as income						
Translation differences from the translation of foreign operations	60	−94	−39	23	−3	−157
Items that will not be reclassified as income						
Restatement of defined-benefit pensions	156	14	41	13	90	−52
Tax attributable to other comprehensive income	−32	−3	−8	−3	−18	11
Comprehensive income for the period	**1,009**	**558**	**472**	**302**	**1,792**	**1,341**
Net profit for the period is attributable to shareholders of the Parent Company	825	641	478	269	1,723	1,539
Comprehensive income for the period is attributable to shareholders of the Parent Company	1,009	558	472	302	1,792	1,341
Earnings per share [2], basic, is attributable to shareholders of the Parent Company, SEK	11.90	9.20	6.90	3.90	24.80	22.10
Earnings per share [2], diluted, is attributable to shareholders of the Parent Company, SEK	11.80	9.20	6.80	3.90	24.60	22.00
Number of outstanding shares at end of period	*69,197,862*	*69,583,262*	*69,167,862*	*69,583,262*	*69,167,862*	*69,583,262*
Average number of shares, basic	*69,494,101*	*69,583,262*	*69,405,919*	*69,583,262*	*69,539,048*	*69,583,262*
Average number of shares, diluted	*70,000,876*	*69,996,413*	*69,912,694*	*70,024,336*	*70,045,823*	*70,061,421*
1) Of which income from joint venture	*16*	*–*	*6*	*–*	*20*	*4*

2) Net profit for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	06/30/2021	06/30/2020	12/31/2020
ASSETS			
Non-current assets [1]	**577**	**382**	**435**
Project properties	1,269	1,643	1,246
Development properties	8,155	8,724	7,831
Rights-of-use site leasehold rights	427	582	558
Participations in tenant-owners associations, etc.	375	603	445
Work in progress	3,802	3,577	3,577
Current receivables	5,653	5,343	5,959
Cash and cash equivalents	2,969	2,572	3,037
Total current assets	**22,650**	**23,044**	**22,653**
Total assets	**23,227**	**23,426**	**23,088**
EQUITY AND LIABILITIES [2] [3] [4] [5]			
Equity	**7,595**	**7,250**	**7,598**
Non-current interest-bearing liabilities	1,093	1,179	1,180
Other non-current liabilities	373	751	372
Non-current provisions	2,974	3,243	3,255
Total non-current liabilities	**4,440**	**5,173**	**4,807**
Current interest-bearing liabilities	6,587	6,017	6,480
Other current liabilities	4,456	4,845	4,070
Current provisions	149	141	133
Total current liabilities	**11,192**	**11,003**	**10,683**
Total equity and liabilities	**23,227**	**23,426**	**23,088**
Pledged assets	476	433	395
Contingent liabilities	7,686	7,845	8,789
1) Of which right-of-use offices and cars	*241*	*182*	*157*
2) Of which project financing JM International	*3,022*	*3,053*	*2,914*
3) Of which project financing JM Residential Stockholm and JM Residential Sweden	*3,128*	*2,361*	*3,064*
4) Of which liabilities for property acquisition	*526*	*1,147*	*459*
5) Of which current and non-current interest-bearing leasing liabilities	*672*	*766*	*717*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	FULL-YEAR 2020
Opening balance at beginning of period	**7,598**	**7,126**	**7,126**
Total comprehensive income for the period	1,009	558	1,341
Dividend	−887	−435	−870
Buy-back of shares	−125	–	–
Equity component of convertible debentures	–	1	1
Closing balance at the end of the period	**7,595**	**7,250**	**7,598**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO IFRS, SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Cash flow from operating activities before change in working capital and taxes [1] [2]	**−235**	**−159**	**−116**	**−232**	**40**	**116**
Paid tax	−328	−264	−135	−99	−548	−484
Investment in development properties	−791	−473	−377	−128	−1,847	−1,529
Payment on account for development properties	154	189	113	111	398	433
Investment in project properties	−288	−245	−149	−145	−734	−691
Sale of project properties	550	–	550	–	1,610	1,060
Change in current liabilities/receivables	777	258	60	366	904	385
Cash flow from operating activities [3]	**−161**	**−694**	**−54**	**−127**	**−177**	**−710**
Cash flow from investing activities	**0**	**−1**	**−1**	**0**	**−78**	**−79**
Loans raised	359	139	343	34	673	453
Amortization of debt	−354	−166	−213	−141	−857	−669
Loans raised, project financing [3]	2,307	2,303	1,294	1,321	4,490	4,486
Amortization of debt, project financing [3]	−1,209	−966	−421	−764	−2,206	−1,963
Buy-back of shares	−125	–	−125	–	−125	–
Dividend	−887	−435	–	−435	−1,322	−870
Cash flow from financing activities	**91**	**875**	**878**	**15**	**653**	**1,437**
Cash flow for the period	**−70**	**180**	**823**	**−112**	**398**	**648**
Cash and cash equivalents at end of the period	**2,969**	**2,572**	**2,969**	**2,572**	**2,969**	**3,037**
[1] *Of which the purchase of participations in tenant-owners associations and freehold residential units*	*−424*	*−835*	*−147*	*−444*	*−814*	*−1,225*
[2] *Of which the sale of participations in tenant-owners associations and freehold residential units*	*518*	*572*	*285*	*241*	*1,094*	*1,148*

