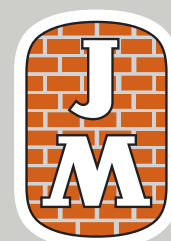


Year-end Report January–December 2023

*“Good liquidity and significant
surplus values”*

JOHAN SKOGLUND, PRESIDENT AND CEO



Year-end Report

January–December 2023

JANUARI – DECEMBER 2023

- Revenue amounted to SEK 13,851m (16,385).
- Operating profit decreased to SEK 732m (2,064) and was burdened by impairment in development and project properties of SEK –258m (–). The operating margin decreased to 5.3 percent (12.6).
- Profit before tax decreased to SEK 632m (1,994), and profit after tax decreased to SEK 433m (1,575).
- Return on equity for the past twelve months amounted to 5.0 percent (17.9).
- Earnings per share amounted to SEK 6.70 (23.40).
- Consolidated cash flow including net investment in properties amounted to SEK –48m (–261).
- The number of residential units sold decreased to 1,901 (2,659), and housing starts decreased to 1,609 (3,113).
- According to IFRS, revenue amounted to SEK 15,969m (14,577) and earnings per share to SEK 16.00 (22.20).
- Surplus value of development properties amounted to SEK 5.6bn (6.7).
- The Board of Directors proposes SEK 3.00 (14.00) in dividend for 2023 with the intention of an extraordinary general meeting in the fourth quarter of 2024 to propose resolution on an additional dividend of SEK 3.00.

OCTOBER – DECEMBER 2023

- Revenue amounted to SEK 3,407m (5,152).
- Operating profit decreased to SEK –90m (767) was burdened by impairment in development and project properties of SEK –258m (–). The operating margin decreased to –2.6 percent (14.9).
- Profit before tax decreased to SEK –113m (746), and profit after tax decreased to SEK –137m (593).
- Earnings per share amounted to SEK –2.10 (9.00).
- Consolidated cash flow including net investment in properties amounted to SEK 404m (354).
- The number of sold residential units increased to 773 (462), and housing starts decreased to 740 (898).
- According to IFRS, revenue amounted to SEK 3,441m (5,578) and earnings per share to SEK –0.50 (11.40).

Starting on January 1, 2023, JM applies a new accounting principle for projects with Swedish tenant-owners associations; see Note 1 Accounting principles. Restated income statements and balance sheets with the reported effect per quarter are provided in Note 1 of JM's interim report for Q1 2023. Comparative figures in this report have been restated according to the new accounting principle. 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 housing development are reported according to the completed contract method, see Note 1 for further information. 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 18–19. For definitions of key financial figures, see "Definitions Key Financial Figures" at 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 amounts in the report are based on the Group's consolidation system, which is in SEK thousand. Due to rounding 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.** The content is a translation of the Swedish original text, which is the official version.

Group Key Figures

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue	13,851	16,385	3,407	5,152
Operating profit ¹⁾	732	2,064	–90	767
Operating margin, %	5.3	12.6	–2.6	14.9
Profit before tax	632	1,994	–113	746
Cash flow from operating activities	–48	–261	404	354
Return on equity, %	5.0	17.9		
Equity/assets ratio, %	50	53		
Earnings per share, SEK	6.70	23.40	–2.10	9.00
Number of residential units sold ^{2) 3)}	1,901	2,659	773	462
Number of housing starts ^{4) 5)}	1,609	3,113	740	898
ACCORDING TO IFRS, SEK M				
Revenue	15,969	14,577	3,441	5,578
Operating profit	1,510	1,978	48	969
Earnings per share, SEK	16.00	22.20	–0.50	11.40
¹⁾ Of which impairment in development and project properties	–258	–	–258	–
²⁾ Of which rental units and residential care units in JM Property Development	218	70	–	70
³⁾ Of which residential units in JM Norway and JM Finland to investors	446	359	446	128
⁴⁾ Of which rental units and residential care units in JM Property Development	155	166	–	70
⁵⁾ Of which residential units in JM Norway and JM Finland to investors	446	359	446	128
RESIDENTIAL UNITS IN CURRENT PRODUCTION				
			12/31/2023	12/31/2022
Number of residential units in current production ^{1) 2)}			6,033	8,078
Percentage of sold residential units in current production, % ³⁾			52	59
Percentage reserved residential units in current production, %			2	3
Percentage sold and reserved residential units in current production, %			54	62
¹⁾ Of which rental units and residential care units in JM Property Development			662	507
²⁾ Of which rental units and residential care units not intended for sale in current production in JM Property Development – not included in the percentage of sold and reserved residential units in current production			444	–
³⁾ Percentage of sold residential units expressed as a binding contract with end customers.				
UNSOLD UNITS				
			12/31/2023	12/31/2022
Completed production, number of unsold units ¹⁾			308	91
Number of unsold units reported in the balance sheet			235	63
¹⁾ After final occupancy according to plan.				

