

Interim Report January – June 2019

J M GROUP



POSITIVE DEVELOPMENT IN SALES IN THE HOUSING BUSINESS

JANUARY – JUNE 2019

Revenue decreased to SEK 7,613m (8,179), and operating profit decreased to SEK 819m (1,032). The operating margin decreased to 10.8 percent (12.6). Profit includes the one-off cost for the discontinuation of the housing operations (Business area Construction) in the subsidiary JM Entreprenad AB of SEK –180m reported during the first quarter

Revenue excluding JM Construction Business area Construction amounted to SEK 7,517m (7,672), operating profit to SEK 1,020m (1,042) and operating margin to 13.6 percent (13.6)

Profit before tax decreased to SEK 779m (997). Profit after tax decreased to SEK 614m (776)

Return on equity for the past twelve months decreased to 19.8 percent (30.7). Earnings per share for the first six months amounted to SEK 8.80 (11.10)

Consolidated cash flow including net investment in properties amounted to SEK 371m (–222)

The number of residential units sold increased to 1,548 (1,099), and housing starts amounted to 1,365 (1,417)

APRIL – JUNE 2019

Revenue amounted to SEK 3,944m (4,125), and operating profit amounted to SEK 506m (504). The operating margin increased to 12.8 percent (12.2)

Profit before tax amounted to SEK 488m (485). Profit after tax amounted to SEK 386m (377)

Consolidated cash flow including net investment in properties amounted to SEK –97m (–204)

Number of residential units sold increased to 881 (619), and housing starts increased to 959 (847)

| ACCORDING TO SEGMENT REPORTING SEK M | JANUARY–JUNE | | APRIL–JUNE | | JULY–JUNE FULL-YEAR | |
|---|--------------|-------|------------|-------|---------------------|--------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 7,613 | 8,179 | 3,944 | 4,125 | 15,595 | 16,161 |
| Revenue excluding JM Construction, Business area Construction | 7,517 | 7,672 | 3,798 | 3,882 | 15,236 | 15,391 |
| Operating profit | 819 | 1,032 | 506 | 504 | 1,673 | 1,886 |
| Operating profit excluding JM Construction, Business area Construction | 1,020 | 1,042 | 514 | 509 | 2,040 | 2,062 |
| Operating margin, % | 10.8 | 12.6 | 12.8 | 12.2 | 10.7 | 11.7 |
| Operating margin excluding JM Construction, Business area Construction, % | 13.6 | 13.6 | 13.5 | 13.1 | 13.4 | 13.4 |
| Profit before tax | 779 | 997 | 488 | 485 | 1,599 | 1,817 |
| Cash flow from operating activities | 371 | –222 | –97 | –204 | 120 | –473 |
| Return on equity, % | | | | | 19.8 | 22.2 |
| Equity/assets ratio, % | 40 | 38 | | | | 41 |
| Earnings per share, SEK | 8.80 | 11.10 | 5.50 | 5.40 | 18.30 | 20.60 |
| Number of residential units sold | 1,548 | 1,099 | 881 | 619 | 2,912 | 2,463 |
| Number of housing starts | 1,365 | 1,417 | 959 | 847 | 3,083 | 3,135 |
| Number of residential units in current production | 7,829 | 7,814 | | | | 7,835 |
| Revenue according to IFRS | 7,481 | 7,869 | 3,882 | 4,044 | 15,292 | 15,680 |
| Operating profit according to IFRS | 825 | 1,013 | 512 | 506 | 1,688 | 1,876 |
| Earnings per share according to IFRS, SEK | 8.80 | 10.90 | 5.50 | 5.40 | 18.30 | 20.40 |

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: K7, Liljeholmskajen, Stockholm

Group

IMPROVED DEMAND FOR JM'S RESIDENTIAL UNITS IN STOCKHOLM



The development in the housing business in both Sweden and the foreign operations continued to be positive. The large supply of newly produced residential units on the market has fallen in 2019 in both Stockholm and the rest of Sweden. The transaction volume also increased clearly in the second quarter.

The housing market in Stockholm continued to be affected

by the stricter amortization requirements and the banks' more conservative approach to lending to home buyers. We are also seeing an improvement in demand for JM's residential units from customer groups in Stockholm that have good purchasing power. In particular, we have very good demand for the freehold apartments we introduced on the market and also started to produce during the second quarter. The gradual stabilization of the market has resulted in continued positive developments in reservations and sales in Stockholm, both in relation to the previous quarter and the previous year, with 268 sold residential units during the second quarter compared to 225 the same period the previous year. Housing starts were supported by a normal level of reservations, where profitability continued to be good in current production volumes despite price adjustments in a number of projects. We have projects for around 250 residential units in Stockholm, where housing starts are delayed pending government decisions. Nonetheless, conditions are considered to be good for a substantially higher level of housing starts during the second half of the year, in line with the rate in the second quarter, where we have good level of reservations in forthcoming projects.

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

In Norway, the level of activity on the housing market was good, and the housing market in Finland was stable during the quarter. In line with the annual plan, we have had a significantly higher level of housing starts within the foreign operations during the second quarter compared to the first quarter. We still make the assessment that the number of housing starts will increase in the second half of 2019, assuming a stable market and stable planning conditions.

Some additional news that is very pleasing is that we sold three rental properties at the start of the third quarter. Two properties, one on Lidingö and one in Täby, are completed, and construction began on the third in Sundryberg during the second quarter, with occupancy planned for Q2 2022. The strong interest in these properties confirms both the strong market for rental apartments and the quality of the homes we develop in-house.

The redirection of the operations in JM Construction is progressing according to plan, and I am very satisfied that we sold two plots of land during the quarter at the expected price based on the schedule set for 2019-2021.

As a long-term housing developer, we continue to acquire land for future production. One large acquisition was for a property in Røa, Oslo. The transaction is conditional on finalized local planning, which is expected to occur in 2023 at the earliest. We have the opportunity here to develop 300 residential units in an established housing area, walking distance to services and the subway.

During the second quarter, we started construction on, among others, the K7 project with 184 freehold apartments at Liljeholmska-jen in Stockholm. Most of the residential units JM develops are tenant-owned apartments in apartment buildings, but freehold apartments allow us to offer yet another form of tenure and reach new customer groups. Freehold apartments are a common form of tenure outside of Sweden, and they offer the possibility for legal entities to purchase apartments. JM has two additional projects under way with freehold apartments in Sweden, one on Lidingö and one in Uppsala, and we are seeing greater interest for this form of tenure.

Housing starts for tenant-owned apartment projects include Soluret, Älvsjö, which with 102 residential units is one of the largest. Soluret is quality assessed in accordance with Trygg BRF which is an industry initiative in Sweden to strengthen consumer protection on the tenant-owned apartment market, and JM supports this initiative.

We are well-positioned with a good project portfolio that is regularly developed for the housing of the future at the same time as our strong financial position allows us freedom of action.

The conditions are good for continued positive development within our housing business, and the improvement on the housing market in Stockholm is particularly good news. I am cautiously optimistic about the fall, and I wish everyone a wonderful summer.

Johan Skoglund, President and CEO



K7, Liljeholmen, Stockholm

MARKET, SALES AND HOUSING STARTS

JANUARY – JUNE 2019

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

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

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

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

The number of residential units sold in the form of signed contracts increased to 1,548 (1,099)¹⁾. The percentage of sold or reserved homes in relation to current production amounts to 62 percent (58), with an interval of 60–65 percent considered normal. This percentage increased from 61 percent in the first quarter. JM Residential Stockholm sold 506 residential units (342), JM Residential Sweden sold 487 (451), JM International sold 555 (306) and JM Property Development sold 0 (0).

Housing starts amounted to 1,365 (1,417)²⁾. JM Residential Stockholm started production on 375 residential units (455), JM Residential Sweden on 515 (553), JM International on 332 (281) and JM Property Development on 143 (128).

Of the started and sold residential units in JM International, 182 units in Finland were sold as rental units.

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 increased to 7,829 (7,814), of which 736 are rental units and residential care units (681).

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

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

REVENUE, OPERATING PROFIT AND OPERATING MARGIN

JANUARY – JUNE 2019

Consolidated revenue according to segment reporting for the first six months decreased to SEK 7,613m (8,179). Revenue restated according to IFRS decreased to SEK 7,481m (7,869).

Operating profit according to segment reporting decreased to SEK 819m (1,032), and the operating margin decreased to 10.8 percent (12.6). Operating profit restated according to IFRS decreased to SEK 825m (1,013). The restatement is related to JM International and lease contracts according to IFRS 16, with an effect on earnings of SEK –1m (–19) and SEK 7m (0), respectively. Profit includes a loss within JM Construction of SEK –155m (0) where the one-off cost for the discontinuation of the housing operations was reported during the first quarter. Revenue excluding JM Construction Business area Construction amounted to SEK 7,517m (7,672), operating profit to SEK 1,020m (1,042) and operating margin to 13.6 percent (13.6).

During the first six months, properties were sold for SEK 131m (72) with gains of SEK 72m (11).

Rental income from JM's project properties increased to SEK 45m (29). Net rental income increased to SEK 29m (17).

