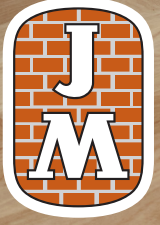


# Year-end Report January–December 2022





# Year-end Report January–December 2022

## JANUARY – DECEMBER 2022

Revenue increased to SEK 16,385m (14,608).

Operating profit decreased to SEK 2,064m (2,216). The operating margin decreased to 12.6 percent (15.2).

Gains/losses from sale of properties and from joint venture of SEK –11m (436) are included in the operating profit.

Profit before tax decreased to SEK 1,994m (2,158), and profit after tax decreased to SEK 1,575m (1,798).

Return on equity for the past twelve months amounted to 17.9 percent (21.9). Earnings per share during the year amounted to SEK 23.40 (25.90).

Consolidated cash flow including net investment in properties amounted to –261m (2,287).

The number of residential units sold decreased to 2,659 (4,248), and housing starts to 3,113 (3,972).

Surplus value of development properties amounted to SEK 6.7bn (7.2).

The Board of Directors proposes SEK 14.00 (13.50) in dividend for 2022.

The Board of Directors proposes a renewed mandate to buy back shares.

## OCTOBER – DECEMBER 2022

Revenue increased to SEK 5,152m (4,068)<sup>1)</sup>.

Operating profit increased to SEK 767m (755). The operating margin decreased to 14.9 percent (18.6)<sup>1)</sup>.

Gains/losses from sales of properties and from joint venture of SEK –3m (242) are included in the operating profit.

Profit before tax amounted to SEK 746m (741), and profit after tax decreased to SEK 593m (652).

Consolidated cash flow including net investment in properties amounted to SEK 354m (916).

The number of residential units sold decreased to 462 (969), and housing starts to 898 (1,428).

<sup>1)</sup>Including the project K1 Karlbergs Strand which is recognized in accordance to percentage of completion method

ACCORDING TO SEGMENT REPORTING SEK M	JANUARY – DECEMBER		OCTOBER – DECEMBER	
	2022	2021	2022	2021
Revenue	16,385	14,608	5,152	4,068
Operating profit	2,064	2,216	767	755
Operating margin, %	12.6	15.2	14.9	18.6
Profit before tax	1,994	2,158	746	741
Cash flow from operating activities	–261	2,287	354	916
Return on equity, %	17.9	21.9		
Equity/assets ratio, %	53	50		
Earnings per share, SEK	23.40	25.90	9.00	9.40
Number of residential units sold	2,659	4,248	462	969
Number of housing starts	3,113	3,972	898	1,428
Number of residential units in current production	8,078	8,094		
Revenue according to IFRS	15,747	15,650	5,240	4,926
Operating profit according to IFRS	2,021	2,227	816	767
Earnings per share according to IFRS, SEK	22.70	26.00	9.60	9.70
<sup>1)</sup> Of which rental units in JM Property Development	70	320	70	–
<sup>2)</sup> Of which residential units in JM International to investors	359	583	128	146
<sup>3)</sup> Of which rental units in JM Property Development	166	341	70	341
<sup>4)</sup> Of which residential units in JM International to investors	359	505	128	146

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/en/about-us/investors/](http://jm.se/en/about-us/investors/)

The financial statements are presented in Swedish krona (SEK), which is also the reporting currency for the Parent Company. All amounts are rounded to the nearest million unless otherwise specified. The figures in the report are based on the Group's consolidation system, which is in SEK thousand. Due to rounding of figures in tables, total amounts may not correspond to the sum of the initial rounded whole numbers. Unless otherwise specified, the analysis and comments in this Year-end report are based on JM's segment reporting. This Year-end Report is a translation of the original text in Swedish which is the official version.

# Strong result in a weak market

We are summarizing a year where I am very satisfied with JM's development under increasingly challenging market conditions. The macroeconomic conditions for our operations have worsened in 2022, the war in Ukraine continues, and energy prices remain high at the same time as inflation and interest rates continued to rise in the fourth quarter. As a result of this we are seeing a slow-down in our markets with declining sales.

JM overall is still in a strong position with 8,078 residential units in current production, of which a normal percentage, 62 percent, are reserved or sold, and a strong balance sheet.

The number of housing starts decreased in the fourth quarter due to weaker sales of residential units and the absence of necessary authority decisions that delayed several projects in Stockholm. At the same time, we are seeing that there are still conditions to start new residential projects in all our markets. Focus of housing starts continues to be prioritized in order to generate stable cash flow.

## The project K1 Karlbergs Strand

The Swedish Fortifications Agency's acquisition of JM's office project K1 Karlbergs Strand in Solna, which was agreed in the spring of 2022, was conditional on a Government decision. In December, the Government approved the Swedish Fortification Agency's acquisition of the property, and the conditions for the transaction have thus been met. The project's revenue and profit thus will be recognized over time in the business segment Property Development starting in the fourth quarter of 2022 until completion. The property is being built to achieve the highest environmental certification according to the U.S. Green Building Council – LEED Platinum.

## Cautious market in Sweden

On the Swedish housing market, customers are cautious, and prices on the existing home market are also decreasing as supply increases. The supply of new production has also increased, albeit from a historically low level.

The housing operations in Stockholm have had a continued decrease in sales and margin during the quarter. The housing operations in the rest of Sweden also had lower sales in the fourth quarter, but profitability continued to be good.

## Good sales in Finland – somewhat cautious in Norway

In Norway, prices on the existing home market decreased slightly during the fourth quarter but rose as a whole compared to 2021. The housing market slowed down, and we are experiencing even higher cost pressure in Norway than in other countries. Our operations in Norway thus are reporting a decrease in sales and margin in the fourth quarter of 2022 but continued to have a good level of housing starts.

Prices and activity on the Finnish housing market decreased in the fourth quarter due to generally low consumer confidence and rising interest rates. Our Finnish operations continue to grow



*“The fundamental and long-term conditions for our business continue to be good”*

with good profitability in ongoing projects, and in the fourth quarter production of residential units was established in Tampere through the acquisition of Gradina Oy.

## Sustainable development

As a leading housing developer in the Nordic region, it is our ambition to also be a leader in sustainable development. We build low-energy buildings that have a considerably lower energy consumption in the completed residential units than required by law. In Sweden, the energy consumption of JM's residential units is 19 percent below the requirement, and in Norway 34 percent below. Since 2018, all of JM's residential units that enter into the pre-construction phase are certified in accordance with Swan Ecolabel. This is now starting to have an impact, where 81 percent of all housing projects that were completed in 2022 were Swan Ecolabel.

## Good project portfolio and strong financial position

There continues to be uncertainty surrounding the conditions for our future projects, where a weak economy, high inflation and rising interest rates continue to impact our business. At the same time, we see that the housing market has a large, long-term need for JM's products, and we are well-positioned with an attractive project and building rights portfolio that is refined on an ongoing basis to meet these needs. In addition, our strong financial position gives us freedom of action that allows both long-term growth in JM's business through acquisitions as well as increased dividend per share. Despite the uncertainty on the global market, the fundamental and long-term conditions for our business continue to be good.

Johan Skoglund,  
President and CEO

## Market, sales and housing starts

JANUARY–DECEMBER 2022

The housing market in Stockholm has continued to be cautious, with prices that continued to fall on the existing home market.

Profitability in Stockholm continued to be good, but the number of residential units sold and housing starts in the fourth quarter decreased. The level of both sold residential units and housing starts was lower than in the previous year.

The housing operations in the rest of Sweden had lower sales and housing starts than in the previous year but continued to have a good profitability level.

In Norway, activity on the housing market decreased but at a higher price level at the end of the year compared to the previous year. Housing starts are in line with previous year, but sales and profitability decreased, which is primarily attributable to increased costs in ongoing projects.

In Finland, activity on the housing market declined slightly with lower sales and fewer housing starts compared to previous year. Profitability in the projects continued to be at good levels.

The number of residential units sold in the form of signed contracts decreased to 2,659 (4,248)<sup>1)2)</sup>. The percentage of sold and reserved residential units in relation to current production amounted to 62 percent (76), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 657 residential units (1,306), JM Residential Sweden sold 946 (1,121), JM International sold 986 (1,501), and JM Property Development sold 70 (320).

The number of housing starts was 3,113 (3,972)<sup>3)4)</sup>. JM Residential Stockholm started production on 721 residential units (1,153), JM Residential Sweden on 1,022 (1,177), JM International on 1,204 (1,301) and JM Property Development on 166 (341). In addition to demand, planning processes continue to be an important factor for the rate of housing starts.

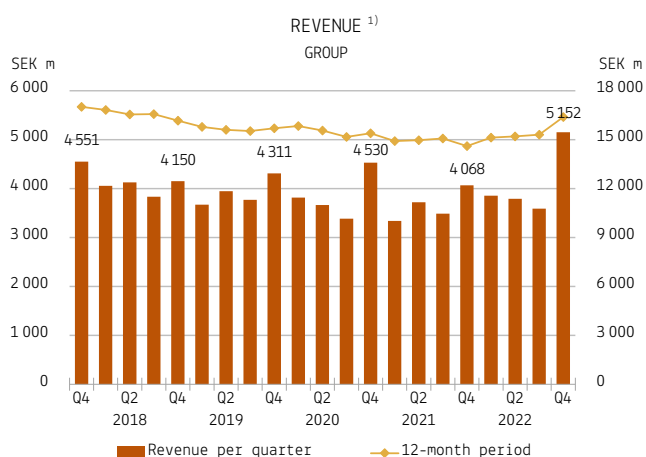
The number of residential units in current production was 8,078 (8,094), of which 507 (484) are rental units in JM Property Development.

<sup>1)</sup> Of which 70 rental units (320) in JM Property Development

<sup>2)</sup> Of which 359 residential units (583) in JM International for investors

<sup>3)</sup> Of which 166 rental units (341) in JM Property Development

<sup>4)</sup> Of which 359 residential units (505) in JM International for investors



<sup>1)</sup> According to segment reporting

## Revenue, operating profit and operating margin

JANUARY–DECEMBER 2022

Consolidated revenue according to segment reporting increased during the year to SEK 16,385m (14,608). Revenue restated according to IFRS increased to SEK 15,747m (15,650). The increase in revenue is primarily attributable to the project K1 Karlbergs Strand that is recognized in accordance to percentage of completion method within business segment Property Development, and to a higher level of current production in the business segments JM Residential Sweden and JM International.

Operating profit according to segment reporting decreased to SEK 2,064m (2,216), and the operating margin decreased to 12.6 percent (15.2). No property sales occurred during the year. For the corresponding period in 2021, the gains from the sale of properties amounted to SEK 396m. Operating profit restated according to IFRS decreased to SEK 2,021m (2,227). The restatement is related to JM International, with a negative effect on earnings of SEK –61m (–10), and leases according to IFRS 16, with a positive effect on earnings of SEK 18m (22).