Good liquidity and significant surplus values

All of 2023 was characterized by a rare weak market. We have to go back to the beginning of the 1990s to find comparable challenges. High inflation and high market rates combined with global concern are contributing to customers postponing their decision to buy a new home. As a result of the weaker housing market, an external market valuation indicated an impairment need on a few specific development and project properties. As a result, we have made a write-down in the quarter.

Despite the weak market, we increased our sales in the quarter. Our attractive portfolio of development properties is a strength that makes housing starts possible even on a weaker market, and housing starts increased compared to the previous quarters of the year. Accidents on construction sites have received a lot of attention lately. JM takes safety very seriously and continues to be committed to further develop the safety culture at JM and in the industry.

Increased sales

Prices on the existing home market in Sweden have fallen back to the same level as in 2020. Prices in Norway also decreased in the quarter while prices in Finland stabilized. The supply of residential units is large in all our markets. The transaction volume was low in the quarter on all our markets, and an expectation of lowered market rates has not yet had a noticeable effect on the willingness to buy a new home. Interest in JM's residential units continues to be high, but customers are holding off on signing a contract. Despite that, we increased our sales compared to the previous year, although from a low level.

Sales in the housing operations in Stockholm increased compared to both the third quarter this year and the same quarter last year, and one project was started during the quarter. Sales in the rest of Sweden also improved, and three projects were started. To strengthen cash flow, JM continued to adjust prices in select projects close to completion, which had a negative impact on the operating profit in the Swedish operations in the quarter compared to the previous year. Impairment losses on a few specific development properties had a negative impact on profits in the Swedish operations.

JM Norway started and sold to investors during the fourth quarter the first phase of a project in Oslo, but sales to private customers were low. The operating margin was burdened by a continued high cost level but was positively impacted by land sales in Bergen and Oslo.

The price level and activity on the Finnish housing market continued to be low in the fourth quarter, as was general consumer confidence. Given the current market conditions, JM Finland has transitioned to sales to investors, and three investor projects were sold and started in the fourth quarter. Operating profit in Finland was lower than in the previous year primarily due to low sales on the consumer market and price adjustments in select projects close to completion.

Revenue and operating profit for JM Property Development for the fourth quarter were lower than in the corresponding period



“Despite the weak market, we increased our sales in the quarter”

the previous year due to the sale of the office project K1 Karlbergs Strand in fourth quarter 2022, which had a significant impact on profit as well as an accrual impact. Operating profit in the fourth quarter was burdened by impairment losses on two project properties.

Improved cash flow

JM is prioritizing strong liquidity to maintain production and keep resources in preparation for when the market turns. Under the current conditions, we are being careful with investments in development properties at the same time as we have focused our efforts on sales at early stages, which has allowed for the financing of housing starts. Overall, this has resulted in a greatly improved cash flow that gives us room for action in an uncertain market.

To avoid capital tie-up in completed residential units, prices were also adjusted in the fourth quarter for certain residential units given the current market situation, which had a negative impact on performance in the quarter. High production and project financing costs continued at the same time to press the margins in our projects. The impairment in a few specific development and project properties has burdened the quarter's profit. After the write-down, we still have a surplus value of SEK 5.6bn. Overall, profit for the year was lower than in the previous year.

The underlying conditions for JM continue to be good. There is a shortage of housing in all our markets, and since the interest rate forecasts are now starting to indicate falling mortgage rates, the conditions are in place for a recovery on the housing market in 2024.

After 37 years at JM, of which 21 as President, I have announced to the Board of Directors that I will be retiring in 2024. The recruitment of my successor has started. My focus is continued successful sales work to strengthen liquidity, as well as the work for shorter lead times and increased efficiency in production.

Johan Skoglund,
President and CEO

Market, sales and housing starts

JANUARY – DECEMBER 2023

The year has been characterized by a slow-down in the global economy due prevailing external factors such as high inflation, high market interest rates and war. On all of the Group's sub-markets, however, inflation slowed during the fourth quarter. The general assessment is that interest rates have reached their peak, and central banks are not expected to raise the interest rates further. The slow-down in the economy continued to have a considerable impact on the housing market and subsequently JM's operations. The housing markets in the Group's sub-markets have also been negatively impacted by a large supply on the existing home market. Overall, consumers' buying power was weakened and customers continue to be cautious. Often, it takes a long time from when the customer signs the agreement until they move in, which means that the market for newly produced residential units is more exposed than the existing home market when households' finances are weakened.

Prices on the existing home market were stable or slightly decreasing during the year on the Swedish market, but they continued to decrease on the Norwegian and Finnish markets.