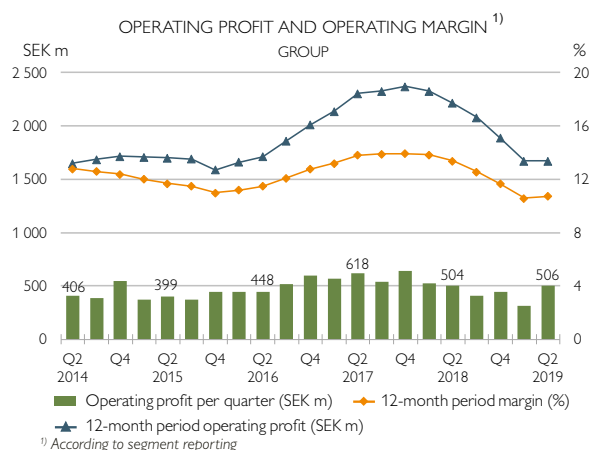
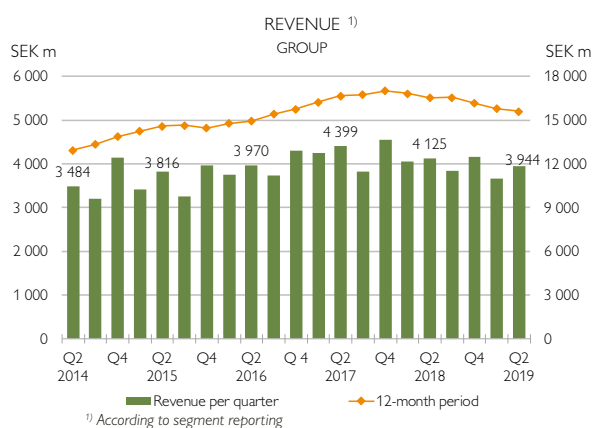
APRIL – JUNE 2019

Consolidated revenue according to segment reporting for the second quarter amounted to SEK 3,944m (4,125). Revenue restated according to IFRS amounted to SEK 3,882m (4,044).

Operating profit according to segment reporting amounted to SEK 506m (504), and the operating margin increased to 12.8 percent (12.2). Operating profit restated according to IFRS amounted to SEK 512m (506). The restatement is related to JM International and lease contracts according to IFRS 16, with an effect on earnings of SEK 3m (2) and SEK 3m (0), respectively. Profit includes gains from the sale of a property within JM Construction of SEK 34m (0).

Properties were sold during the second quarter for SEK 60m (3) with gains of SEK 34m (0).

Rental income from JM's project properties increased to SEK 24m (15). Net rental income increased to SEK 17m (9).



| OPERATING PROFIT BY BUSINESS SEGMENT, SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 445 | 524 | 216 | 250 | 910 | 989 |
| JM Residential Sweden | 373 | 394 | 193 | 181 | 730 | 751 |
| JM International | 164 | 136 | 66 | 83 | 359 | 331 |
| JM Property Development | 12 | 1 | 6 | -1 | 21 | 10 |
| JM Construction | -155 | 0 | 34 | 0 | -311 | -156 |
| Group-wide expenses | -20 | -23 | -9 | -9 | -36 | -39 |
| Total | 819 | 1,032 | 506 | 504 | 1,673 | 1,886 |
| <i>Of which property sales</i> | 72 | 11 | 34 | 0 | 74 | 13 |

| OPERATING MARGIN BY BUSINESS SEGMENT, % | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 16.1 | 17.4 | 16.2 | 16.3 | 16.4 | 17.1 |
| JM Residential Sweden | 16.2 | 16.9 | 16.1 | 17.0 | 16.5 | 16.9 |
| JM International | 9.3 | 8.6 | 7.3 | 9.6 | 9.5 | 9.2 |
| JM Construction | -18.0 | 0.0 | 6.2 | 0.0 | -14.7 | -5.7 |

| OPERATING PROFIT, SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Operating profit excluding JM Construction, Business area Construction | 1,020 | 1,042 | 514 | 509 | 2,040 | 2,062 |
| Operating margin excluding JM Construction, Business area Construction, % | 13.6 | 13.6 | 13.5 | 13.1 | 13.4 | 13.4 |
| Operating profit JM Construction, Business area Construction | -201 | -10 | -8 | -5 | -367 | -176 |
| Operating profit, total | 819 | 1,032 | 506 | 504 | 1,673 | 1,886 |

| RESIDENTIAL UNITS IN CURRENT PRODUCTION | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|---|-----------|-----------|------------|
| Number of residential units in current production ¹⁾²⁾ | 7,829 | 7,814 | 7,835 |
| Percentage of sold residential units in current production, % ³⁾ | 55 | 52 | 51 |
| Reserved residential units in current production, % | 7 | 6 | 6 |
| Sold/reserved residential units in current production, % | 62 | 58 | 57 |

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

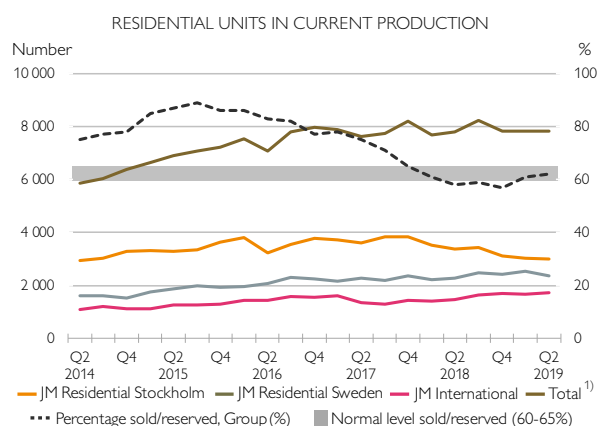
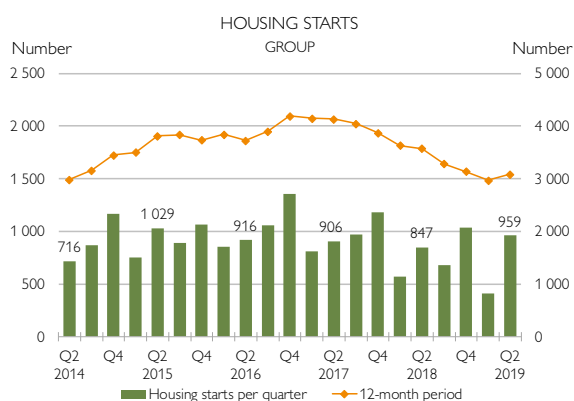
Including residential units in projects where costs incurred are only reported as project properties under construction

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 | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|--|-----------|-----------|------------|
| Completed production, number of unsold units ¹⁾ | 143 | 88 | 140 |
| Number of unsold residential units in the balance sheet reported as "Participations in tenant-owners associations, etc." | 67 | 79 | 125 |

¹⁾ After final occupancy according to plan.



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

RESIDENTIAL BUILDING RIGHTS

JANUARY – JUNE 2019

The number of available residential building rights at the end of the first six months amounted to 36,500 (36,000), of which 21,200 (20,400) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 8,952m (8,827).

JM acquired development properties for residential units during the first six months for SEK 879m (2,057), of which SEK 180m relates to JM Residential Stockholm, SEK 264m to JM Residential Sweden and SEK 435m to JM International.

FINANCIAL ITEMS

JANUARY – JUNE 2019

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

Total interest-bearing loans according to segment reporting amounted to SEK 2,323m (2,323), of which the provision for the pension liability comprised SEK 1,507m (1,306). At the end of the

second quarter, the average interest rate for the total interest-bearing loan stock including pension liabilities was 2.5 percent (2.4). The average term for fixed-rate loans excluding the pension liability was 0.2 years (0.2).

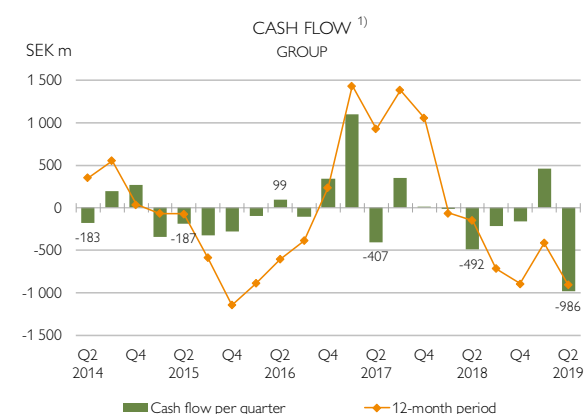
Consolidated available liquidity was SEK 3,968m (4,878). Aside from cash and cash equivalents of SEK 1,168m (2,078), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 3.5 years (3.5).

Interest-bearing net liabilities in accordance with segment reporting amounted to SEK 1,155m (240) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 1,196m (1,405). Of these liabilities, SEK 426m (719) were current.

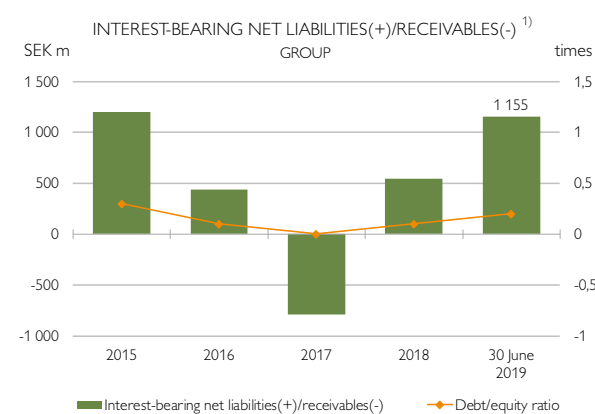
The valuation of financial assets and liabilities shows no significant difference between the carrying amount and fair value.

| SEK M | JANUARY–JUNE | | APRIL–JUNE | | JULY–JUNE | FULL-YEAR |
|--------------------------------------|--------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Financial income | 3 | 3 | 2 | 2 | 10 | 10 |
| Financial expenses | -43 | -38 | -20 | -21 | -84 | -79 |
| Financial income and expenses | -40 | -35 | -18 | -19 | -74 | -69 |

| ACCORDING TO SEGMENT REPORTING, SEK M | JANUARY–JUNE | | APRIL–JUNE | | JULY–JUNE | FULL-YEAR |
|--|--------------|-------------|--------------|-------------|--------------|-------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Interest-bearing net liabilities(+)/receivables(-) at beginning of period | 546 | -790 | 130 | -748 | 240 | -790 |
| Change in interest-bearing net liabilities/receivables | 609 | 1,030 | 1,025 | 988 | 915 | 1,336 |
| Interest-bearing net liabilities(+)/receivables(-) at end of period | 1,155 | 240 | 1,155 | 240 | 1,155 | 546 |



¹⁾ Total cash flow for the period



¹⁾ According to segment reporting

CASH FLOW

JANUARY – JUNE 2019

Cash flow from operating activities according to segment reporting was SEK 371m (–222) during the first six months. Net investments in development properties resulted in a cash flow of SEK –357m (–573). The reduced holdings of repurchased residential units resulted in a cash flow of SEK 226m (–13). Consolidated cash flow attributable to project properties (sales minus investment) during the first six months was SEK –229m (–234). Cash flow was strengthened by a payment of SEK 320m received during the first quarter for an outstanding accounts receivable in accordance with a settlement agreement.