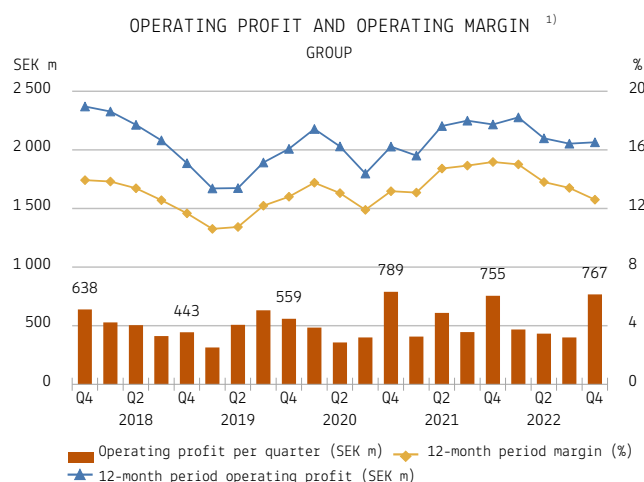
Rental income from JM's project properties amounted to SEK 35m (41). Net rental income was SEK 11m (18).

OCTOBER–DECEMBER 2022

Consolidated revenue according to segment reporting for the fourth quarter increased to SEK 5,152m (4,068). Revenue restated according to IFRS increased to SEK 5,240m (4,926).

Operating profit according to segment reporting increased to SEK 767m (755), and the operating margin decreased to 14.9 percent (18.6). Operating profit restated according to IFRS increased to SEK 816m (767). The restatement is related to JM International, with a positive effect on earnings of SEK 44m (8), and leases according to IFRS 16, with a positive effect on earnings of SEK 6m (4).

Rental income from JM's project properties amounted to SEK 9m (11). Net rental income was SEK 5m (4).



<sup>1)</sup> According to segment reporting

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	720	763	188	204
JM Residential Sweden	682	662	171	180
JM International	395	415	99	139
JM Property Development	306	407	326	238
JM Construction	12	20	–	10
Group-wide expenses	–52	–50	–18	–15
<b>Total</b>	<b>2,064</b>	<b>2,216</b>	<b>767</b>	<b>755</b>
<i>Of which sale of properties and operations</i>	–	396	–	234
<i>Of which income from joint venture</i>	–11	40	–3	8

OPERATING MARGIN BY BUSINESS SEGMENT, %	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	14.5	15.3	14.0	16.3
JM Residential Sweden	15.2	15.3	14.8	15.4
JM International	7.7	9.2	6.8	9.9
JM Construction	1.1	2.1	–	3.5

RESIDENTIAL UNITS IN CURRENT PRODUCTION	12/31/2022	12/31/2021
Number of residential units in current production <sup>1) 2)</sup>	8,078	8,094
Percentage of sold residential units in current production, % <sup>3)</sup>	59	64
Percentage reserved residential units in current production, %	3	13
Percentage sold and reserved residential units in current production, %	62	76

<sup>1)</sup> 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

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

<sup>2)</sup> Beginning with production start-up through final occupancy according to plan.

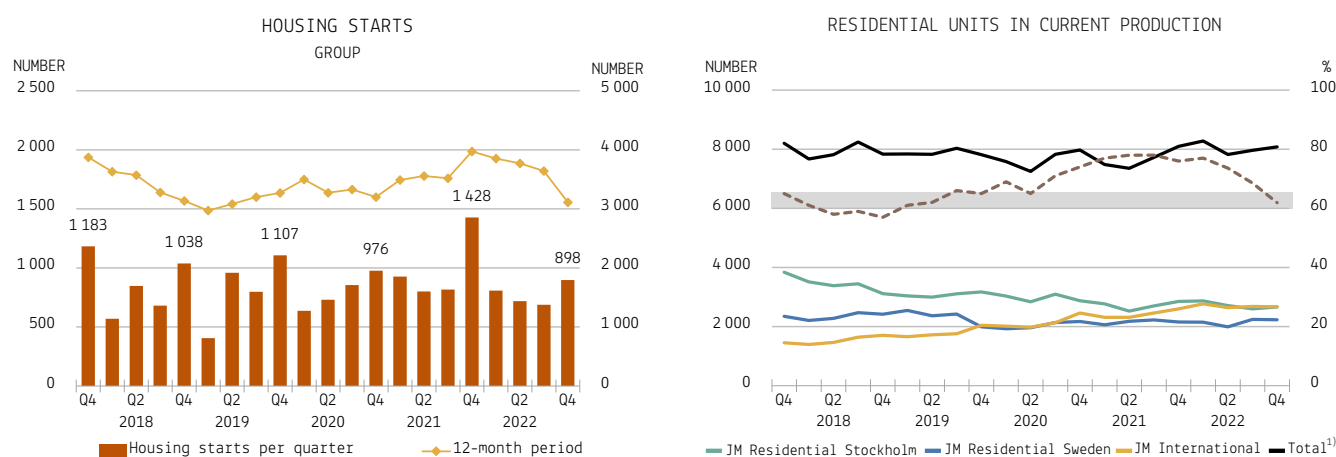
<sup>3)</sup> Percentage of sold residential units expressed as binding contract with the end customer.

507 484

437 341

UNSOLD UNITS	12/31/2022	12/31/2021
Completed production, number of unsold units <sup>1)</sup>	91	91
The number of unsold residential units in the balance sheet recognized as "Participations in tenant-owners associations, etc."	63	67

<sup>1)</sup> After final occupancy according to plan.



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

## Residential building rights

JANUARY–DECEMBER 2022

The number of available building rights at the end of the year amounted to 39,500 (35,600), of which 22,000 (20,000) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 8,454m (8,192).

The valuation of JM's total development properties with a carrying amount of SEK 8.5bn (8.2) shows a surplus value of SEK 6.7bn (7.2). This valuation was, as in previous years, carried out in cooperation with an independent appraisal company.

JM acquired development properties for residential units during the year for SEK 1,700m (1,754), of which SEK 417m relates to JM Residential Stockholm, SEK 1,073m to JM Residential Sweden and SEK 210m to JM International.

## Project properties

The externally appraised market value of JM's project properties was calculated to be SEK 1,089m (1,088) with a carrying amount of SEK 932m (813).

## Financial items

JANUARY–DECEMBER 2022

Net financial items declined slightly during the year compared to previous year, primarily attributable to increased interest expenses.

Total interest-bearing liabilities according to segment reporting were SEK 2,179m (2,618), of which the provision for pension liabilities comprised SEK 1,404m (1,761). At the end of the year, the average interest rate for the total loan stock including the pension liability was 3.8 percent (2.0). The average term for fixed-rate loans excluding the pension liability was 0.3 years (0.4).

Consolidated available liquidity was SEK 4,640m (6,781). Aside from cash and cash equivalents of SEK 1,840m (3,981), 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 (2.9).

Net interest-bearing liabilities including pension liabilities according to segment reporting totaled SEK 334m (–1 363) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 492m (651). Of these liabilities, SEK 78m (278) were current.

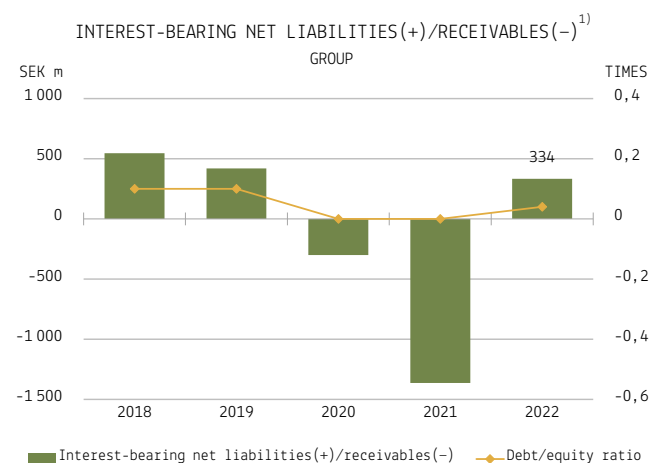
The valuation of financial assets and liabilities shows no significant difference between carrying amount and fair value.

DEVELOPMENT PROPERTIES (RESIDENTIAL UNITS) SEK BN	12/31/2022			12/31/2021		
	MARKET VALUE	CARRYING AMOUNT	SURPLUS VALUE	MARKET VALUE	CARRYING AMOUNT	SURPLUS VALUE
JM Residential Stockholm	8.2	4.0	4.1	8.8	4.1	4.8
JM Residential Sweden	3.5	2.3	1.2	3.0	1.7	1.4
JM International	3.5	2.2	1.4	3.5	2.5	1.0
<b>Total</b>	<b>15.2</b>	<b>8.5</b>	<b>6.7</b>	<b>15.4</b>	<b>8.2</b>	<b>7.2</b>

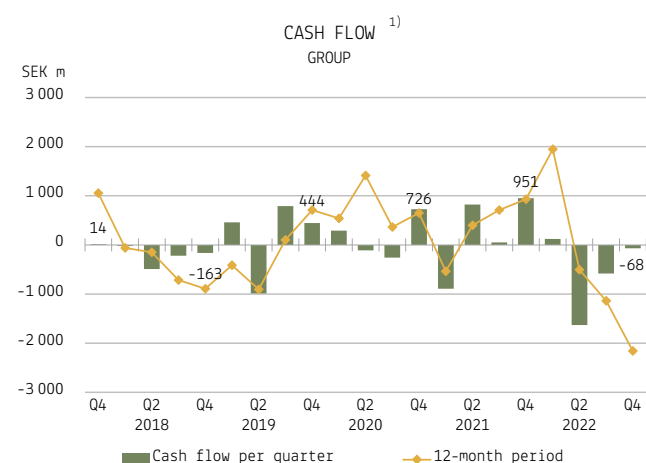
ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Financial income	19	4	10	2
Financial expenses	–89	–62	–31	–15
<b>Financial income and expenses</b>	<b>–70</b>	<b>–58</b>	<b>–21</b>	<b>–14</b>

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
<b>Interest-bearing net liabilities (+)/receivables (–) at beginning of period</b>	<b>–1,363</b>	<b>–300</b>	<b>615</b>	<b>–587</b>
Change in interest-bearing net liabilities/–receivables	1,697	–1,063	–281	–776
<b>Interest-bearing net liabilities(+)/receivables(–) at end of period</b>	<b>334</b>	<b>–1,363</b>	<b>334</b>	<b>–1,363</b>



<sup>1)</sup> According to segment reporting



<sup>1)</sup> Total cash flow for the period



## Cash flow

JANUARY–DECEMBER 2022

Cash flow from operating activities according to segment reporting was SEK –261m (2,287). Net investments in development properties resulted in a negative cash flow of SEK –333m (–189). The change in holdings of unsold residential units in the balance sheet resulted in a cash flow of SEK 88m (107). Consolidated cash flow attributable to project properties (sales minus investment) during the year was SEK –716m (893). During the year, JM repurchased own shares for a total of SEK 825m.

OCTOBER–DECEMBER 2022

Cash flow from operating activities was SEK 354m (916) during the fourth quarter. Net investments in development properties resulted in a cash flow of SEK 219m (–76). The reduced holdings of repurchased residential units resulted in a cash flow of SEK 7m (44). Consolidated cash flow attributable to project properties (sales minus investment) amounted to SEK –178m (705).