The underlying need for housing continues to be large, but the Group's housing starts decreased by almost half in number of residential units compared to the previous year due to weak demand.

Sales have decreased due to the weak market, which resulted in the number of sold residential units in the form of signed contracts decreasing to 1,901 (2,659). The percentage of sold and reserved residential units in relation to current production amounted to 54 percent (62), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 315 residential units (657), JM Residential Sweden sold 534 (946), JM Norway sold 488 (527), JM Finland sold 346 (459), and JM Property Development sold 218 (70).

The number of housing starts decreased to 1,609 (3,113). JM Residential Stockholm started production on 231 residential

units (721), JM Residential Sweden on 443 (1,022), JM Norway on 405 (605), JM Finland on 375 (599) and JM Property Development on 155 (166). The number of residential units in current production decreased to 6,033 (8,078), of which 662 (507) were rental units in JM Property Development.

Residential building rights

The number of available building rights at the end of the year amounted to 39,100 (39,500), of which 22,700 (22,000) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 8,496m (8,454).

During the fourth quarter, JM's development properties were valued at a carrying amount of SEK 8.5bn (8.5), which showed a surplus value of SEK 5.6bn (6.7). An impairment need for a few specific development properties was identified, which resulted in impairment losses totaling SEK 181m (–), of which SEK 17m referred to development properties in Belgium.

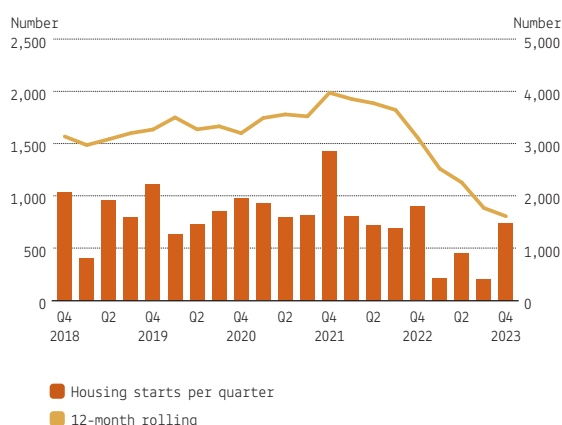
JM acquired residential development properties during the year for SEK 1,628m (1,700), of which SEK 805m (417) relates to JM Residential Stockholm, SEK 40m (1,073) to JM Residential Sweden, SEK 644m (37) to JM Norway, and SEK 139m (173) to JM Finland.

Project properties

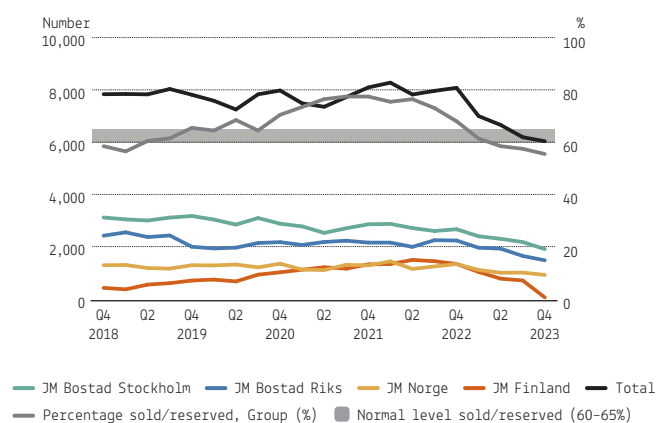
The externally appraised market value of JM's project properties was estimated to be SEK 1,069m (1,089) with a carrying amount of SEK 1,030m (932), of which properties under development amounted to SEK 1,024m (908). In conjunction with the market valuations conducted in the fourth quarter, two project properties were written down by a total of SEK 77m (–) in the business segment JM Property Development.

Rental income from JM's project properties was SEK 36m (35). Net operating income was SEK 11m (11).

HOUSING STARTS
GROUP



RESIDENTIAL UNITS IN CURRENT PRODUCTION



¹⁾ Including 662 rental units and residential care units in JM Property Development where rental units intended for sale are included in the percentage of sold/reserved.

Revenue, operating profit and operating margin

JANUARY–DECEMBER 2023

Consolidated revenue according to segment reporting decreased during the year to SEK 13,851m (16,385). The decreased revenue was primarily attributable to low level of residential units in current production and decreased sales ratio in all business segments, which to some extent is offset by commercial projects in current production.

Operating profit according to segment reporting decreased to SEK 732m (2,064), and operating margin decreased to 5.3 percent (12.6), primarily due to price reductions in current projects, increased costs in current production, and impairment in development properties and project properties totaling SEK 258m (–). Operating profit excluding impairment amounted to SEK 990m and operating margin to 7.1 percent. During the second quarter, profit was burdened by SEK 67m (–) due to costs from completed staff layoffs.