APRIL – JUNE 2019

Cash flow from operating activities was SEK –97m (–204) during the second quarter. Net investments in development properties resulted in a cash flow of SEK –274m (–255). The reduced holdings of repurchased residential units resulted in a cash flow of SEK 131m (0). Consolidated cash flow attributable to project properties (sales minus investment) during the second quarter was SEK –122m (–116). Increased operating capital had a negative impact on the cash flow.

EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

At the beginning of July 2019, JM signed an agreement for the sale of three rental unit properties in Stockholm for SEK 1,200m.

The properties that are being sold are the completed properties Lidingö Tryckregulatorn 2 and Täby Spaken 1, as well as Sundbyberg Lådmakaren 4 which entered into production in Q2 2019. They were part of several larger housing development projects by JM. In total, 376 residential units were sold. The sale of Lidingö Tryckregulatorn 2 and Täby Spaken 1 will be reported in the JM Property Development business segment in Q3 2019 with gains of SEK 170m.

The transfer of ownership for Lidingö Tryckregulatorn 2 and Täby Spaken 1 will occur in Q3 2019; for Sundbyberg Lådmakaren 4, the transfer is planned for Q2 2022. Approximately two-thirds of the remuneration will be received in Q3 2019 and the rest when ownership of Sundbyberg Lådmakaren 4 is transferred. Sundbyberg Lådmakaren 4 will be recognized under revenue and profit/loss gradually during the completion of the project under JM Property Development.

RISKS AND UNCERTAINTY FACTORS

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

CONVERTIBLE PROGRAM

The 2019 Annual General Meeting resolved that JM would raise a debenture loan with a maximum value of SEK 160m by issuing a maximum of 700,000 convertible debentures with a maturity of four years targeting all employees in Sweden.

Upon expiry of the subscription period, the loan amounts to about SEK 33m through the issue of about 153,800 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 initially reported in the balance sheet as a liability with the nominal amount excluding the equity component.

The subscribed convertible bonds may be converted to shares at a price of SEK 212 between June 1, 2022 and April 21, 2023.

Through conversion, JM's share capital could increase by a maximum of SEK 154,000, 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 2019.

OUTSTANDING SHARES

The number of outstanding shares on June 30, 2019, amounts to 69,583,262 (69,583,262). The Company holds no treasury shares (1,476,421).

PERSONNEL

There were 2,635 (2,591) employees at the end of the first six months. The number of wage-earners was 1,045 (1,004), and the number of salaried employees was 1,590 (1,587). Current staffing is considered balanced for the current project volume, and some adjustments are made on a regular basis. Demand on the labor market is strong for qualified project development skills.

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.

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

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

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

Housing starts in Stockholm in the second quarter were supported by a normal reservation level, where profitability continues to be good in current production volumes despite price adjustments in a number of projects. In the past few quarters, the absence of necessary government decisions has had a negative effect on the business unit's housing starts. This currently affects three projects with a total

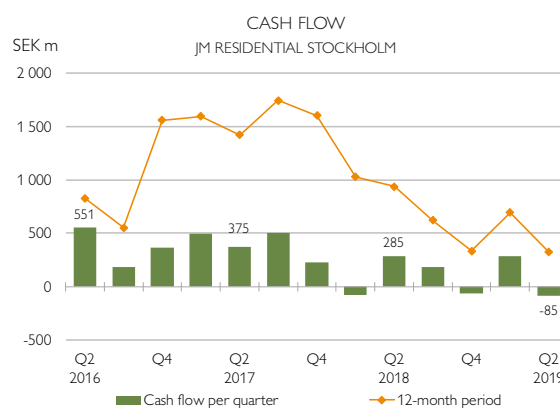
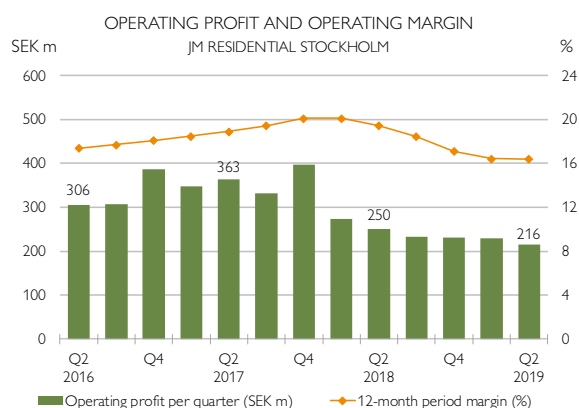
of 183 residential units, all with a high degree of reservations. Housing starts in forthcoming phases have also been indirectly delayed. The conditions continue to be good for a substantially higher number of housing starts during the second half of the year, given the strong number of reservations in forthcoming housing projects and that government decisions are less of a restriction in a number of these projects.

Business segment revenue decreased to SEK 2,765m (3,005). Operating profit decreased to SEK 445m (524). The lower revenue and profit in the first half of the year is due to the lower number of housing starts during the past year. Revenue in the quarter is also restricted by the very low level of land transferred to projects. The operating margin decreased to 16.1 percent (17.4).

Cash flow during the first six months is in balance considering the increase in development properties and payments made for previous property acquisitions.

During the second quarter, construction started on a total of 286 residential units in apartment buildings in Stockholm. In Danderyd, 90 building rights were acquired on the condition of finalized local planning.

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | July-June | FULL-YEAR |
|---|--------------|--------|------------|-------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 2,765 | 3,005 | 1,330 | 1,530 | 5,546 | 5,786 |
| Operating profit ¹⁾ | 445 | 524 | 216 | 250 | 910 | 989 |
| Operating margin, % | 16.1 | 17.4 | 16.2 | 16.3 | 16.4 | 17.1 |
| Average operating capital | | | | | 5,754 | 5,447 |
| Return on operating capital, % | | | | | 15.8 | 18.2 |
| Operating cash flow | 199 | 208 | -85 | 285 | 325 | 334 |
| Carrying amount, development properties | 5,132 | 5,185 | | | | 5,048 |
| Number of available building rights | 13,500 | 13,600 | | | | 13,400 |
| Number of residential units sold | 506 | 342 | 268 | 225 | 1,015 | 851 |
| Number of housing starts | 375 | 455 | 286 | 240 | 777 | 857 |
| Number of residential units in current production | 3,001 | 3,387 | | | | 3,115 |
| Number of employees | 907 | 924 | | | | 936 |
| ¹⁾ Of which property sales | - | 0 | - | 0 | - | 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. Contracting operations are also conducted to a limited extent.

Average prices on the existing home market were unchanged or demonstrated marginal fluctuations on the markets in the business segment during the second quarter.

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

Business segment revenue amounted to SEK 2,309m (2,334), and operating profit decreased to SEK 373m (394). The operating margin decreased to 16.2 percent (16.9).

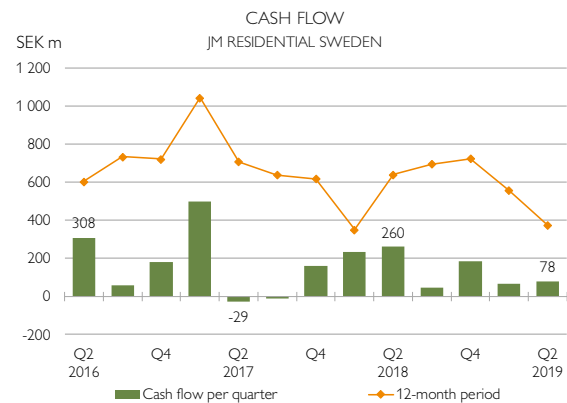
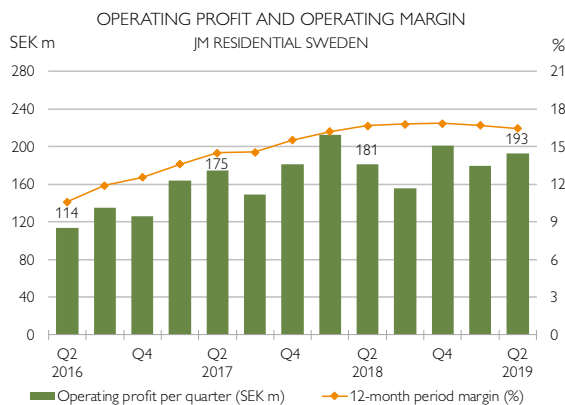
Profit and the margin decreased slightly where demand and prices vary somewhat in each submarket.

Cash flow during the first half of the year is burdened by increased holdings in development properties and an increase in working capital.

During the second quarter, construction started on a total of 244 residential units, of which 207 were in apartment buildings in Örebro, Västerås and Uppsala and 37 were single-family homes in Staffanstorp.

In the second quarter, 300 building rights were acquired in Lund and Gothenburg.

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------|------------|-------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 2,309 | 2,334 | 1,199 | 1,065 | 4,431 | 4,456 |
| Operating profit ¹⁾ | 373 | 394 | 193 | 181 | 730 | 751 |
| Operating margin, % | 16.2 | 16.9 | 16.1 | 17.0 | 16.5 | 16.9 |
| Average operating capital | | | | | 1,096 | 1,008 |
| Return on operating capital, % | | | | | 66.6 | 74.5 |
| Operating cash flow | 143 | 492 | 78 | 260 | 373 | 722 |
| Carrying amount, development properties | | | | | | 1,388 |
| Number of available building rights | 10,500 | 10,300 | | | | 10,500 |
| Number of residential units sold | 487 | 451 | 244 | 207 | 953 | 917 |
| Number of housing starts | 515 | 553 | 244 | 267 | 1,005 | 1,043 |
| Number of residential units in current production | 2,366 | 2,280 | | | | 2,418 |
| Number of employees | 609 | 595 | | | | 598 |
| ^{1) Of which property sales} | - | 0 | - | - | 1 | 1 |



JM International

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

Business segment revenue increased to SEK 1,765m (1,574), and operating profit increased to SEK 164m (136). The operating margin increased to 9.3 percent (8.6). The margin excluding profit from the sale of property amounted to 7.1 percent (7.9).