During the fourth quarter, own shares were bought back for SEK 250m.

## Risks and uncertainty factors

JM's risks and risk management are presented in the 2021 Annual Report on pages 35–40 and 87. The uncertainty regarding Swedish cement supply, the effects from the ongoing war in Ukraine, and greater uncertainty with a cautious housing market due to higher inflation, rising energy prices and higher interest rate levels are risks that have arisen.

### Cement supply

In 2022, there was uncertainty regarding cement supply from local cement production in Sweden due to an unclear authorization process between authorities and a market-leading producer. On 13 December, the Land and Environment Court of Appeal ruled to extend the current license by an additional four years, which secures the supply of cement for the next few years.

### Ukraine

Russia's ongoing invasion of Ukraine has created not only human suffering but also considerable uncertainty in the global economy. JM has no framework agreement suppliers in Russia, Belarus or Ukraine. Even though JM has long-term agreements and is prioritized by its contracted suppliers, they in turn may be dependent on input goods whose access is impacted by the war in Ukraine. The assessment is that the war has not yet had a material impact on JM's ongoing projects.

### Exposure to commodity prices and increased cost pressure

Commodity prices for steel, wood and concrete stabilized in the second half of 2022 after prices rose during the first six months of 2022. Long-term agreements with JM's suppliers mean this is having a limited impact on the income statement. Cost increases on raw materials are offset in part through regular streamlining. For JM's Swedish operations, pure steel and wood constitute

around 4 percent and 2 percent, respectively, of total costs. The material cost for pure concrete is estimated to constitute around 2 percent of the total cost, which includes cement, ballast and additives.

In general, we see continued greater cost pressure in the building sector in Sweden as well as in Norway and Finland.

### Higher interest rate levels

The central banks' sharp increases to the key rates to dampen inflation have had a negative impact on our projects through increased financing costs.

### Buy-back, elimination and holdings of own shares

Following the Annual General Meeting on March 31, 2022, 3,774,001 shares were bought back for SEK 700m. In Q1 2022, JM bought back shares for SEK 125m attributable to a resolution by the Annual General Meeting in 2021. Holdings of treasury shares subsequently total 3,774,001. The number of outstanding shares, excluding holdings of treasury shares, at December 31, 2022, totals 64,504,840.

The Board of Directors intends to propose to the Annual General Meeting that all the holdings of own shares be eliminated through a decrease in the share capital for appropriations to unrestricted equity. The Board of Directors' complete proposal for a resolution regarding the elimination of shares will be available in conjunction with the notice of Annual General Meeting on March 1, 2023.

JM continues to have a strong financial position in terms of both capital and liquidity. In light of this, the Board of Directors will propose that the Annual General Meeting resolve to renew the mandate for the Board of Directors, during the period up to the next Annual General Meeting and on one or more occasions, to decide on the buy-back of shares so that the Company's holdings do not at any point in time exceed 10 percent of all the shares in the Company. Acquisition should take place on Nasdaq Stockholm within the applicable share-price interval at the time of purchase.

### Personnel

The number of employees increased during the year to 2,488 (2,453). The number of wage-earners amounted to 871 (884), and the number of salaried employees was 1,617 (1,569). 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 continues to be high but stabilized during the fourth quarter.

### Events after the end of the quarter

As of January 1, 2023, the business segment JM International will be divided into two new reporting segments: JM Norway and JM Finland. JM Norway will include residential project development, acquisitions of development properties, planning, preconstruction, and production and sales of residential units in Norway. JM Finland will include residential project development, acquisitions of development properties, planning, pre-construction and production and sales of residential units in Finland.

# 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 have fallen further during the fourth quarter. The total supply of residential units remains high, but the supply of newly produced residential units is still at a low level.

The housing market in Stockholm was cautious also during the fourth quarter. For JM's new projects, the higher interest rate and the general uncertainty, among other things, have meant that customers are very cautious but continue to show interest. The willingness of customers to sign a contract early in the process was also well below normal.

Housing starts in Stockholm during the fourth quarter had a slightly lower level of reservations, although profitability

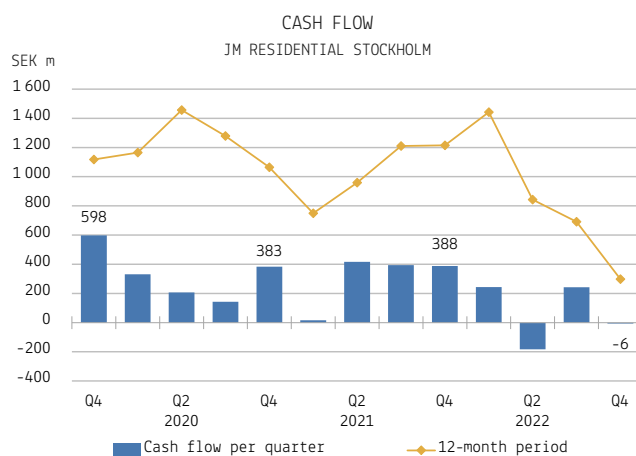
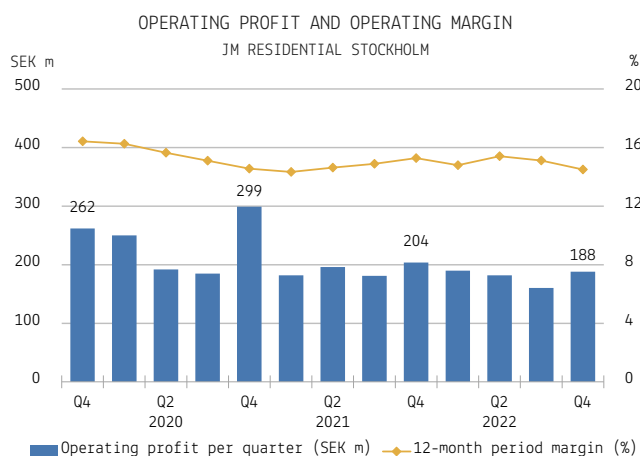
continues to be good in the current production volume. The level of land transfers to projects was low during the quarter.

The lack of necessary authority decisions continues to have a negative impact on the business segment's housing starts. This currently concerns three projects with a total of around 260 residential units. Housing starts in forthcoming phases for one of these projects have also been indirectly delayed. The drop in sales is also setting a limit on the number of housing starts.

Cash flow for the year is partly burdened by the business unit starting a project with its own funds.

Production was started in the fourth quarter on 265 residential units in apartment buildings in Solna, Stockholm and Tyresö.

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	4,966	4,990	1,344	1,251
Operating profit	720	763	188	204
Operating margin, %	14.5	15.3	14.0	16.3
Average operating capital	4,494	4,771		
Return on operating capital, %	16.0	16.0		
Operating cash flow	298	1,214	–6	388
Carrying amount, development properties	4,033	4,051		
Number of available building rights	12,400	11,700		
Number of residential units sold	657	1,306	61	356
Number of housing starts	721	1,153	265	265
Number of residential units in current production	2,665	2,855		
Number of employees	804	806		





# 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.

The average prices on the existing home market for both tenant-owned apartments and single-family homes continued to fall during the fourth quarter in all of the business segment's submarkets.

The supply on the existing home market at the end of the quarter decreased slightly but is still at high levels. The supply of newly produced residential units continued to be low but increased slightly in the quarter.

The sales rate continued to be low in the fourth quarter. The willingness of customers to sign a contract early in the process was below normal, and customers continued to be cautious.

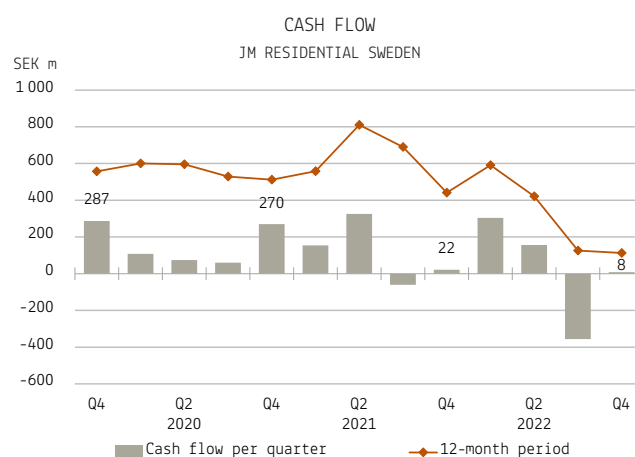
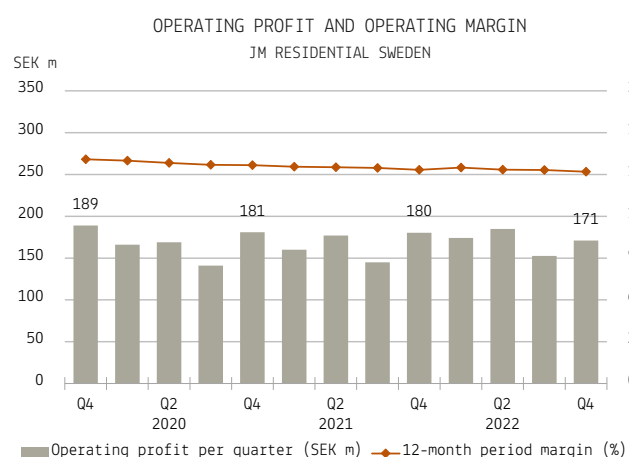
The business segment showed continued good earnings and margin level, which to some extent derive from projects started in a stronger market.

Cash flow was at low levels due to an increase in development properties primarily related to transfer of legal title of larger properties in Västerås, Lund and Gothenburg.

Production was started in the fourth quarter on a total of 148 residential units in apartment buildings in Lund and Uppsala.

Around 130 building rights were acquired and transfer of legal title took place in Gothenburg in the fourth quarter.