[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 six months of 2021 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 89–93 of the 2020 Annual Report.

There is no new information on JM's appeal to the Administrative Court regarding Finansinspektionen's interpretation of IFRS for tenant-owner associations in production. For more information see JM's annual report for 2020, page 82.

NEW AND AMENDED STANDARDS AS OF 2021

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

SEGMENT REPORTING

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

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

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

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

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

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	FULL-YEAR 2020
Net sales	4,983	5,301	10,790
Production and operating costs	−3,929	−4,194	−8,586
Gross profit	**1,054**	**1,107**	**2,204**
Selling and administrative expenses	−400	−372	−650
Gains/losses on the sale of property	–	–	0
Operating profit	**654**	**735**	**1,554**
Financial income and expenses	34	56	280
Profit before appropriations and tax	**688**	**791**	**1,834**
Appropriations	–	−4	−61
Profit before tax	**688**	**787**	**1,773**
Taxes	−131	−154	−319
Profit for the period	**557**	**633**	**1,454**

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	06/30/2021	06/30/2020	12/31/2020
Assets			
Non-current assets	2,174	1,706	1,776
Current assets	13,184	13,793	13,834
Total assets	**15,358**	**15,499**	**15,610**
Equity and liabilities			
Equity	4,045	4,115	4,501
Untaxed reserves	2,410	2,380	2,410
Provisions	1,305	1,507	1,422
Non-current liabilities	417	812	461
Current liabilities	7,181	6,685	6,816
Total equity and liabilities	**15,358**	**15,499**	**15,610**
Pledged assets	100	100	100
Contingent liabilities	8,852	8,597	9,459

Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–JUNE 2021	JANUARY–JUNE 2020	APRIL–JUNE 2021	APRIL–JUNE 2020	JULY–JUNE 2020/2021	FULL-YEAR 2020
Revenue for the period (segment reporting)	**7,056**	**7,476**	**3,719**	**3,662**	**14,968**	**15,388**
Restatement JM International	6	−76	−202	−115	−55	−137
Reclassification property sale	541	–	541	–	1,581	1,040
Revenue for the period (IFRS)	**7,603**	**7,400**	**4,058**	**3,547**	**16,494**	**16,291**
Operating profit/loss for the period (segment reporting)	**1,015**	**840**	**609**	**357**	**2,203**	**2,028**
Restatement JM International	12	8	−30	3	−33	−37
Leases IFRS 16	11	17	7	8	21	27
Operating profit/loss for the period (IFRS)	**1,038**	**865**	**586**	**368**	**2,191**	**2,018**
Profit/loss for the period (segment reporting)	**812**	**630**	**503**	**266**	**1,757**	**1,575**
Restatement JM International	14	12	−26	3	−33	−35
Leases IFRS 16	−1	−1	1	0	−1	−1
Profit/loss for the period (IFRS)	**825**	**641**	**478**	**269**	**1,723**	**1,539**