During the first six months of the year, production started on 332 residential units (281), and we still make the assessment that the number of housing starts will increase in the second half of 2019, assuming a stable market and stable planning conditions.

A decrease in working capital had a positive impact on cash flow for the second quarter.

NORWAY

The price level on the existing home market in Norway increased in the second quarter. Supply has been large, and the activity level has been high.

JM Norway's revenue increased to SEK 1,467m (1,344), and operating profit increased to SEK 143m (127). The operating margin increased to 9.7 percent (9.4).

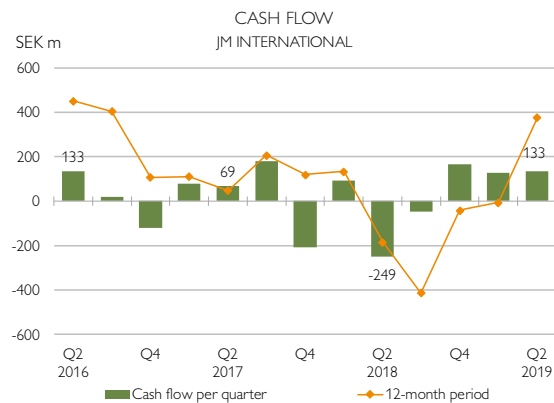
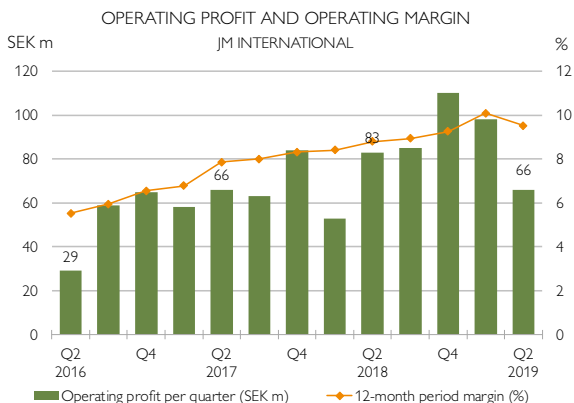
During the second quarter, 128 residential units (146) were sold and production started on 104 units (173).

Housing starts in the second quarter consisted of 72 residential units in apartment buildings and 32 single-family homes in the Oslo region.

The number of residential units in current production amounted to 1,180 (1,207). In the second quarter, building rights corresponding to 300 residential units were acquired in Oslo, and the agreement is conditional on finalized local planning which is expected in 2023 at the earliest.

Available building rights correspond to 8,300 residential units (7,900).

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 1,765 | 1,574 | 905 | 864 | 3,771 | 3,580 |
| - of which JM Norway | 1,467 | 1,344 | 746 | 740 | 3,110 | 2,987 |
| Operating profit ¹⁾ | 164 | 136 | 66 | 83 | 359 | 331 |
| - of which JM Norway | 143 | 127 | 54 | 77 | 313 | 297 |
| Operating margin, % | 9.3 | 8.6 | 7.3 | 9.6 | 9.5 | 9.2 |
| - of which JM Norway | 9.7 | 9.4 | 7.2 | 10.4 | 10.1 | 9.9 |
| Average operating capital | | | | | 2,967 | 2,723 |
| Return on operating capital, % | | | | | 12.1 | 12.2 |
| Operating cash flow | 260 | -157 | 133 | -249 | 376 | -41 |
| Carrying amount, development properties | 2,261 | 2,156 | | | | 1,821 |
| Carrying amount, project properties | 5 | 5 | | | | 4 |
| Number of available building rights | 11,700 | 11,400 | | | | 11,200 |
| Number of residential units sold | 555 | 306 | 369 | 187 | 944 | 695 |
| Number of housing starts | 332 | 281 | 286 | 212 | 966 | 915 |
| Number of residential units in current production | 1,726 | 1,466 | | | | 1,709 |
| Number of employees | 480 | 429 | | | | 458 |
| ¹⁾ Of which property sales | 38 | 11 | - | - | 39 | 12 |



FINLAND

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

During the second quarter 241 residential units (40) were sold and construction started on 182 units (39). The housing starts in the second quarter consist of residential units in apartment buildings in Helsinki and Esbo. All of the projects started during the quarter refer to rental units and the projects have been sold in their entirety. The number of residential units in current production amounted to 546 (259).

The equivalent of 250 building rights were acquired in the second quarter. Available building rights correspond to 3,400 residential units (3,300).



Entréen, Lørenskog, Norway

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 53m (30), of which rental income was SEK 45m (28). Operating profit was SEK 12m (1). The operating profit was burdened by start-up costs for the new business operations, JM@home.

Net rental income for project properties was SEK 30m (17).

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

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

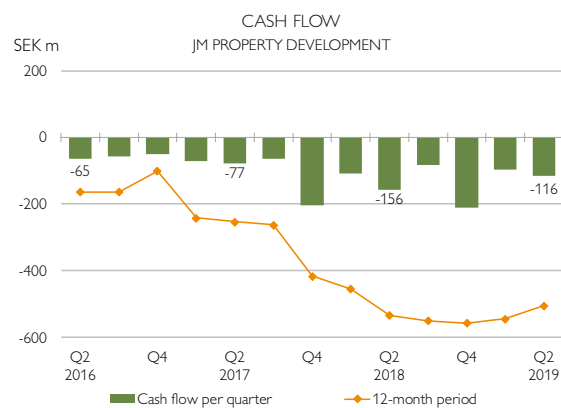
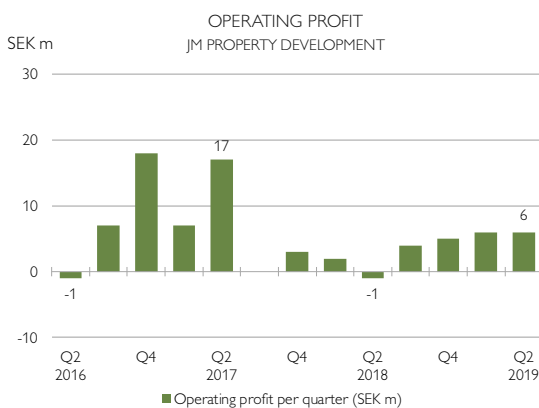
The portfolio of rental units includes three fully rented and occupied projects: Dalénium on Lidingö (Lidingö Tryckregulatorn 2), Tjærtunnan in Stureby and Alphyddan in Nacka.

In the second quarter, construction started on the rental project Valla Park in Sundbyberg (Sundbyberg Lådmakaren 4), consisting of 143 rental apartments. An additional four rental projects in JM's own balance sheet are either under construction or available for occupancy: the Spaken project in Hägernäs (Täby Spaken 1), 136 completed rental units with occupancy in 2019; the Alba Lilium project in Bredäng, Stockholm, 137 rental units with planned occupancy in 2019 and 2020; the Manegen project in Täby, 128 rental units with planned occupancy in 2020; and the Havreflingan project in Järfälla, 192 rental units with planned occupancy in 2021.

In Danderyd 100 building rights for students apartments were acquired on the condition of finalized local planning.

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|-------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 53 | 30 | 29 | 15 | 96 | 73 |
| Operating profit | 12 | 1 | 6 | -1 | 21 | 10 |
| Average operating capital | | | | | 1,583 | 1,314 |
| Return on operating capital, % | | | | | 1.3 | 0.8 |
| Operating cash flow | -212 | -265 | -116 | -156 | -504 | -557 |
| Carrying amount, development properties | 10 | 10 | | | | 10 |
| Carrying amount, project properties | 1,860 | 1,330 | | | | 1,631 |
| Number of available residential building rights ¹⁾ | 800 | 700 | | | | 800 |
| Number of residential units sold ¹⁾ | - | - | - | - | - | - |
| Number of housing starts ¹⁾ | 143 | 128 | 143 | 128 | 335 | 320 |
| Number of residential units in current production ¹⁾ | 736 | 681 | | | | 593 |
| Number of employees | 65 | 48 | | | | 53 |

¹⁾ Refers to rental units and residential care units.



JM Construction

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

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

Business segment revenue decreased to SEK 862m (1,467), of which the operations in Norway decreased to SEK 161m (327), and operating profit decreased to SEK -155m (0).

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

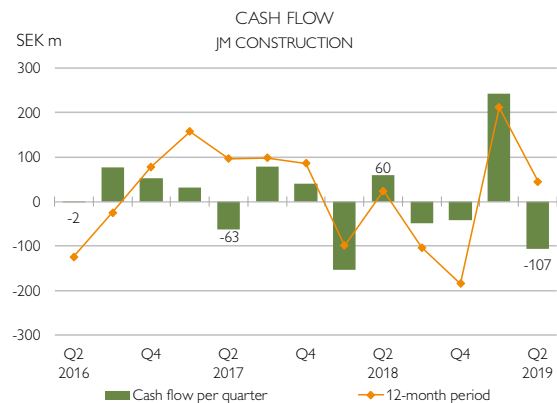
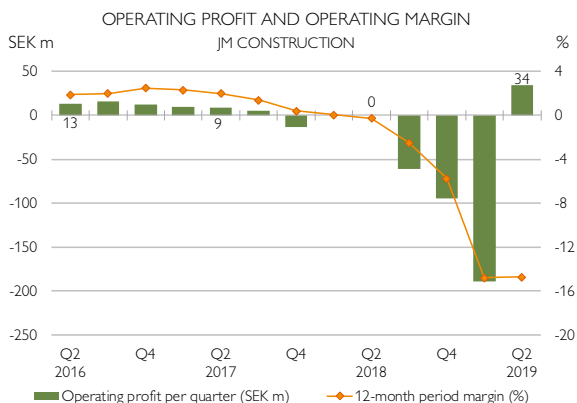
The discontinuation entails costs of SEK 180m, which were recognized in their entirety in Q1 2019. At the same time, JM has initiated the sale of properties within JM Construction. Some project risks will remain until the ongoing projects are completed.