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	4,500	4,317	1,156	1,170
Operating profit	682	662	171	180
Operating margin, %	15.2	15.3	14.8	15.4
Average operating capital	1,656	1,354		
Return on operating capital, %	41.2	48.9		
Operating cash flow	112	442	8	22
Carrying amount, development properties	2,270	1,669		
Number of available building rights	11,500	9,900		
Number of residential units sold	946	1,121	92	220
Number of housing starts	1,022	1,177	148	300
Number of residential units in current production	2,234	2,154		
Number of employees	568	564		



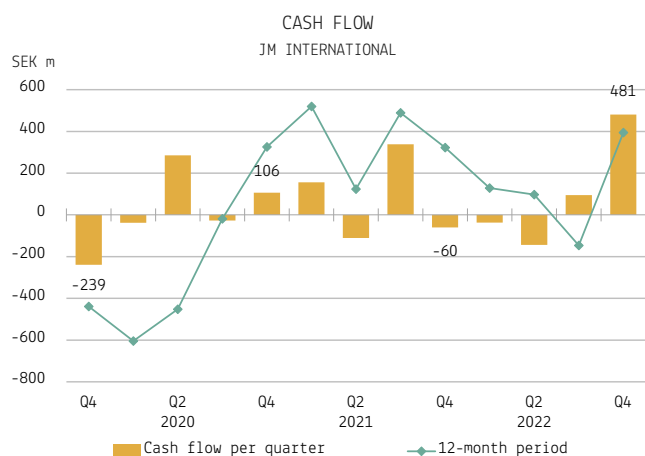
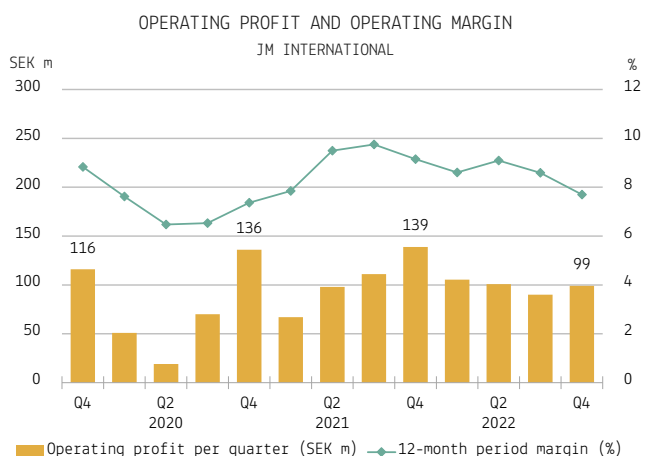
# JM International

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 during the year is at a higher level compared to the corresponding period of the previous year. Operating profit decreased to SEK 395m (415). The lower profit is due primarily to greater cost pressure in current production.



JM INTERNATIONAL, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	5,122	4,531	1,467	1,407
Operating profit <sup>1)</sup>	395	415	99	139
Operating margin, %	7.7	9.2	6.8	9.9
Average operating capital	3,843	3,405		
Return on operating capital, %	10.3	12.2		
Operating cash flow	395	323	481	-60
Carrying amount, development properties	2,150	2,462		
Carrying amount, project properties	18	17		
Number of available building rights	13,900	12,900		
Number of residential units sold <sup>2)</sup>	986	1,501	239	393
Number of housing starts <sup>3)</sup>	1,204	1,301	415	522
Number of residential units in current production	2,672	2,601		
Number of employees	571	551		
<sup>1)</sup> Of which property sales	–	4	–	4
<sup>2)</sup> Of which residential units to investors	359	583	128	146
<sup>3)</sup> Of which residential units to investors	359	505	128	146



## JM Norway

The prices on the existing home market declined during the fourth quarter. At the end of the year, prices were higher than at the end of the previous year. The sale of residential units on the existing home market fell during the fourth quarter, but the sales times continue to be short.

Demand for our residential units was lower than normal in the last quarter.

Prices for wood and steel stabilized in the fourth quarter, but there continues to be considerable cost pressure on other input goods with rising prices.

Operating profit and the operating margin were weakened by lower sales and higher interest rate and production expenses.

Cash flow was temporarily high due to a low level of investments in development properties.

Production was started in the fourth quarter on a total of 189 residential units in Oslo and Trondheim.

## JM Finland

Activity on the housing market in the Helsinki region has clearly slowed down in the second half of the year. The ongoing war in Ukraine, inflation and the rapidly rising interest rates impacted customers' willingness to buy homes, and the market is cautious.

The price level on the existing home market in the Helsinki region was stable during the first six months of the year but declined during the second half of the year.

The business unit is reporting stable revenue and margin.

Cash flow for the year is burdened by an increase in working capital.

In October, JM took occupancy of the acquisition agreed in June of project developer Gradina Oy in Tampere. Due to the acquisition, JM Suomi Oy has established production outside of the Helsinki region.

In the fourth quarter, production was started on 226 residential units, and JM acquired 954 building rights, including the activities from the acquisition in Tampere.

JM NORWAY, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	3,392	3,030	960	928
Operating profit <sup>1)</sup>	238	300	51	103
Operating margin, %	7.0	9.9	5.3	11.0
Average operating capital	2,158	2,178		
Return on operating capital, %	11.0	13.8		
Operating cash flow	203	671	249	267
Carrying amount, development properties	1,034	1,468		
Number of available building rights	7,100	7,800		
Number of residential units sold	527	674	100	208
Number of housing starts	605	636	189	246
Number of residential units in current production	1,335	1,280		
Number of employees	370	377		
<sup>1)</sup> Of which property sales	–	4	–	4

JM FINLAND, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	1,729	1,501	505	478
Operating profit <sup>1)</sup>	158	122	47	41
Operating margin, %	9.2	8.1	9.4	8.6
Average operating capital	1,618	1,151		
Return on operating capital, %	9.8	10.6		
Operating cash flow	193	–358	231	–338
Carrying amount, development properties	1,046	930		
Number of available building rights	6,800	5,100		
Number of residential units sold <sup>2)</sup>	459	827	139	185
Number of housing starts <sup>3)</sup>	599	665	226	276
Number of residential units in current production	1,337	1,321		
Number of employees	201	174		
<sup>1)</sup> Of which property sales	–	1	–	–
<sup>2)</sup> Of which residential units to investors	359	583	128	146
<sup>3)</sup> Of which residential units to investors	359	505	128	146

# JM Property Development

The JM Property Development business segment primarily develops rental and 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 in the fourth quarter due to the sale of the office project K1 Karlbergs Strand. Contracting revenue and sales of services amounted to SEK 1,190m (222), and rental income to 34m (40).

Operating profit decreased to SEK 306m (407), and net rental income for project properties amounted to SEK 10m (18).

Cash flow for the full year is negative due to ongoing investments in project properties and current projects and acquisitions of properties for development of rental projects.

In the fourth quarter, the Government approved the Swedish Fortifications Agency's acquisition of the project K1 Karlbergs Strand for SEK 2.4bn. The purchase price is adjusted with the consumer price index. The project will be recognized in accor-

dance with the percentage of completion method, and the transfer of the legal title is estimated to occur in the first quarter of 2025.

In the fourth quarter, production was started on the residential care housing Pilhamn on Värmdö that consists of 70 units. The project has been sold to an external buyer and will be recognized in accordance with the percentage of completion method until the estimated transfer of legal title in the third quarter of 2024.

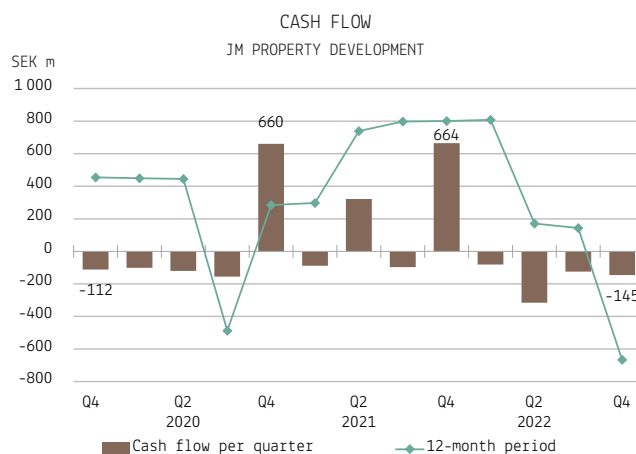
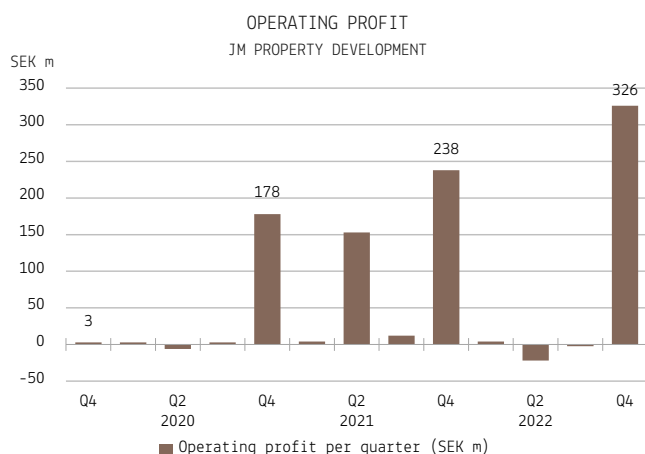
Production is ongoing in an additional three rental projects in JM's own balance sheet: Kvarter 8 in Järfälla, with 218 rental units; Dyrvers Kulle in Sundbyberg, with 123 rental units; and Igelsta in Södertälje, with 96 rental units.

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	1,224	262	1,064	80
Operating profit <sup>1)2)</sup>	306	407	326	238
Average operating capital	1,325	1,242		
Return on operating capital, %	23.1	32.7		
Operating cash flow	-666	801	-145	664
Carrying amount, development properties	-	10		
Carrying amount, project properties	914	795		
Number of available building rights <sup>3)</sup>	1,700	1,100		
Number of residential units sold <sup>3)</sup>	70	320	70	0
Number of housing starts <sup>3)</sup>	166	341	70	341
Number of residential units in current production <sup>3)</sup>	507	484		
Number of employees	80	81		
	-	391	-	231
	-11	40	-3	8

<sup>1)</sup> Of which property sales

<sup>2)</sup> Of which income from joint venture

<sup>3)</sup> 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. The business segment focuses on projects that have synergies with residential project development.*

Demand in the civil engineering market in Stockholm is at a good level but with greater competition for the assignments.

Business segment revenue increased compared to the previous year due to higher internal and external activity for JM in its civil engineering operations, where profitability continues to be prioritized over volume. The operating margin was weakened in the fourth quarter due to higher material costs in previous agreed contracts that could not be fully charged to the customer.

The period's cash flow is in balance following a decrease in working capital.

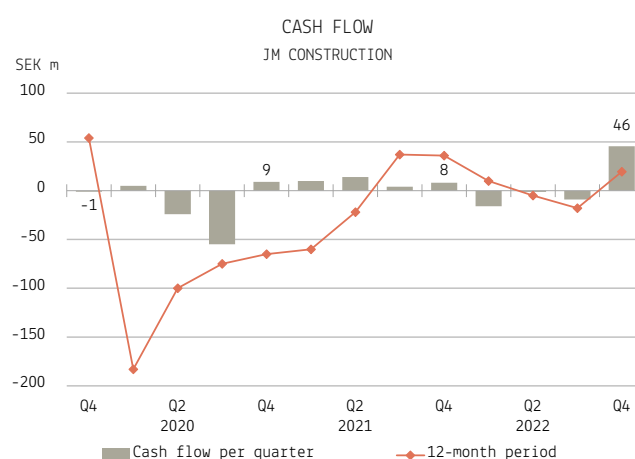
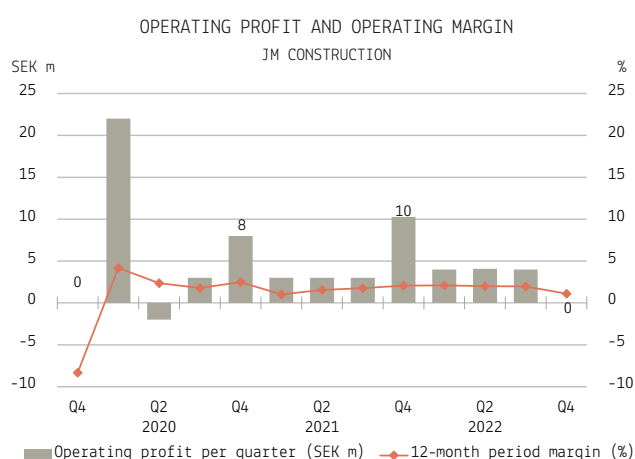
The business segment received in the fourth quarter a number of external assignments, of which the largest is an allocation

decision relating to development work for a new industrial area in Länna for Huddinge Municipality.