CONSOLIDATED BALANCE SHEET

SEK M	06/30/2021	06/30/2020	12/31/2020
Balance sheet total (segment reporting)	**16,673**	**17,538**	**16,665**
Restatement JM International	−264	−290	−270
Reclassification project financing JM International, interest-bearing	2,674	2,654	2,609
Reclassification project financing JM International, non-interest-bearing [1]	348	399	305
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	3,317	2,676	3,400
Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings	−189	−315	−336
Leases IFRS 16	668	764	715
Balance sheet total (IFRS)	**23,227**	**23,426**	**23,088**

[1] *Billing on account to customers.*

CONSOLIDATED EQUITY

SEK M	06/30/2021	06/30/2020	12/31/2020
Equity (segment reporting)	**7,808**	**7,430**	**7,817**
Restatement JM International	−209	−178	−217
Leases IFRS 16	−4	−2	−2
Equity (IFRS)	**7,595**	**7,250**	**7,598**

GROUP KEY FIGURES

%	06/30/2021	06/30/2020	12/31/2020
Equity/assets ratio (segment reporting)	47	42	47
Equity/assets ratio (IFRS)	33	31	33

CONSOLIDATED CASH FLOW

	JANUARY–JUNE		APRIL–JUNE		JULY–JUNE	FULL-YEAR
SEK M	2021	2020	2021	2020	2020/2021	2020
Cash flow from operating activities (segment reporting)	**884**	**592**	**792**	**404**	**2,007**	**1,715**
Reclassification project financing JM International	27	−114	−166	18	−3	−144
Reclassification project financing JM Residential Stockholm and JM Residential Sweden, interest-bearing	−1,125	−1,223	−707	−575	−2,281	−2,379
Leases IFRS 16	53	51	27	26	100	98
Cash flow from operating activities according to IFRS	**−161**	**−694**	**−54**	**−127**	**−177**	**−710**

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	6/30/2021	6/30/2020	12/31/2020
Interest-bearing net liabilities (+)/receivables (−) at end of period (segment reporting)	**−244**	**247**	**−300**
Reclassification project financing JM International	2,674	2,654	2,609
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	3,317	2,676	3,400
Leases IFRS 16	672	767	717
Interest-bearing net liabilities (+)/receivables (−) at end of period (IFRS)	**6,419**	**6,344**	**6,426**

Stockholm, July 13, 2021
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

Thomas Thuresson
Member

Annica Ånäs
Member

Peter Olsson
Employee-appointed

Jan Strömberg
Employee-appointed

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 15 billion and the company has around 2,500 employees. JM AB is a public limited company listed on Nasdaq Stockholm, Large Cap segment.

FINANCIAL TARGETS, BENCHMARKS FOR CAPITAL STRUCTURE AND DIVIDEND POLICY

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

Return on equity should be 25 percent on average over time. Long-term growth should amount to 4 percent a year on average for the number of housing starts, where the baseline is an annual rate of 3,800 housing starts.

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

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

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

DISCLOSURES

This information is information that JM AB is obliged to make public pursuant to the EU Market Abuse Regulation 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 13, 2021.

FOR MORE INFORMATION PLEASE CONTACT:

Claes Magnus Åkesson, CFO, Head of IR
Tel. +46 8 782 89 71

FINANCIAL CALENDAR

October 28, 2021	Interim Report January–September

PRESS RELEASES, Q2 2021

June 22	JM acquiring property for residential development in Pasila, Helsinki
April 28	JM sells two rental properties in Stockholm
April 28	JM's Board of Directors decided on buy-back of shares
April 28	Interim Report January–March 2021

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

Text: JM
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