In the second quarter, a property was sold in Gustavsberg in Värmdö Municipality, with gains of SEK 34m which is recognized in the second quarter.

Cash flow was strengthened due to a settled accounts receivable with payment received of SEK 320m in the first quarter, according to a signed settlement agreement, as well as a completed sale of property and an increase in working capital.

During the second quarter, the business segment received a number of assignments within its civil engineering operations, the largest of which is a cooperation agreement with Tyresö Municipality for several infrastructure projects over a period of around 10 years. The largest ongoing projects are groundwork in the Stockholm Norvik goods harbor in Nynäshamn (Ports of Stockholm), new construction of apartment buildings in Norra Djurgårdsstaden (HSB and Riksbyggen) and new construction of apartment buildings in Tyresö (Småa and Riksbyggen). The largest ongoing project in the Norwegian operations is the new production of apartment buildings in Eidsvoll Municipality north of Oslo (Øvre Romerike Boligutvikling AS).

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | July-June | FULL-YEAR |
|---|--------------|-------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue ¹⁾ | 862 | 1,467 | 550 | 769 | 2,111 | 2,716 |
| - of which Business area Construction | 96 | 507 | 146 | 243 | 359 | 770 |
| Operating profit ²⁾ | -155 | 0 | 34 | 0 | -311 | -156 |
| - of which Business area Construction | -201 | -10 | -8 | -5 | -367 | -176 |
| Operating margin, % | -18.0 | 0.0 | 6.2 | 0.0 | -14.7 | -5.7 |
| - of which Business area Construction | | -2.0 | -5.5 | -2.1 | | -22.9 |
| Operating cash flow | 135 | -94 | -107 | 60 | 45 | -184 |
| Carrying amount, development properties | 31 | 42 | | | | 39 |
| Number of employees | 398 | 440 | | | | 437 |
| ¹⁾ Of which internal | 141 | 231 | 69 | 118 | 360 | 450 |
| ²⁾ Of which property sales | 34 | - | 34 | - | 34 | - |



Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

| ACCORDING TO SEGMENT REPORTING, SEK M | JANUARY–JUNE | | APRIL–JUNE | | JULY–JUNE | FULL-YEAR |
|---|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 7,613 | 8,179 | 3,944 | 4,125 | 15,595 | 16,161 |
| Production and operating costs | -6,366 | -6,589 | -3,212 | -3,324 | -13,024 | -13,247 |
| Gross profit | 1,247 | 1,590 | 732 | 801 | 2,571 | 2,914 |
| Selling and administrative expenses | -500 | -569 | -260 | -297 | -972 | -1,041 |
| Gains/losses on the sale of property | 72 | 11 | 34 | 0 | 74 | 13 |
| Operating profit | 819 | 1,032 | 506 | 504 | 1,673 | 1,886 |
| Financial income and expenses | -40 | -35 | -18 | -19 | -74 | -69 |
| Profit/loss before tax | 779 | 997 | 488 | 485 | 1,599 | 1,817 |
| Taxes | -165 | -221 | -102 | -108 | -323 | -379 |
| Profit for the period | 614 | 776 | 386 | 377 | 1,276 | 1,438 |
| Other comprehensive income | 18 | 93 | -39 | 6 | -131 | -56 |
| Comprehensive income for the period | 632 | 869 | 347 | 383 | 1,145 | 1,382 |
| Earnings per share ¹⁾ , diluted, SEK | 8.80 | 11.10 | 5.50 | 5.40 | 18.30 | 20.60 |
| Average number of shares, diluted | 69,924,046 | 69,779,427 | 69,955,656 | 69,804,462 | 69,908,241 | 69,865,418 |

¹⁾ Profit/loss for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

| ACCORDING TO SEGMENT REPORTING, SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | 221 | 226 | 214 |
| Project properties | 1,865 | 1,335 | 1,635 |
| Development properties | 8,983 | 8,869 | 8,306 |
| Participations in tenant-owners associations, etc. | 296 | 322 | 567 |
| Current receivables ¹⁾ | 3,993 | 3,813 | 4,083 |
| Cash and cash equivalents | 1,168 | 2,078 | 1,682 |
| Total current assets | 16,305 | 16,417 | 16,273 |
| Total assets | 16,526 | 16,643 | 16,487 |
| EQUITY AND LIABILITIES ²⁾ | | | |
| Equity | 6,597 | 6,285 | 6,798 |
| Non-current interest-bearing liabilities | 314 | 255 | 146 |
| Other non-current liabilities | 770 | 686 | 696 |
| Non-current provisions | 3,296 | 2,850 | 3,037 |
| Total non-current liabilities | 4,380 | 3,791 | 3,879 |
| Current interest-bearing liabilities | 502 | 762 | 694 |
| Other current liabilities | 4,904 | 5,682 | 4,994 |
| Current provisions | 143 | 123 | 122 |
| Total current liabilities | 5,549 | 6,567 | 5,810 |
| Total equity and liabilities | 16,526 | 16,643 | 16,487 |
| ¹⁾ Of which receivables from property sales | 78 | 79 | 53 |
| ²⁾ Of which liabilities for property acquisition | 1,216 | 1,439 | 1,040 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| ACCORDING TO SEGMENT REPORTING, SEK M | JANUARY-JUNE | | FULL-YEAR |
|--|--------------|-------|-----------|
| | 2019 | 2018 | 2018 |
| Opening balance at beginning of period | 6,798 | 6,178 | 6,178 |
| Total comprehensive income for the period | 632 | 869 | 1,382 |
| Dividend | -835 | -765 | -765 |
| Equity component of convertible debentures | 2 | 3 | 3 |
| Closing balance at end of period | 6,597 | 6,285 | 6,798 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| ACCORDING TO SEGMENT REPORTING, SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------------|--------------|--------------|---------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Cash flow from operating activities before change in working capital and taxes | 1,103 | 1,206 | 588 | 450 | 2,072 | 2,175 |
| Paid tax | -272 | -398 | -141 | -137 | -571 | -697 |
| Investment in development properties, etc. ¹⁾ | -1,595 | -1,827 | -963 | -878 | -3,496 | -3,728 |
| Payment on account for development properties, etc. ²⁾ | 1,464 | 1,241 | 820 | 623 | 3,027 | 2,804 |
| Investment in project properties | -229 | -236 | -122 | -118 | -517 | -524 |
| Sale of project properties | - | 2 | - | 2 | 0 | 2 |
| Change in current liabilities/receivables | -100 | -210 | -279 | -146 | -395 | -505 |
| Cash flow from operating activities | 371 | -222 | -97 | -204 | 120 | -473 |
| Cash flow from investing activities | 1 | -3 | -1 | -2 | -4 | -8 |
| Loans raised | 138 | 554 | 125 | 505 | 207 | 623 |
| Amortization of debt | -200 | -74 | -178 | -26 | -396 | -270 |
| Dividend | -835 | -765 | -835 | -765 | -835 | -765 |
| Cash flow from financing activities | -897 | -285 | -888 | -286 | -1,024 | -412 |
| Cash flow for the period | -525 | -510 | -986 | -492 | -908 | -893 |
| Cash and cash equivalents at end of period | 1,168 | 2,078 | 1,168 | 2,078 | 1,168 | 1,682 |
| ¹⁾ Of which investment in shares in tenant-owners associations and freehold apartments | -875 | -393 | -506 | -213 | -2,019 | -1,537 |
| ²⁾ Of which sale of participations in tenant-owners associations and freehold apartments | 1,101 | 380 | 637 | 213 | 1,862 | 1,141 |

CONSOLIDATED KEY FINANCIAL FIGURES

| ACCORDING TO SEGMENT REPORTING, % | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|-----------------------------------|--------------|------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Operating margin | 10.8 | 12.6 | 12.8 | 12.2 | 10.7 | 11.7 |
| Return on equity | | | | | 19.8 | 22.2 |
| Return on capital employed | | | | | 19.2 | 22.3 |
| Debt/equity ratio, multiple | 0.2 | 0.0 | | | | 0.1 |
| Equity/assets ratio | 40 | 38 | | | | 41 |

ACCORDING TO SEGMENT REPORTING

REVENUE BY COUNTRY

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Sweden | 5,687 | 6,319 | 2,977 | 3,104 | 11,429 | 12,061 |
| Norway | 1,628 | 1,630 | 808 | 897 | 3,504 | 3,506 |
| Finland | 298 | 213 | 159 | 119 | 656 | 571 |
| Belgium | - | 17 | - | 5 | 6 | 23 |
| Total | 7,613 | 8,179 | 3,944 | 4,125 | 15,595 | 16,161 |

REVENUE BY BUSINESS SEGMENT

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|--------------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 2,765 | 3,005 | 1,330 | 1,530 | 5,546 | 5,786 |
| JM Residential Sweden | 2,309 | 2,334 | 1,199 | 1,065 | 4,431 | 4,456 |
| JM International | 1,765 | 1,574 | 905 | 864 | 3,771 | 3,580 |
| JM Property Development | 53 | 30 | 29 | 15 | 96 | 73 |
| JM Construction | 862 | 1,467 | 550 | 769 | 2,111 | 2,716 |
| Elimination | -141 | -231 | -69 | -118 | -360 | -450 |
| Total | 7,613 | 8,179 | 3,944 | 4,125 | 15,595 | 16,161 |