The largest ongoing external assignments are infrastructure projects in Tyresö (Tyresö Municipality), detailing work in Norra Djurgårdsstaden (City of Stockholm), and groundworks and conduit work in Ursvik Västra (City of Sundbyberg).

The business segment also has several ongoing Group-internal projects in JM's larger development areas, such as Igelsta in Södertälje, Kabelverket in Älvsjö and Söderdalen in Jakobsberg.

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue <sup>1)</sup>	1,077	951	252	295
Operating profit	12	20	–	10
Operating margin, %	1.1	2.1	–	3.5
Operating cash flow	20	36	46	8
Carrying amount, development properties	10	13		
Number of employees	259	251		
<sup>1)</sup> Of which intra-Group	505	442	130	134



## Group – segment reporting

### CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	16,385	14,608	5,152	4,068
Production and operating costs	-13,216	-11,814	-4,099	-3,282
<b>Gross profit</b>	<b>3,169</b>	<b>2,795</b>	<b>1,054</b>	<b>786</b>
Selling and administrative expenses	-1,094	-1,015	-284	-273
Gains/losses on the sale of property, etc. <sup>1)</sup>	-11	436	-3	242
<b>Operating profit</b>	<b>2,064</b>	<b>2,216</b>	<b>767</b>	<b>755</b>
Financial income and expenses	-70	-58	-21	-14
<b>Profit before tax</b>	<b>1,994</b>	<b>2,158</b>	<b>746</b>	<b>741</b>
Taxes	-419	-360	-152	-89
<b>Profit for the period</b>	<b>1,575</b>	<b>1,798</b>	<b>593</b>	<b>652</b>
Other comprehensive income	568	218	266	46
<b>Comprehensive income for the period</b>	<b>2,143</b>	<b>2,016</b>	<b>859</b>	<b>698</b>
Earnings per share <sup>2)</sup> , diluted, SEK	23.40	25.90	9.00	9.40
Average number of shares, diluted	67,384,072	69,560,505	65,709,664	69,153,458
<sup>1)</sup> Of which income from joint venture	-11	40	-3	8
<sup>2)</sup> Net profit for the period.				

### CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	12/31/2022	12/31/2021
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>351</b>	<b>330</b>
Project properties	932	813
Development properties	8,465	8,205
Participations in tenant-owners associations, etc.	308	377
Current receivables <sup>1)</sup>	5,225	3,528
Cash and cash equivalents	1,840	3,981
<b>Total current assets</b>	<b>16,771</b>	<b>16,903</b>
<b>Total assets</b>	<b>17,122</b>	<b>17,233</b>
<b>EQUITY AND LIABILITIES <sup>2)</sup></b>		
<b>Equity</b>	<b>9,006</b>	<b>8,608</b>
Non-current interest-bearing liabilities	268	190
Other non-current liabilities	414	373
Non-current provisions	2,717	3,078
<b>Total non-current liabilities</b>	<b>3,399</b>	<b>3,641</b>
Current interest-bearing liabilities	507	667
Other current liabilities	4,088	4,172
Current provisions	122	145
<b>Total current liabilities</b>	<b>4,717</b>	<b>4,984</b>
<b>Total equity and liabilities</b>	<b>17,122</b>	<b>17,233</b>
<sup>1)</sup> Of which receivables from property sales	55	14
<sup>2)</sup> Of which liabilities for property acquisition	516	675

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER	
	2022	2021
<b>Opening balance at beginning of the period</b>	<b>8,608</b>	<b>7,817</b>
Total comprehensive income for the period	2,143	2,016
Dividend	-922	-887
Conversion of convertible loan	1	38
Repurchase of shares	-825	-375
Equity component of convertible debentures	-	-
<b>Closing balance at end of the period</b>	<b>9,006</b>	<b>8,608</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
<b>Cash flow from operating activities before change in working capital and taxes <sup>1) 2)</sup></b>	<b>1,550</b>	<b>1,648</b>	<b>533</b>	<b>353</b>
Paid tax	-532	-549	-116	-111
Investment in development properties	-1,871	-1,539	-196	-409
Payment on account for development properties	1,538	1,349	416	333
Investment in project properties	-795	-447	-257	-85
Sale of project properties	79	1,340	79	790
Change in current liabilities/receivables	-230	485	-105	45
<b>Cash flow from operating activities</b>	<b>-261</b>	<b>2,287</b>	<b>354</b>	<b>916</b>
<b>Cash flow from investing activities</b>	<b>-29</b>	<b>-17</b>	<b>-28</b>	<b>-16</b>
Loans raised	538	663	94	303
Amortization of debt	-661	-738	-238	-128
Repurchase of shares	-825	-375	-250	-125
Dividend	-922	-887	-	-
<b>Cash flow from financing activities</b>	<b>-1,869</b>	<b>-1,338</b>	<b>-394</b>	<b>51</b>
<b>Cash flow for the period</b>	<b>-2,159</b>	<b>933</b>	<b>-68</b>	<b>951</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,840</b>	<b>3,981</b>	<b>1,840</b>	<b>3,981</b>
<sup>1)</sup> Of which investment in participations in tenant-owners associations and freehold residential units	-252	-730	-85	-129
<sup>2)</sup> Of which the sale of participations in tenant-owners associations and freehold residential units	340	837	92	173

**GROUP KEY FIGURES**

ACCORDING TO SEGMENT REPORTING, %	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Operating margin	12.6	15.2	14.9	18.6
Return on equity	17.9	21.9	-	-
Return on capital employed	18.6	20.4	-	-
Debt/equity ratio, multiple	-	-	-	-
Equity/assets ratio	53	50	-	-

*According to segment reporting***REVENUE BY COUNTRY**

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Sweden	11,263	10,077	3,685	2,661
Norway	3,392	3,030	960	928
Finland	1,729	1,501	505	478
Belgium	2	–	2	–
<b>Total</b>	<b>16,385</b>	<b>14,608</b>	<b>5,152</b>	<b>4,068</b>

**REVENUE BY BUSINESS SEGMENT**

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	4,966	4,990	1,344	1,251
JM Residential Sweden	4,500	4,317	1,156	1,170
JM International	5,122	4,531	1,467	1,407
JM Property Development	1,224	262	1,064	80
JM Construction	1,077	951	252	295
Elimination	–505	–442	–130	–134
<b>Total</b>	<b>16,385</b>	<b>14,608</b>	<b>5,152</b>	<b>4,068</b>

**OPERATING PROFIT BY BUSINESS SEGMENT**

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	720	763	188	204
JM Residential Sweden	682	662	171	180
JM International	395	415	99	139
JM Property Development	306	407	326	238
JM Construction	12	20	–	10
Group-wide expenses	–52	–50	–18	–15
<b>Total</b>	<b>2,064</b>	<b>2,216</b>	<b>767</b>	<b>755</b>

**OPERATING MARGIN BY BUSINESS SEGMENT**

%	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	14.5	15.3	14.0	16.3
JM Residential Sweden	15.2	15.3	14.8	15.4
JM International	7.7	9.2	6.8	9.9
JM Construction	1.1	2.1	–	3.5

**AVERAGE OPERATING CAPITAL BY BUSINESS SEGMENT**

SEKM	2022	2021
JM Residential Stockholm	4,494	4,771
JM Residential Sweden	1,472	1,354
JM International	3,843	3,405
JM Property Development	1,325	1,242

**RETURN ON OPERATING CAPITAL BY BUSINESS SEGMENT**

%	2022	2021
JM Residential Stockholm	16.0	16.0
JM Residential Sweden	41.2	48.9
JM International	10.3	12.2
JM Property Development	23.1	32.7



## According to segment reporting

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

SEK M	OCT–DECEMBER	JULY–SEPTEMBER	APRIL–JUNE	JANUARY–MARCH	OCT–DECEMBER
	2022	2022	2022	2022	2021
Cost-based effect	325	291	309	248	294
Revaluation effect	434	352	410	384	391
Sales effect	–62	–30	7	52	70
<b>Total</b>	<b>697</b>	<b>613</b>	<b>726</b>	<b>684</b>	<b>755</b>

The percentage of completion method in JM and the accounting of gross profit for the housing business 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](http://jm.se/en/about-us/investors).

### REVALUATION EFFECTS – HOUSING BUSINESS

SEK M	OCT–DECEMBER	JULY–SEPTEMBER	APRIL–JUNE	JANUARY–MARCH	OCT–DECEMBER
	2022	2022	2022	2022	2021
JM Residential Stockholm	134	120	126	113	83
JM Residential Sweden	188	173	203	169	186
JM International	112	59	81	102	122
<b>Total</b>	<b>434</b>	<b>352</b>	<b>410</b>	<b>384</b>	<b>391</b>

### OPERATING CASH FLOW BY BUSINESS SEGMENT

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	298	1,214	–6	388
JM Residential Sweden	112	442	8	22
JM International	395	323	481	–60
JM Property Development	–666	801	–145	664
JM Construction	20	36	46	8

### DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	12/31/2022	12/31/2021
JM Residential Stockholm	4,033	4,051
JM Residential Sweden	2,270	1,669
JM International	2,150	2,462
JM Property Development	–	10
JM Construction	10	13
<b>Total</b>	<b>8,465</b>	<b>8,205</b>

### AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	12/31/2022	12/31/2021
JM Residential Stockholm	12,400	11,700
JM Residential Sweden	11,500	9,900
JM International	13,900	12,900
JM Property Development <sup>1)</sup>	1,700	1,100
<b>Total</b>	<b>39,500</b>	<b>35,600</b>

#### Including those carried in the balance sheet (development properties)

	12/31/2022	12/31/2021
JM Residential Stockholm	6,400	6,500
JM Residential Sweden	8,000	6,200
JM International	6,800	7,100
JM Property Development <sup>1)</sup>	800	200
<b>Total</b>	<b>22,000</b>	<b>20,000</b>

### RESIDENTIAL UNITS SOLD BY BUSINESS SEGMENT

NUMBER	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	657	1,306	61	356
JM Residential Sweden	946	1,121	92	220
JM International	986	1,501	239	393
JM Property Development <sup>1)</sup>	70	320	70	–
<b>Total</b>	<b>2,659</b>	<b>4,248</b>	<b>462</b>	<b>969</b>

<sup>1)</sup> Refers to rental units and residential care units.

## According to segment reporting

## HOUSING STARTS BY BUSINESS SEGMENT

NUMBER	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
JM Residential Stockholm	721	1,153	265	265
JM Residential Sweden	1,022	1,177	148	300
JM International	1,204	1,301	415	522
JM Property Development <sup>1)</sup>	166	341	70	341
<b>Total</b>	<b>3,113</b>	<b>3,972</b>	<b>898</b>	<b>1,428</b>

## RESIDENTIAL UNITS IN CURRENT PRODUCTION

NUMBER	12/31/2022	12/31/2021
JM Residential Stockholm	2,665	2,855
JM Residential Sweden	2,234	2,154
JM International	2,672	2,601
JM Property Development <sup>1)</sup>	507	484
<b>Total</b>	<b>8,078</b>	<b>8,094</b>

## PROJECT PROPERTIES, GROUP

12/31/2022	MARKET VALUE, SEK M	CARRYING AMOUNT, SEK M	AREA (000) M <sup>2</sup>	OCCUPANCY RATE ANNUAL RENT, %	CARRYING AMOUNT, SEK M 12/31/2021
Properties under development	1,049	908	29	92	789
Completed rental unit properties	–	–	–	–	–
Completed commercial properties	40	24	1	89	23
<b>Total</b>	<b>1,089</b>	<b>932</b>	<b>30</b>	<b>92</b>	<b>813</b>

## DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Opening balance at beginning of the period	8,205	7,831	8,607	7,991
New purchases	1,700	1,754	246	519
Transferred to production	–1,538	–1,388	–416	–347
Other	97	8	26	43
<b>Closing balance at end of the period</b>	<b>8,465</b>	<b>8,205</b>	<b>8,465</b>	<b>8,205</b>

<sup>1)</sup> Refers to rental units and residential care units.

## Group five-year overview

ACCORDING TO SEGMENT REPORTING, SEK M	2022	2021	2020	2019	2018
Revenue	16,385	14,608	15,388	15,692	16,161
Operating profit	2,064	2,216	2,028	2,008	1,886
Profit before tax	1,994	2,158	1,955	1,928	1,817
Total assets	17,122	17,233	16,665	17,593	16,487
Cash flow from operating activities	–261	2,287	1,715	1,291	–473
Interest-bearing net liabilities (+)/receivables (–)	334	–1,363	–300	420	546
Operating margin, %	12.6	15.2	13.2	12.8	11.7
Return on equity, %	17.9	21.9	20.8	22.2	22.2
Equity/assets ratio, %	53	50	47	42	41
Earnings per share, SEK	23.40	25.90	22.50	22.50	20.60
Dividend per share, SEK	14.00 <sup>1)</sup>	13.50	12.75	12.50	12.00
Number of available building rights	39,500	35,500	37,800	35,900	35,900
Number of residential units sold	2,659	4,248	4,026	3,595	2,463
Number of housing starts	3,113	3,972	3,199	3,269	3,135
Number of residential units in current production	8,078	8,094	7,976	7,813	7,835

<sup>1)</sup> Proposal by the Board of Directors

# Sustainable development

*Sustainability is an integrated part of JM's residential and urban development, from the acquisition of land and throughout the entire design phase until the customers move in and are living in Swan Ecolabel homes in areas that promote a sustainable lifestyle. Structured work environment initiatives, efforts to prevent accidents, quality-assured supplier chains, and active efforts to improve diversity and equal opportunity are central components of JM's sustainability work.*

JM reports a number of key ratios for sustainability since the third quarter of 2022. In addition, JM is in the process of gathering data on its total carbon emissions and emissions from the building process specifically. This data will be presented in JM's Annual and Sustainability Report. Since 1 December 2022, JM completes climate calculations early in the process, in the so-called system document phase, in all JM's Swedish projects. The increase in the data collection improves the conditions for gradually being able to report more key ratios in the ongoing reporting that are linked to the climate impact.

Among the key ratios that JM reports now, energy consumption in completed residential units should be noted in particular. Due to rising electricity prices and an electricity shortage, it has become increasingly important to offer housing with low energy consumption. In Sweden, the energy consumption of JM's completed residential units is 19 percent below the regulatory requirement, and in Norway 34 percent lower. The stricter regulatory requirements in the area of energy are leading to greater efforts to continue to deliver housing with significantly lower energy consumption. For example, in the fourth quarter, solar panels were installed in several projects to reduce energy consumption.

The outcome in 2022 was generally stable, which indicates good quality in the data collection, at the same time as we note

that the absence of a positive change is an effect of the long process regarding housing development. One such example is JM's decision from 2018 for all newly started projects to be certified in accordance with Swan Ecolabel, which began to have an actual impact first in 2022 when 39 of 48 completed projects received the certification.

We are pleased that there is a positive trend related to the percentage of skilled female workers, and this is an indication that it is important to continue to offer JM's successful apprentice program for women. This is particularly true since we consider the public educational system to not currently have enough graduating female skilled employees for us to be able to achieve our goal. Men are still dominant both at JM and in the industry, and this requires ambitious and long-term work to bring about change.

JM has an ambitious goal of no serious accidents at our workplaces. Despite this goal, 11 serious accidents occurred in the Group in 2022. During the fall JM arranged its yearly Safety Week for all employees. Most of the serious accidents are due to skilled workers slipping or tripping, which is why production employees have had a special focus on reviewing access routes at the workplaces. The work to risk assess, prevent and follow up on the work environment and safety at JM's workplaces continues to be an important focus area for the operations.

GOALS 2030	OPERATIONAL TARGETS 2023	FY 2022	FY 2021	FY 2020
JM has the industry's best work environment and zero workplace accidents	No serious (according to national work environment authority's definition) accidents for own staff or subcontractors	9 (Sweden) 2 (Norway) – (Finland)	7	3
20% women among JM's wage-earners	Percentage of women among JM's wage-earners at least 10%	8.0%	6.8%	7.1%
JM is striving for an even gender distribution and diversity among its employees (at least 40/60 women/men)	Even gender distribution among salaried employees, at least 35/65 women/men	39/61	39/61	38/62
	Even gender distribution among managers, at least 35/65 women/men	30/70	30/70	30/70
Total amount of construction waste reduced to 15 kg/GFA (gross floor area) by 2030 <sup>1)</sup>	Total amount of construction waste reduced to max 25 kg/GFA for JM Sweden	35	36	35
	Total amount of construction waste reduced to max 25 kg/GFA for JM Norway	33	28	28
JM's operations have climate-affecting emissions close to zero <sup>1) 2)</sup>	The estimated energy needed for residential units is at least 10% below the applicable norm in Sweden	19%	23%	27%
	The estimated energy needed for residential units is at least 25% below the applicable norm in Norway	34%	34%	36%
All properties must receive Swan Ecolabel certification	All completed projects during the period will receive Swan Ecolabel certification	20 (Sweden) 14 (Norway) 5 (Finland)	30	8

<sup>1)</sup> Data for JM Finland has been developed recently and will be reported when a longer time series is available.

<sup>2)</sup> As calculation methods and data gathering develop, more key ratios will be added, primarily with regard to climate-affecting emissions in JM's production.

# Group quarterly overview

## ACCORDING TO SEGMENT REPORTING, SEK M

INCOME STATEMENT	2022				2021			
	Q 4	Q3	Q 2	Q1	Q 4	Q 3	Q2	Q 1
Revenue	5,152	3,589	3,790	3,854	4,068	3,485	3,719	3,337
Production and operating costs	-4,099	-2,942	-3,035	-3,140	-3,282	-2,849	-2,980	-2,703
<b>Gross profit</b>	<b>1,054</b>	<b>646</b>	<b>755</b>	<b>714</b>	<b>786</b>	<b>636</b>	<b>739</b>	<b>634</b>
Selling and administrative expenses	-284	-238	-317	-255	-273	-207	-297	-239
Gains/losses on the sale of property, etc.	-3	-9	-6	7	242	16	167	11
<b>Operating profit</b>	<b>767</b>	<b>399</b>	<b>432</b>	<b>466</b>	<b>755</b>	<b>445</b>	<b>609</b>	<b>406</b>
Financial income and expenses	-21	-19	-14	-16	-14	-13	-15	-16
<b>Profit before tax</b>	<b>746</b>	<b>380</b>	<b>418</b>	<b>450</b>	<b>741</b>	<b>432</b>	<b>594</b>	<b>390</b>
Taxes	-152	-85	-87	-94	-89	-99	-91	-81
<b>Profit for the period</b>	<b>593</b>	<b>295</b>	<b>331</b>	<b>356</b>	<b>652</b>	<b>333</b>	<b>503</b>	<b>309</b>
<b>CONSOLIDATED BALANCE SHEET</b>	<b>12/31</b>	<b>09/30</b>	<b>06/30</b>	<b>03/31</b>	<b>12/31</b>	<b>9/30</b>	<b>6/30</b>	<b>3/31</b>
<b>ASSETS</b>								
<b>Non-current assets</b>	<b>351</b>	<b>318</b>	<b>326</b>	<b>351</b>	<b>330</b>	<b>405</b>	<b>336</b>	<b>298</b>
Project properties	932	1,369	1,225	896	813	1,259	1,269	1,387
Development properties	8,465	8,607	8,336	7,995	8,205	7,991	8,155	8,215
Participations in tenant-owners associations, etc.	308	339	389	330	377	432	375	422
Current receivables	5,225	4,536	4,218	3,770	3,528	3,475	3,569	3,726
Cash and cash equivalents	1,840	1,902	2,481	4,115	3,981	3,022	2,969	2,148
<b>Total current assets</b>	<b>16,771</b>	<b>16,753</b>	<b>16,649</b>	<b>17,105</b>	<b>16,903</b>	<b>16,179</b>	<b>16,337</b>	<b>15,898</b>
<b>Total assets</b>	<b>17,122</b>	<b>17,071</b>	<b>16,975</b>	<b>17,457</b>	<b>17,233</b>	<b>16,584</b>	<b>16,673</b>	<b>16,196</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>	<b>9,006</b>	<b>8,396</b>	<b>8,210</b>	<b>8,904</b>	<b>8,608</b>	<b>8,023</b>	<b>7,808</b>	<b>7,439</b>
Non-current interest-bearing liabilities	268	250	247	193	190	308	281	366
Other non-current liabilities	414	374	373	374	373	373	373	373
Non-current provisions	2,717	2,862	3,036	3,066	3,078	3,100	3,012	3,231
<b>Total non-current liabilities</b>	<b>3,399</b>	<b>3,485</b>	<b>3,657</b>	<b>3,633</b>	<b>3,641</b>	<b>3,781</b>	<b>3,666</b>	<b>3,970</b>
Current interest-bearing liabilities	507	662	617	658	667	376	737	505
Other current liabilities	4,088	4,391	4,349	4,118	4,172	4,255	4,313	4,141
Current provisions	122	137	142	144	145	149	149	141
<b>Total current liabilities</b>	<b>4,717</b>	<b>5,189</b>	<b>5,109</b>	<b>4,920</b>	<b>4,984</b>	<b>4,780</b>	<b>5,199</b>	<b>4,787</b>
<b>Total equity and liabilities</b>	<b>17,122</b>	<b>17,071</b>	<b>16,975</b>	<b>17,457</b>	<b>17,233</b>	<b>16,584</b>	<b>16,673</b>	<b>16,196</b>
<b>CASH FLOW STATEMENT</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
From operating activities	354	-363	-525	273	916	487	792	92
From investing activities	-28	-	6	-6	-16	-1	-1	1
From financing activities	-394	-219	-1,111	-146	51	-434	32	-986
<b>Total cash flow for the period</b>	<b>-68</b>	<b>-582</b>	<b>-1,630</b>	<b>122</b>	<b>951</b>	<b>52</b>	<b>823</b>	<b>-893</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,840</b>	<b>1,902</b>	<b>2,481</b>	<b>4,115</b>	<b>3,981</b>	<b>3,022</b>	<b>2,969</b>	<b>2,148</b>
<b>INTEREST-BEARING NET LIABILITIES/RECEIVABLES</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
<b>Interest-bearing net liabilities(+)-receivables(-) at beginning of period</b>	<b>615</b>	<b>64</b>	<b>-1,466</b>	<b>-1,363</b>	<b>-587</b>	<b>-244</b>	<b>449</b>	<b>-300</b>
Change in interest-bearing net liabilities/receivables	-281	550	1,530	-102	-776	-343	-693	749
<b>Interest-bearing net liabilities(+)-receivables(-) at end of period</b>	<b>334</b>	<b>615</b>	<b>64</b>	<b>-1,466</b>	<b>-1,363</b>	<b>-587</b>	<b>-244</b>	<b>449</b>
<b>DEVELOPMENT PROPERTIES</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
<b>Carrying amount at beginning of the period</b>	<b>8,607</b>	<b>8,336</b>	<b>7,995</b>	<b>8,205</b>	<b>7,991</b>	<b>8,155</b>	<b>8,215</b>	<b>7,831</b>
New purchases	246	654	658	141	519	407	341	487
Transferred to production	-416	-430	-261	-431	-347	-581	-247	-213
Other	26	47	-56	80	43	10	-154	110
<b>Carrying amount at end of the period</b>	<b>8,465</b>	<b>8,607</b>	<b>8,336</b>	<b>7,995</b>	<b>8,205</b>	<b>7,991</b>	<b>8,155</b>	<b>8,215</b>
<b>KEY RATIOS</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>	<b>Q 4</b>	<b>Q 3</b>	<b>Q 2</b>	<b>Q 1</b>
Operating margin, %	14.9	11.1	11.4	12.1	18.6	12.8	16.4	12.2
Debt/equity ratio, multiple	-	0.1	-	-	-	-	-	0.1
Equity/assets ratio, %	53	49	48	51	50	48	47	46
Earnings per share, SEK	9.00	4.40	4.90	5.20	9.40	4.80	7.20	4.40
Number of available building rights	39,500	39,000	38,400	36,300	35,600	36,200	37,300	37,300
Number of residential units sold	462	470	732	995	969	808	1,210	1,261
Number of housing starts	898	688	719	808	1,428	817	800	927
Number of residential units in current production	8,078	7,962	7,823	8,276	8,094	7,722	7,353	7,485