OPERATING PROFIT BY BUSINESS SEGMENT

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|--------------------------|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 445 | 524 | 216 | 250 | 910 | 989 |
| JM Residential Sweden | 373 | 394 | 193 | 181 | 730 | 751 |
| JM International | 164 | 136 | 66 | 83 | 359 | 331 |
| JM Property Development | 12 | 1 | 6 | -1 | 21 | 10 |
| JM Construction | -155 | 0 | 34 | 0 | -311 | -156 |
| Group-wide expenses | -20 | -23 | -9 | -9 | -36 | -39 |
| Total | 819 | 1,032 | 506 | 504 | 1,673 | 1,886 |

OPERATING MARGIN BY BUSINESS SEGMENT

| % | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|--------------------------|--------------|------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 16.1 | 17.4 | 16.2 | 16.3 | 16.4 | 17.1 |
| JM Residential Sweden | 16.2 | 16.9 | 16.1 | 17.0 | 16.5 | 16.9 |
| JM International | 9.3 | 8.6 | 7.3 | 9.6 | 9.5 | 9.2 |
| JM Construction | -18.0 | 0.0 | 6.2 | 0.0 | -14.7 | -5.7 |

AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT

| SEK M | JULY-JUNE | FULL-YEAR |
|--------------------------|-----------|-----------|
| | 2018/2019 | 2018 |
| JM Residential Stockholm | 5,754 | 5,447 |
| JM Residential Sweden | 1,096 | 1,008 |
| JM International | 2,967 | 2,723 |
| JM Property Development | 1,583 | 1,314 |

RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT

| % | JULY-JUNE | FULL-YEAR |
|--------------------------|-----------|-----------|
| | 2018/2019 | 2018 |
| JM Residential Stockholm | 15.8 | 18.2 |
| JM Residential Sweden | 66.6 | 74.5 |
| JM International | 12.1 | 12.2 |
| JM Property Development | 1.3 | 0.8 |

ACCORDING TO SEGMENT REPORTING

OPERATING CASH FLOW BY BUSINESS SEGMENT

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|--------------------------|--------------|------|------------|------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 199 | 208 | -85 | 285 | 325 | 334 |
| JM Residential Sweden | 143 | 492 | 78 | 260 | 373 | 722 |
| JM International | 260 | -157 | 133 | -249 | 376 | -41 |
| JM Property Development | -212 | -265 | -116 | -156 | -504 | -557 |
| JM Construction | 135 | -94 | -107 | 60 | 45 | -184 |

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

| CARRYING AMOUNT, SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|--------------------------|--------------|--------------|--------------|
| JM Residential Stockholm | 5,132 | 5,185 | 5,048 |
| JM Residential Sweden | 1,549 | 1,476 | 1,388 |
| JM International | 2,261 | 2,156 | 1,821 |
| JM Property Development | 10 | 10 | 10 |
| JM Construction | 31 | 42 | 39 |
| Total | 8,983 | 8,869 | 8,306 |

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

| NUMBER | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|---------------------------------------|---------------|---------------|---------------|
| JM Residential Stockholm | 13,500 | 13,600 | 13,400 |
| JM Residential Sweden | 10,500 | 10,300 | 10,500 |
| JM International | 11,700 | 11,400 | 11,200 |
| JM Property Development ¹⁾ | 800 | 700 | 800 |
| Total | 36,500 | 36,000 | 35,900 |

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

| | | | |
|---------------------------------------|---------------|---------------|---------------|
| JM Residential Stockholm | 8,400 | 8,100 | 8,600 |
| JM Residential Sweden | 6,900 | 6,400 | 6,800 |
| JM International | 5,800 | 5,700 | 5,100 |
| JM Property Development ¹⁾ | 100 | 200 | 200 |
| Total | 21,200 | 20,400 | 20,700 |

RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

| NUMBER | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---------------------------------------|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 506 | 342 | 268 | 225 | 1,015 | 851 |
| JM Residential Sweden | 487 | 451 | 244 | 207 | 953 | 917 |
| JM International | 555 | 306 | 369 | 187 | 944 | 695 |
| JM Property Development ¹⁾ | - | - | - | - | - | - |
| Total | 1,548 | 1,099 | 881 | 619 | 2,912 | 2,463 |

HOUSING STARTS BY BUSINESS SEGMENT

| NUMBER | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---------------------------------------|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| JM Residential Stockholm | 375 | 455 | 286 | 240 | 777 | 857 |
| JM Residential Sweden | 515 | 553 | 244 | 267 | 1,005 | 1,043 |
| JM International | 332 | 281 | 286 | 212 | 966 | 915 |
| JM Property Development ¹⁾ | 143 | 128 | 143 | 128 | 335 | 320 |
| Total | 1,365 | 1,417 | 959 | 847 | 3,083 | 3,135 |

RESIDENTIAL UNITS IN CURRENT PRODUCTION

| NUMBER | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|---------------------------------------|--------------|--------------|--------------|
| JM Residential Stockholm | 3,001 | 3,387 | 3,115 |
| JM Residential Sweden | 2,366 | 2,280 | 2,418 |
| JM International | 1,726 | 1,466 | 1,709 |
| JM Property Development ¹⁾ | 736 | 681 | 593 |
| Total | 7,829 | 7,814 | 7,835 |

¹⁾ Refers to rental units and residential care units.

ACCORDING TO SEGMENT REPORTING

PROJECT PROPERTIES, GROUP

| CARRYING AMOUNT, SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|----------------------------------|--------------|--------------|--------------|
| Properties under development | 1,041 | 1,100 | 816 |
| Completed rental unit properties | 813 | 224 | 808 |
| Completed commercial properties | 11 | 11 | 11 |
| Total | 1,865 | 1,335 | 1,635 |

DEVELOPMENT PROPERTIES, GROUP

| CARRYING AMOUNT, SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Opening balance at beginning of period | 8,306 | 7,543 | 8,911 | 8,607 | 8,869 | 7,543 |
| New purchases | 879 | 2,057 | 142 | 661 | 1,224 | 2,402 |
| Transferred to production | -256 | -786 | -77 | -411 | -987 | -1,517 |
| Other | 54 | 55 | 7 | 12 | -123 | -122 |
| Closing balance at end of period | 8,983 | 8,869 | 8,983 | 8,869 | 8,983 | 8,306 |

Group five-year overview

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

Group Quarterly Overview

| ACCORDING TO SEGMENT REPORTING, SEK M INCOME STATEMENT | 2019 | | 2018 | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| Revenue | 3,944 | 3,669 | 4,150 | 3,832 | 4,125 | 4,054 |
| Production and operating costs | -3,212 | -3,154 | -3,456 | -3,202 | -3,324 | -3,265 |
| Gross profit | 732 | 515 | 694 | 630 | 801 | 789 |
| Selling and administrative expenses | -260 | -240 | -254 | -218 | -297 | -272 |
| Gains/losses on the sale of property | 34 | 38 | 3 | -1 | 0 | 11 |
| Operating profit | 506 | 313 | 443 | 411 | 504 | 528 |
| Financial income and expenses | -18 | -22 | -13 | -21 | -19 | -16 |
| Profit/loss before tax | 488 | 291 | 430 | 390 | 485 | 512 |
| Taxes | -102 | -63 | -71 | -87 | -108 | -113 |
| Profit for the period | 386 | 228 | 359 | 303 | 377 | 399 |
| BALANCE SHEET | 6/30 | 03/31 | 12/31 | 9/30 | 6/30 | 03/31 |
| ASSETS | | | | | | |
| Non-current assets | 221 | 220 | 214 | 221 | 226 | 221 |
| Project properties | 1,865 | 1,743 | 1,635 | 1,423 | 1,335 | 1,193 |
| Development properties | 8,983 | 8,911 | 8,306 | 8,509 | 8,869 | 8,607 |
| Participations in tenant-owners associations, etc. | 296 | 434 | 567 | 224 | 322 | 309 |
| Current receivables | 3,993 | 4,040 | 4,083 | 3,904 | 3,813 | 3,828 |
| Cash and cash equivalents | 1,168 | 2,150 | 1,682 | 1,854 | 2,078 | 2,564 |
| Total current assets | 16,305 | 17,278 | 16,273 | 15,914 | 16,417 | 16,501 |
| Total assets | 16,526 | 17,498 | 16,487 | 16,135 | 16,643 | 16,722 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | 6,597 | 7,083 | 6,798 | 6,520 | 6,285 | 6,664 |
| Non-current interest-bearing liabilities | 314 | 171 | 146 | 204 | 255 | 220 |
| Other non-current liabilities | 770 | 770 | 696 | 700 | 686 | 700 |
| Non-current provisions | 3,296 | 3,128 | 3,037 | 2,994 | 2,850 | 2,846 |
| Total non-current liabilities | 4,380 | 4,069 | 3,879 | 3,898 | 3,791 | 3,766 |
| Current interest-bearing liabilities | 502 | 688 | 694 | 816 | 762 | 336 |
| Other current liabilities | 4,904 | 5,529 | 4,994 | 4,780 | 5,682 | 5,831 |
| Current provisions | 143 | 129 | 122 | 121 | 123 | 125 |
| Total current liabilities | 5,549 | 6,346 | 5,810 | 5,717 | 6,567 | 6,292 |
| Total equity and liabilities | 16,526 | 17,498 | 16,487 | 16,135 | 16,643 | 16,722 |
| CASH FLOW STATEMENT | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| From operating activities | -97 | 468 | -17 | -234 | -204 | -18 |
| From investing activities | -1 | 2 | -8 | 3 | -2 | -1 |
| From financing activities | -888 | -9 | -138 | 11 | -286 | 1 |
| Total cash flow for the period | -986 | 461 | -163 | -220 | -492 | -18 |
| Cash and cash equivalents at end of period | 1,168 | 2,150 | 1,682 | 1,854 | 2,078 | 2,564 |
| 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 | 130 | 546 | 541 | 240 | -748 | -790 |
| Change in interest-bearing net liabilities/receivables | 1,025 | -416 | 5 | 301 | 988 | 42 |
| Interest-bearing net liabilities(+)/receivables(-) at end of period | 1,155 | 130 | 546 | 541 | 240 | -748 |
| DEVELOPMENT PROPERTIES | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| Carrying amount at beginning of period | 8,911 | 8,306 | 8,509 | 8,869 | 8,607 | 7,543 |
| New purchases | 142 | 737 | 154 | 191 | 661 | 1,396 |
| Transferred to production | -77 | -179 | -219 | -512 | -411 | -375 |
| Other | 7 | 47 | -138 | -39 | 12 | 43 |
| Carrying amount at end of period | 8,983 | 8,911 | 8,306 | 8,509 | 8,869 | 8,607 |
| KEY RATIOS | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| Operating margin, % | 12.8 | 8.5 | 10.7 | 10.7 | 12.2 | 13.0 |
| Debt/equity ratio, multiple | 0.2 | 0.0 | 0.1 | 0.1 | 0.0 | - |
| Equity/assets ratio, % | 40 | 40 | 41 | 40 | 38 | 40 |
| Earnings per share, SEK | 5.50 | 3.30 | 5.20 | 4.30 | 5.40 | 5.70 |
| Number of available building rights | 36,500 | 36,400 | 35,900 | 36,700 | 36,000 | 34,900 |
| Number of residential units sold | 881 | 667 | 751 | 613 | 619 | 480 |
| Number of housing starts | 959 | 406 | 1,038 | 680 | 847 | 570 |
| Number of residential units in current production | 7,829 | 7,842 | 7,835 | 8,243 | 7,814 | 7,672 |