# Business Segment Quarterly Overview

## ACCORDING TO SEGMENT REPORTING, SEK M

	2022				2021			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
<b>JM RESIDENTIAL STOCKHOLM</b>								
Revenue	1,344	1,141	1,196	1,285	1,251	1,179	1,312	1,248
Operating profit	188	160	182	190	204	181	196	182
Operating margin, %	14.0	14.1	15.2	14.8	16.3	15.4	14.9	14.6
Average operating capital	4,494	4,476	4,548	4,644	4,771	4,963	5,157	5,283
Return on operating capital, % <sup>*)</sup>	16.0	16.4	16.6	16.6	16.0	17.3	16.7	16.2
Operating cash flow	-6	242	-182	244	388	394	417	16
Carrying amount, development properties	4,033	4,101	4,143	3,960	4,051	4,146	4,361	4,486
Number of available building rights	12,400	12,700	12,900	12,600	11,700	11,000	11,500	11,900
Number of residential units sold	61	102	230	264	356	261	332	357
Number of housing starts	265	205	178	73	265	351	239	298
Number of residential units in current production	2,665	2,598	2,709	2,870	2,855	2,703	2,526	2,773
<b>JM RESIDENTIAL SWEDEN</b>								
Revenue	1,156	1,012	1,205	1,127	1,170	951	1,154	1,042
Operating profit	171	153	185	174	180	145	177	160
Operating margin, %	14.8	15.1	15.3	15.5	15.4	15.2	15.3	15.4
Average operating capital	1,656	1,515	1,377	1,366	1,354	1,332	1,339	1,345
Return on operating capital, % <sup>*)</sup>	41.2	45.7	49.7	49.5	48.9	49.8	49.2	48.4
Operating cash flow	8	-356	156	304	22	-60	326	154
Carrying amount, development properties	2,270	2,138	1,704	1,553	1,669	1,526	1,439	1,441
Number of available building rights	11,500	11,100	10,100	10,000	9,900	10,300	10,400	10,300
Number of residential units sold	92	189	290	375	220	280	263	358
Number of housing starts	148	255	262	357	300	238	362	277
Number of residential units in current production	2,234	2,246	1,991	2,153	2,154	2,226	2,178	2,063
<b>JM INTERNATIONAL</b>								
Revenue	1,467	1,229	1,196	1,231	1,407	1,185	1,084	856
Operating profit <sup>1)</sup>	99	90	101	105	139	111	98	67
Operating margin, %	6.8	7.3	8.4	8.6	9.9	9.4	9.0	7.8
Average operating capital	3,843	3,745	3,635	3,506	3,405	3,309	3,336	3,335
Return on operating capital, % <sup>*)</sup>	10.3	11.6	12.5	12.9	12.2	12.5	11.1	8.8
Operating cash flow	481	95	-144	-37	-60	338	-111	156
Carrying amount, development properties	2,150	2,345	2,467	2,459	2,462	2,293	2,329	2,262
Carrying amount, project properties	18	18	18	18	17	39	111	90
Number of available building rights	13,900	13,400	13,500	12,400	12,900	13,300	14,000	13,900
Number of residential units sold <sup>2)</sup>	239	179	212	356	393	267	295	546
Number of housing starts <sup>3)</sup>	415	132	279	378	522	228	199	352
Number of residential units in current production	2,672	2,681	2,639	2,769	2,601	2,458	2,314	2,314
<sup>1)</sup> Of which property sales	-	-	-	-	4	-	-	1
<sup>2)</sup> Of which residential units to investors	128	-	103	128	146	78	94	265
<sup>3)</sup> Of which residential units to investors	128	-	103	128	146	-	94	265
<b>JM PROPERTY DEVELOPMENT</b>								
Revenue	1,064	48	40	73	80	65	65	52
Operating profit <sup>1)2)</sup>	326	-2	-22	4	238	12	153	4
Average operating capital	1,325	1,212	1,171	1,187	1,242	1,407	1,460	1,513
Return on operating capital, % <sup>*)</sup>	23.1	18.0	19.8	34.3	32.7	24.7	23.1	11.8
Operating cash flow	-145	-124	-316	-81	664	-97	322	-88
Carrying amount, development properties	-	10	10	10	10	10	10	10
Carrying amount, project properties	914	1,351	1,208	878	795	1,220	1,158	1,297
Number of available building rights <sup>3)</sup>	1,700	1,800	1,900	1,300	1,100	1,600	1,400	1,200
Number of residential units sold <sup>3)</sup>	70	-	-	-	-	-	320	-
Number of housing starts <sup>3)</sup>	70	96	-	-	341	-	-	-
Number of residential units in current production <sup>3)</sup>	507	437	484	484	484	335	335	335
<sup>1)</sup> Of which property sales	-	-	-	-	231	-	161	-
<sup>2)</sup> Of which income from joint venture	-3	-9	-6	7	8	16	6	10
<sup>3)</sup> Refers to- units and residential care units.								
<b>JM CONSTRUCTION</b>								
Revenue	252	274	289	262	295	200	226	230
Operating profit	-	4	4	4	10	3	3	3
Operating margin, %	-	1.5	1.4	1.4	3.5	1.5	1.3	1.3
Operating cash flow	46	-9	-1	-16	8	4	14	10
<b>JM OTHER</b>								
Revenue (elimination)	-130	-115	-136	-124	-134	-95	-122	-91
Operating profit (Group-wide expenses)	-18	-6	-18	-11	-15	-7	-18	-10

<sup>\*)</sup> Calculated on 12-month rolling profits and average capital.

# Group – IFRS

## CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
Revenue	15,747	15,650	5,240	4,926
Production and operating costs	-12,607	-12,435	-4,134	-3,894
<b>Gross profit</b>	<b>3,140</b>	<b>3,215</b>	<b>1,106</b>	<b>1,032</b>
Selling and administrative expenses	-1,108	-1,032	-288	-277
Gains/losses on the sale of property, etc. <sup>1)</sup>	-11	45	-3	11
<b>Operating profit</b>	<b>2,021</b>	<b>2,227</b>	<b>816</b>	<b>767</b>
Financial income and expenses	-89	-80	-26	-18
<b>Profit before tax</b>	<b>1,933</b>	<b>2,147</b>	<b>789</b>	<b>750</b>
Taxes	-404	-343	-160	-75
<b>Profit for the period</b>	<b>1,529</b>	<b>1,804</b>	<b>630</b>	<b>674</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified as income</i>				
Translation differences from the translation of foreign operations	148	108	47	37
<i>Items that will not be reclassified as income</i>				
Restatement of defined-benefit pensions	515	126	274	7
Tax attributable to other comprehensive income	-106	-26	-56	-1
<b>Comprehensive income for the period</b>	<b>2,085</b>	<b>2,012</b>	<b>894</b>	<b>717</b>
Net profit for the period attributable to shareholders of the Parent Company	1,529	1,804	630	674
Comprehensive income for the period attributable to shareholders of the Parent Company	2,085	2,012	894	717
Earnings per share <sup>2)</sup> , basic, attributable to shareholders of the Parent Company, SEK	22.80	26.10	9.60	9.80
Earnings per share <sup>2)</sup> , diluted, attributable to shareholders of the Parent Company, SEK	22.70	26.00	9.60	9.70
<i>Number of outstanding shares at end of the period</i>	64,504,840	68,648,746	64,504,840	68,648,746
<i>Average number of shares, basic</i>	67,073,227	69,220,764	65,398,819	68,813,717
<i>Average number of shares, diluted</i>	67,384,072	69,560,505	65,709,664	69,153,458
<sup>1)</sup> Of which income from joint venture	-11	40	-3	8
<sup>2)</sup> Net profit for the period.				

## CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	12/31/2022	12/31/2021
<b>ASSETS<sup>1)</sup></b>		
<b>Non-current assets</b>	<b>565</b>	<b>584</b>
Project properties	932	813
Development properties	8,465	8,205
Utilization of site leasehold rights	513	456
Participations in tenant-owners associations, etc.	308	377
Work in progress	5,095	4,073
Current receivables	6,664	5,902
Cash and cash equivalents	1,840	3,981
<b>Total current assets</b>	<b>23,818</b>	<b>23,807</b>
<b>Total assets</b>	<b>24,383</b>	<b>24,391</b>
<b>EQUITY AND LIABILITIES<sup>2) 3) 4) 5)</sup></b>		
<b>Equity</b>	<b>8,725</b>	<b>8,385</b>
Non-current interest-bearing liabilities	892	818
Other non-current liabilities	414	373
Non-current provisions	2,646	3,024
<b>Total non-current liabilities</b>	<b>3,952</b>	<b>4,214</b>
Current interest-bearing liabilities	7,593	7,566
Other current liabilities	3,992	4,082
Current provisions	122	145
<b>Total current liabilities</b>	<b>11,707</b>	<b>11,793</b>
<b>Total equity and liabilities</b>	<b>24,383</b>	<b>24,391</b>
Pledged assets	463	476
Contingent liabilities	8,787	7,827
<sup>1)</sup> Of which right-of-use offices and cars	214	255
<sup>2)</sup> Of which project financing JM International	4,524	3,123
<sup>3)</sup> Of which project financing JM Residential Stockholm and JM Residential Sweden	2,452	3,338
<sup>4)</sup> Of which liabilities for property acquisition	516	675
<sup>5)</sup> Of which current and non-current interest-bearing lease liabilities	709	714

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER	
	2022	2021
<b>Opening balance at beginning of the period</b>	<b>8,385</b>	<b>7,598</b>
Total comprehensive income for the period	2,085	2,012
Dividend	–922	–887
Conversion of convertible loan	1	38
Repurchase of shares	–825	–375
Equity component of convertible debentures	–	–
<b>Closing balance at end of the period</b>	<b>8,725</b>	<b>8,385</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
<b>Cash flow from operating activities before change in working capital and taxes<sup>1)2)</sup></b>	<b>–400</b>	<b>–927</b>	<b>85</b>	<b>–451</b>
Paid tax	–532	–549	–116	–111
Investment in development properties	–1,871	–1,539	–196	–409
Payment on account for development properties	649	485	291	181
Investment in project properties	–795	–447	–257	–85
Sale of project properties	79	1,340	79	790
Change in current liabilities/receivables	234	675	2	298
<b>Cash flow from operating activities<sup>3)</sup></b>	<b>–2,635</b>	<b>–961</b>	<b>–189</b>	<b>213</b>
<b>Cash flow from investing activities</b>	<b>–29</b>	<b>–17</b>	<b>–28</b>	<b>–17</b>
Loans raised	538	664	94	303
Amortization of debt	–782	–846	–286	–156
Loans raised, project financing <sup>3)</sup>	5,097	5,308	1,728	1,270
Amortization of debt, project financing <sup>3)</sup>	–2,602	–1,951	–1,137	–539
Repurchase of shares	–825	–375	–250	–125
Dividend	–922	–887	–	–
<b>Cash flow from financing activities</b>	<b>504</b>	<b>1,911</b>	<b>149</b>	<b>754</b>
<b>Cash flow for the period</b>	<b>–2,159</b>	<b>933</b>	<b>–68</b>	<b>951</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,840</b>	<b>3,981</b>	<b>1,840</b>	<b>3,981</b>

<sup>1)</sup> Of which investment in participations in tenant-owners associations and freehold residential units

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

<sup>3)</sup> 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 year-end report and interim report for the fourth quarter of 2022 were prepared in accordance with IAS 34 Interim Financial Reporting and the 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 93–97 of the 2021 Annual Report.

JM's appeal to the Administrative Court regarding Finansinspektionen's interpretation of IFRS for tenant-owner associations in production was decided with a ruling by the court in JM's favor on October 26, 2021. The Administrative Court reached a different assessment than Finansinspektionen (FI) and therefore overruled FI's previous decision. FI appealed the Administrative Court's ruling to the Court of Appeal, and according to its ruling, which was announced on 9 November 2022, JM must consolidate tenant-owner associations in its consolidated reporting during the production phase. JM consider it to be important for this matter to be tried at the highest court and has therefore appealed the Court

of Appeal's ruling to the Supreme Administrative Court in November 2022. For more information, see JM's annual report for 2021, page 86

## Amended standards as of 2022

The amended standards according to IFRS the Group applies as of January 1, 2022, 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 consolidated cash flow, risk profile and capital allocation.

# Parent Company

## CONDENSED INCOME STATEMENT, PARENT COMPANY

SEKM	JANUARY–DECEMBER	
	2022	2021
Net sales	9,597	9,710
Production and operating costs	-7,629	-7,609
<b>Gross profit</b>	<b>1,968</b>	<b>2,100</b>
Selling and administrative expenses	-828	-712
<b>Operating profit</b>	<b>1,140</b>	<b>1,388</b>
Financial income and expenses	707	24
<b>Profit before appropriations and tax</b>	<b>1,847</b>	<b>1,412</b>
Appropriations	34	-16
<b>Profit before tax</b>	<b>1,881</b>	<b>1,397</b>
Taxes	-243	-279
<b>Profit for the period</b>	<b>1,638</b>	<b>1,118</b>

<sup>1)</sup> Net profit/loss for 2022 was burdened by SEK 138m after changed assumptions regarding the valuation of pension liabilities. The amount includes special payroll tax and deductions for tax.

## CONDENSED BALANCE SHEET, PARENT COMPANY

SEKM	12/31/2022	12/31/2021
<b>Assets</b>		
Non-current assets	2,932	2,214
Current assets	11,955	13,862
<b>Total assets</b>	<b>14,887</b>	<b>16,076</b>
<b>Equity and liabilities</b>		
Equity	4,310	4,417
Untaxed reserves	2,300	2,390
Provisions	1,356	1,304
Non-current liabilities	426	417
Current liabilities	6,495	7,548
<b>Total equity and liabilities</b>	<b>14,887</b>	<b>16,076</b>
Pledged assets	100	100
Contingent liabilities	11,798	9,471

# Reconciliation between segment reporting and IFRS

## CONSOLIDATED INCOME STATEMENT

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
<b>Revenue for the period (segment reporting)</b>	<b>16,385</b>	<b>14,608</b>	<b>5,152</b>	<b>4,068</b>
Restatement JM International	-638	-240	88	118
Reclassification property sale	-	1,281	-	741
<b>Revenue for the period (IFRS)</b>	<b>15,747</b>	<b>15,650</b>	<b>5,240</b>	<b>4,926</b>
<b>Operating profit/loss for the period (segment reporting)</b>	<b>2,064</b>	<b>2,216</b>	<b>767</b>	<b>755</b>
Restatement JM International	-61	-10	44	8
Leases IFRS 16	18	22	6	4
<b>Operating profit/loss for the period (IFRS)</b>	<b>2,021</b>	<b>2,227</b>	<b>816</b>	<b>767</b>
<b>Profit/loss for the period (segment reporting)</b>	<b>1,575</b>	<b>1,798</b>	<b>593</b>	<b>652</b>
Restatement JM International	-46	7	36	22
Leases IFRS 16	-	-1	1	-
<b>Profit/loss for the period (IFRS)</b>	<b>1,529</b>	<b>1,804</b>	<b>630</b>	<b>674</b>



**CONSOLIDATED BALANCE SHEET**

SEKM	12/31/2022	12/31/2021
<b>Balance sheet total (segment reporting)</b>	<b>17,122</b>	<b>17,233</b>
Restatement JM International	-421	-303
Reclassification project financing JM International, interest-bearing	4,169	3,121
Reclassification project financing JM International, non-interest-bearing <sup>1)</sup>	355	292
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,832	3,692
Transfer between Progress billing in excess of recognized revenue to Revenue less progress billings	-380	-354
Leases IFRS 16	706	711
<b>Balance sheet total (IFRS)</b>	<b>24,383</b>	<b>24,391</b>

<sup>1)</sup> Billing on account to customers.

**CONSOLIDATED EQUITY**

SEKM	12/31/2022	12/31/2021
<b>Equity (segment reporting)</b>	<b>9,006</b>	<b>8,608</b>
Restatement JM International	-278	-221
Leases IFRS 16	-3	-3
<b>Equity (IFRS)</b>	<b>8,725</b>	<b>8,385</b>

**GROUP KEY FIGURES**

%	12/31/2022	12/31/2021
Equity/assets ratio (segment reporting)	53	50
Equity/assets ratio (IFRS)	36	34

**CONSOLIDATED CASH FLOW**

SEKM	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2022	2021	2022	2021
<b>Cash flow from operating activities (segment reporting)</b>	<b>-261</b>	<b>2,287</b>	<b>354</b>	<b>916</b>
Reclassification project financing JM International	-888	-350	-364	181
Reclassification project financing JM Residential Stockholm and JM Residential Sweden, interest-bearing	-1,607	-3,006	-228	-912
Leases IFRS 16	121	108	49	28
<b>Cash flow from operating activities according to IFRS</b>	<b>-2,635</b>	<b>-961</b>	<b>-189</b>	<b>213</b>

**CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES**

SEKM	12/31/2022	12/31/2021
<b>Interest-bearing net liabilities (+)/receivables (-) at end of period (segment reporting)</b>	<b>334</b>	<b>-1,363</b>
Reclassification project financing JM International	4,169	3,121
Reclassification project financing JM Residential Stockholm and Sweden, interest-bearing	2,832	3,692
Leases IFRS 16	709	714
<b>Interest-bearing net liabilities (+)/receivables (-) at end of the period (IFRS)</b>	<b>8,043</b>	<b>6,163</b>

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Stockholm, Wednesday, February 1, 2023  
JM AB (publ)

Johan Skoglund  
President and CEO

*This year-end report has not been reviewed by the Company's auditors.*

# JM in brief

## Business concept

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

## Vision

We are laying the foundations for a better life.

## Business

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

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

JM should promote long-term sustainability work in all its operations. Annual sales total approximately SEK 16 billion and the company has around 2,500 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. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on February 1, 2023.

### For more information please contact:

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## Financial calendar

Week 10, 2023	Annual Report 2022 is published
March 30, 2023	Annual General Meeting
April 27, 2023	Interim Report January–March
July 12, 2023	Interim Report January–June
October 26, 2023	Interim Report January–September

## Press releases, fourth quarter 2022

December 16	JM's sale of the office project K1 Karlbergs Strand in Solna approved by Government decision
December 14	Disclosure of major shareholding in JM AB (publ)
November 24	JM appeals the Court of Appeal's judgement on consolidation of tenant-owners associations
November 15	Change in JM's Executive Management
November 9	The Court of Appeal issues a ruling which means that JM must consolidate tenant-owners associations during production in its consolidated financial statements according to IFRS
October 27	JM Interim Report January–September 2022
October 18	JM acquiring buildings rights for residential development in Gothenburg

JM's Annual Reports, Interim Reports and other financial information are available at [jm.se/investors](https://jm.se/investors)

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