Business Segment Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M

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

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

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

| ACCORDING TO IFRS, SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|--|--------------|--------------|------------|------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue | 7,481 | 7,869 | 3,882 | 4,044 | 15,292 | 15,680 |
| Production and operating costs | -6,221 | -6,298 | -3,139 | -3,241 | -12,699 | -12,776 |
| Gross profit | 1,260 | 1,571 | 743 | 803 | 2,593 | 2,904 |
| Selling and administrative expenses | -507 | -569 | -265 | -297 | -979 | -1,041 |
| Gains/losses on the sale of property | 72 | 11 | 34 | 0 | 74 | 13 |
| Operating profit | 825 | 1,013 | 512 | 506 | 1,688 | 1,876 |
| Financial income and expenses | -49 | -35 | -23 | -19 | -83 | -69 |
| Profit/loss before tax | 776 | 978 | 489 | 487 | 1,605 | 1,807 |
| Taxes | -165 | -219 | -104 | -109 | -330 | -384 |
| Profit for the period | 611 | 759 | 385 | 378 | 1,275 | 1,423 |
| Other comprehensive income | | | | | | |
| <i>Items that will be reclassified as income</i> | | | | | | |
| Translation differences from the translation of foreign operations | 97 | 109 | 28 | 31 | 18 | 30 |
| <i>Items that will not be reclassified as income</i> | | | | | | |
| Restatement of defined-benefit pensions | -111 | -36 | -89 | -36 | -180 | -105 |
| Tax attributable to other comprehensive income | 23 | 8 | 19 | 8 | 30 | 15 |
| Comprehensive income for the period | 620 | 840 | 343 | 381 | 1,143 | 1,363 |
| Net profit for the period attributable to shareholders of the Parent Company | 611 | 759 | 385 | 378 | 1,275 | 1,423 |
| Comprehensive income for the period is attributable to shareholders of the Parent Company | 620 | 840 | 343 | 381 | 1,143 | 1,363 |
| Earnings per share ¹⁾ , basic, is attributable to shareholders of the Parent Company, SEK | 8.80 | 10.90 | 5.50 | 5.40 | 18.30 | 20.50 |
| Earnings per share ¹⁾ , diluted, is attributable to shareholders of the Parent Company, SEK | 8.80 | 10.90 | 5.50 | 5.40 | 18.30 | 20.40 |
| Number of outstanding shares at end of period | 69,583,262 | 69,583,262 | 69,583,262 | 69,583,262 | 69,583,262 | 69,583,262 |
| Average number of shares, basic | 69,583,262 | 69,583,262 | 69,583,262 | 69,583,262 | 69,583,262 | 69,583,262 |
| Average number of shares, diluted | 69,924,046 | 69,779,427 | 69,955,656 | 69,804,462 | 69,908,241 | 69,865,418 |

¹⁾ Profit/loss for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

| ACCORDING TO IFRS, SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| Non-current assets¹⁾ | 470 | 226 | 214 |
| Project properties | 1,865 | 1,335 | 1,635 |
| Development properties | 8,983 | 8,869 | 8,306 |
| Right-of-use leasehold rights | 277 | - | - |
| Participations in tenant-owners associations, etc. | 296 | 322 | 567 |
| Work in progress | 3,201 | 2,962 | 2,958 |
| Current receivables | 4,791 | 5,444 | 5,286 |
| Cash and cash equivalents | 1,168 | 2,078 | 1,682 |
| Total current assets | 20,581 | 21,010 | 20,434 |
| Total assets | 21,051 | 21,236 | 20,648 |
| EQUITY AND LIABILITIES^{2) 3) 4) 5)} | | | |
| Equity | 6,431 | 6,121 | 6,644 |
| Non-current interest-bearing liabilities | 995 | 255 | 146 |
| Other non-current liabilities | 770 | 686 | 696 |
| Non-current provisions | 3,262 | 2,808 | 3,004 |
| Total non-current liabilities | 5,027 | 3,749 | 3,846 |
| Current interest-bearing liabilities | 4,378 | 5,453 | 4,968 |
| Other current liabilities | 5,072 | 5,790 | 5,068 |
| Current provisions | 143 | 123 | 122 |
| Total current liabilities | 9,593 | 11,366 | 10,158 |
| Total equity and liabilities | 21,051 | 21,236 | 20,648 |
| Pledged assets | 481 | 531 | 476 |
| Contingent liabilities | 9,693 | 8,608 | 8,693 |
| ¹⁾ Of which right-of-use offices and cars | 249 | - | - |
| ²⁾ Of which project financing JM International | 2,626 | 2,503 | 2,340 |
| ³⁾ Of which project financing JM Residential Stockholm and JM Residential Sweden | 1,574 | 2,296 | 2,003 |
| ⁴⁾ Of which liabilities for property acquisition | 1,216 | 1,439 | 1,040 |
| ⁵⁾ Of which current and non-current interest-bearing leasing liabilities | 527 | - | - |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| ACCORDING TO IFRS, SEK M | JANUARY-JUNE | | FULL-YEAR |
|---|--------------|--------------|--------------|
| | 2019 | 2018 | |
| Opening balance at beginning of period | 6,644 | 6,043 | 6,043 |
| Total comprehensive income for the period | 620 | 840 | 1,363 |
| Dividend | -835 | -765 | -765 |
| Equity component of convertible debentures | 2 | 3 | 3 |
| Closing balance at end of period | 6,431 | 6,121 | 6,644 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| ACCORDING TO IFRS, SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|---------------|--------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | |
| Cash flow from operating activities before change in working capital and taxes | 581 | 544 | 358 | 3 | 354 | 317 |
| Paid tax | -272 | -398 | -141 | -137 | -571 | -697 |
| Investment in development properties, etc. ¹⁾ | -1,595 | -1,827 | -963 | -878 | -3,496 | -3,728 |
| Payment on account for development properties, etc. ²⁾ | 1,265 | 575 | 775 | 273 | 2,375 | 1,685 |
| Investment in project properties | -229 | -236 | -122 | -118 | -517 | -524 |
| Sale of project properties | - | 2 | - | 2 | 0 | 2 |
| Change in current liabilities/receivables | -319 | -640 | -369 | -357 | -349 | -670 |
| Cash flow from operating activities³⁾ | -569 | -1,980 | -462 | -1,212 | -2,204 | -3,615 |
| Cash flow from investing activities | 1 | -3 | -1 | -2 | -4 | -8 |
| Loans raised | 138 | 554 | 125 | 505 | 207 | 623 |
| Amortization of debt | -252 | -74 | -207 | -26 | -448 | -270 |
| Loans raised, project financing ³⁾ | 1,433 | 2,178 | 593 | 1,257 | 3,653 | 4,398 |
| Amortization of debt, project financing ³⁾ | -441 | -420 | -199 | -249 | -1,277 | -1,256 |
| Dividend | -835 | -765 | -835 | -765 | -835 | -765 |
| Cash flow from financing activities | 43 | 1,473 | -523 | 722 | 1,300 | 2,730 |
| Cash flow for the period | -525 | -510 | -986 | -492 | -908 | -893 |
| Cash and cash equivalents at end of period | 1,168 | 2,078 | 1,168 | 2,078 | 1,168 | 1,682 |

¹⁾ Of which investment in shares in tenant-owners associations and freehold apartments -875 -393 -506 -213 -2,019 -1,537

²⁾ Of which sale of participations in tenant-owners associations and freehold apartments 1,101 380 637 213 1,862 1,141

³⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

ACCOUNTING PRINCIPLES

This interim report for the first six months of 2019 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 82–85 of the 2018 Annual Report with the exception that IFRS 16 Leases is applied as of January 1, 2019.

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

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

simplified transition approach, which means that identified leases will not be restated retroactively. This means that comparative figures for periods prior to 2019 will not be affected. For JM, the new standard at the end of the first six months of 2019 has resulted in one right-of-use asset and one lease liability in the balance sheet of around SEK 526m each. These assets consist primarily of the rental of properties in which JM conducts its operations, the rental of the vehicles used in the operations and the rental of land.

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

IFRS 16 is not applied in the segment reporting.

OTHER CHANGES TO IFRS

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

SEGMENT REPORTING

JM's segment reporting differs from IFRS in three respects.

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

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

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

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

ACCOUNTING FOR HOUSING DEVELOPMENT IN SWEDEN

In 2018, Nasdaq Stockholm AB (the Stock Exchange) sent questions to several housing developers regarding in part the basis for the assessment of whether tenant-owners associations are independent. The Stock Exchange's final decision sent to JM in December 2018 stated among other things that it is possible for different companies to reach different conclusions and that there are differences between the companies' operational, business and contractual structures, which may be considered to have an impact on this matter. The Stock Exchanges stated that JM does not consolidate the tenant-owners associations, that there was not enough transparency

surrounding the grounds on which JM has made this assessment and that there thus is no clear account of the facts and circumstances that led to JM's conclusion. The Stock Exchange thus criticized JM, and in the 2018 annual report JM provided expanded and clearer disclosures regarding these grounds. JM also announced that the Swedish Financial Supervisory Authority, Finansinspektionen (FI), had informed JM that FI will investigate the matter.

In June 2019, FI communicated to JM its preliminary assessment that the tenant-owners associations are not independent and must thus be consolidated. As a result, revenue may not be recognized over time (gradually) but rather at the transfer of ownership to individual buyers of tenant-owned apartments. JM does not share FI's preliminary assessment, but rather still considers the tenant-owners associations to be independent and that they should not be consolidated. JM has submitted feedback regarding FI's preliminary assessment and is now monitoring the result of FI's continued investigation.

It is JM's opinion that a restatement is not required, but also notes that IFRS is a principle-based framework that often requires assessments. In complex matters like this, it is possible for different parties to make different assessments. The estimated effects of a potential restatement due to the consolidation of tenant-owners associations for full-year 2018 are described in the 2018 annual report. This type of change does not affect JM's segment reporting, project governance or the business's risk profile. JM considers segment reporting to most accurately reflect the economic implications of JM's business at the same time as it correlates well with the Group's internal governance, which is based on the Group's cash flows, risk profile and capital allocation.

ACCOUNTING OF IFRS 16 LEASES

| | JANUARY-JUNE | | APRIL-JUNE |
|--|------------------|------------------|-----------------|
| ACCORDING TO IFRS, SEK M | 2019 | | 2019 |
| Production and operating costs | 14 | | 8 |
| Selling and administrative expenses | -7 | | -5 |
| Operating profit | 7 | | 3 |
| Financial income and expenses | -8 | | -3 |
| Profit/loss before tax | -1 | | 0 |
| Taxes | 0 | | 0 |
| Profit for the period | -1 | | 0 |
| ACCORDING TO IFRS, SEK M | 6/30/2019 | 3/31/2019 | 1/1/2019 |
| Non-current assets | 249 | 250 | 275 |
| Current assets | 277 | 266 | 278 |
| Total assets | 526 | 516 | 553 |
| Equity | -1 | -1 | - |
| Non-current interest-bearing liabilities | 519 | 511 | 553 |
| Current interest-bearing liabilities | 8 | 6 | - |
| Total equity and liabilities | 526 | 516 | 553 |

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

| SEK M | JANUARY-JUNE | | FULL-YEAR |
|---|--------------|--------------|--------------|
| | 2019 | 2018 | 2018 |
| Net sales | 5,207 | 5,407 | 10,397 |
| Production and operating costs | -4,046 | -4,130 | -8,025 |
| Gross profit | 1,161 | 1,277 | 2,372 |
| Selling and administrative expenses | -344 | -413 | -717 |
| Gains/losses on the sale of property | - | 0 | - |
| Operating profit | 817 | 864 | 1,655 |
| Financial income and expenses | 77 | -50 | 46 |
| Profit before appropriations and tax | 894 | 814 | 1,701 |
| Appropriations | -241 | - | -175 |
| Profit/loss before tax | 653 | 814 | 1,526 |
| Taxes | -119 | -182 | -323 |
| Profit for the period | 534 | 632 | 1,203 |

CONDENSED PARENT COMPANY BALANCE SHEET

| SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|-------------------------------------|---------------|---------------|---------------|
| Assets | | | |
| Non-current assets | 1,363 | 1,508 | 1,483 |
| Current assets | 12,604 | 12,881 | 13,145 |
| Total assets | 13,967 | 14,389 | 14,628 |
| Equity and liabilities | | | |
| Equity | 3,190 | 2,919 | 3,490 |
| Untaxed reserves | 2,390 | 2,360 | 2,390 |
| Provisions | 1,753 | 1,467 | 1,583 |
| Non-current liabilities | 803 | 736 | 722 |
| Current liabilities | 5,831 | 6,907 | 6,443 |
| Total equity and liabilities | 13,967 | 14,389 | 14,628 |
| Pledged assets | 169 | 169 | 169 |
| Contingent liabilities | 9,572 | 8,706 | 8,785 |

Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|--------------|--------------|--------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Revenue for the period (segment reporting) | 7,613 | 8,179 | 3,944 | 4,125 | 15,595 | 16,161 |
| Restatement JM International | -132 | -310 | -62 | -81 | -303 | -481 |
| Revenue for the period (IFRS) | 7,481 | 7,869 | 3,882 | 4,044 | 15,292 | 15,680 |
| Operating profit/loss for the period (segment reporting) | 819 | 1,032 | 506 | 504 | 1,673 | 1,886 |
| Restatement JM International | -1 | -19 | 3 | 2 | 8 | -10 |
| Leases IFRS 16 | 7 | - | 3 | - | 7 | - |
| Operating profit/loss for the period (IFRS) | 825 | 1,013 | 512 | 506 | 1,688 | 1,876 |
| Profit/loss for the period (segment reporting) | 614 | 776 | 386 | 377 | 1,276 | 1,438 |
| Restatement JM International | -2 | -17 | -1 | 1 | 0 | -15 |
| Leases IFRS 16 | -1 | - | 0 | - | -1 | - |
| Profit/loss for the period (IFRS) | 611 | 759 | 385 | 378 | 1,275 | 1,423 |

CONSOLIDATED BALANCE SHEET

| SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|---|---------------|---------------|---------------|
| Balance sheet total (segment reporting) | 16,526 | 16,643 | 16,487 |
| Restatement JM International | -201 | -206 | -182 |
| Reclassification project financing JM International, interest-bearing | 2,293 | 2,151 | 1,884 |
| Reclassification project financing JM International, non-interest-bearing ¹⁾ | 333 | 352 | 456 |
| Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing | 1,737 | 2,540 | 2,390 |
| Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings | -163 | -244 | -387 |
| Leases IFRS 16 | 526 | - | - |
| Balance sheet total (IFRS) | 21,051 | 21,236 | 20,648 |

¹⁾ Billing on account for customers.

CONSOLIDATED EQUITY

| SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|-----------------------------------|--------------|--------------|--------------|
| Equity (segment reporting) | 6,597 | 6,285 | 6,798 |
| Restatement JM International | -165 | -164 | -154 |
| Leases IFRS 16 | -1 | - | - |
| Equity (IFRS) | 6,431 | 6,121 | 6,644 |

CONSOLIDATED KEY FINANCIAL FIGURES

| % | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|--|-----------|-----------|------------|
| Equity/assets ratio (segment reporting) | 40 | 38 | 41 |
| Equity/assets ratio (IFRS) | 31 | 29 | 32 |

CONSOLIDATED CASH FLOW

| SEK M | JANUARY-JUNE | | APRIL-JUNE | | JULY-JUNE | FULL-YEAR |
|---|--------------|---------------|-------------|---------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2018/2019 | 2018 |
| Cash flow from operating activities (segment reporting) | 371 | -222 | -97 | -204 | 120 | -473 |
| Reclassification project financing JM International | -291 | -619 | -159 | -284 | -138 | -466 |
| Reclassification project financing JM Residential Stockholm and JM Residential Sweden, interest-bearing | -700 | -1,139 | -234 | -724 | -2,237 | -2,676 |
| Leases IFRS 16 | 51 | - | 28 | - | 51 | - |
| Cash flow from operating activities (IFRS) | -569 | -1,980 | -462 | -1,212 | -2,204 | -3,615 |

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

| SEK M | 6/30/2019 | 6/30/2018 | 12/31/2018 |
|--|--------------|--------------|--------------|
| Interest-bearing net liabilities (+)/receivables (-) at end of period (segment reporting) | 1,155 | 240 | 546 |
| Reclassification project financing JM International | 2,293 | 2,151 | 1,884 |
| Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing | 1,737 | 2,540 | 2,390 |
| Leases IFRS 16 | 527 | - | - |
| Interest-bearing net liabilities (+)/receivables (-) at end of period (IFRS) | 5,712 | 4,931 | 4,820 |

Stockholm, July 12, 2019
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

Olav Line
Member

Eva Nygren
Member

Thomas Thuresson
Member

Annica Ånäs
Member

Peter Olsson
Employee-
appointed

Jan Strömberg
Employee-
appointed

Johan Skoglund
President and CEO

The company's auditors did not review this interim report.



Solstrålen, Älvsjöstaden, Stockholm

JM in brief

BUSINESS CONCEPT

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

VISION

We are laying the foundations for a better life.

BUSINESS

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

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

JM should promote long-term sustainability work in all its operations. Annual sales total approximately SEK 16 billion and the company has around 2,600 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 Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CEST on July 12, 2019.

FOR MORE INFORMATION PLEASE CONTACT:

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

FINANCIAL CALENDAR

October 24, 2019 Interim Report January - September

PRESS RELEASES, Q2 2019

| | |
|----------|--|
| May 20 | JM Construction selling property in Värmdö, Stockholm |
| May 20 | JM acquires property for residential development in Ekerö, Stockholm |
| May 16 | JM signs conditional contract to acquire property for residential development in Røa, Oslo |
| April 26 | JM Construction selling property in Värmdö, Stockholm |
| April 26 | Interim Report January – March 2019 |

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

Text: JM

Photo/Illustrations: Gustav Kaiser, Carbonwhite, Sightline

JM AB (publ)

Mailing address SE-169 82 Stockholm
Street address Gustav III:s boulevard 64, Solna
Telephone +46 8 782 87 00
Fax +46 8 782 86 00
Comp. Reg. No. 556045-2103
Website jm.se/en