Revenue restated according to IFRS increased to SEK 15,969m (14,577) primarily attributable to greater number of handed over residential units than the previous year, 2,729 in 2023 to compare with 2,352 in 2022, together with commercial projects in current production.

Operating profit restated according to IFRS decreased to SEK 1,510m (1,978). The decrease is primarily attributable to impairment losses and handed over residential units with a lower margin.

OCTOBER–DECEMBER 2023

Consolidated revenue according to segment reporting for the fourth quarter decreased to SEK 3,407m (5,152). The decreased revenue is primarily attributable to low level of residential units in current production and low sales ratio in all business segments, which to some extent is offset by commercial projects in current production.

Operating profit according to segment reporting decreased to SEK –90m (767), and the operating margin decreased to –2.6 percent (14.9), which is primarily attributable to price reductions in current projects and impairment in development properties and project properties totaling SEK 258m (–). Operating profit excluding impairment amounted to SEK 168m and the operating margin to 4.9 percent.

Revenue restated according to IFRS decreased to SEK 3,441m (5,578). Operating profit restated according to IFRS decreased to SEK 48m (969), primarily due to impairment losses and a smaller number of handed over residential units with lower margin in the JM Residential Stockholm and JM Residential Sweden business segments.

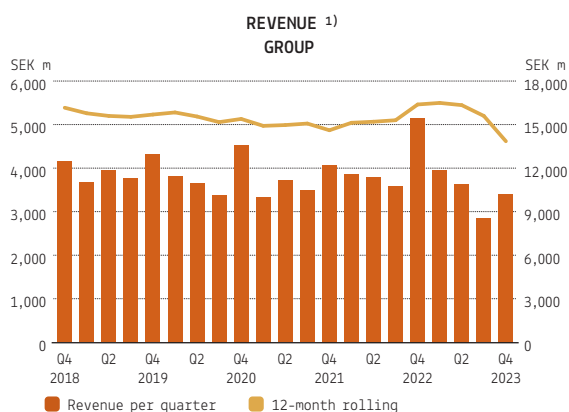
Rental income from JM's project properties was SEK 11m (9). Net operating income was SEK –1m (5).

OPERATING PROFIT BY BUSINESS SEGMENT, SEK M

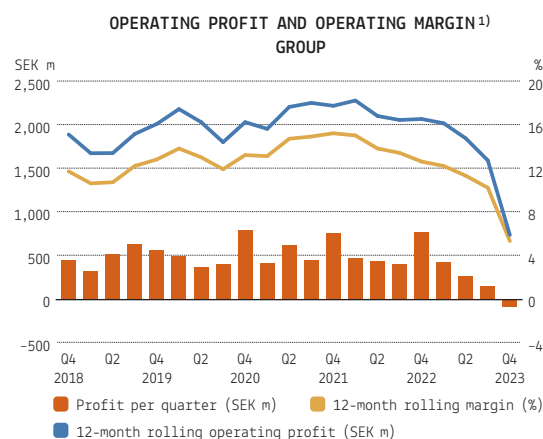
	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
JM Residential Stockholm	112	720	–118	188
JM Residential Sweden	139	682	–71	171
JM Norway	149	238	34	51
JM Finland	140	158	46	47
JM Property Development	248	306	46	326
JM Construction	8	12	1	–
Group-wide expenses	–64	–53	–28	–17
Total	732	2,064	–90	767
<i>Of which impairment on development and project properties</i>	–258	–	–258	–
<i>Of which property sales</i>	7	–	–2	–
<i>Of which income from joint venture</i>	–5	–11	–	–3

OPERATING MARGIN BY BUSINESS SEGMENT, %

	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
JM Residential Stockholm	2.6	14.5	–11.5	14.0
JM Residential Sweden	4.0	15.2	–9.7	14.8
JM Norway	5.7	7.0	4.5	5.3
JM Finland	8.8	9.2	10.5	9.4
JM Property Development	17.0	25.0	13.7	30.6
JM Construction	1.0	1.1	0.5	–



¹⁾ According to segment reporting



¹⁾ According to segment reporting

Financial items

JANUARY–DECEMBER 2023

Net financial items according to segment reporting decreased compared to the previous year, primarily due to increased interest expenses.

Total interest-bearing liabilities according to segment reporting were SEK 3,469m (2,179), of which the pension liability comprised SEK 1,546m (1,404). At the end of the year, the average interest rate for the total interest-bearing loan stock including the pension liability was 4.7 percent (3.8). The average term for fixed-rate loans excluding the pension liability was 0.2 years (0.3).

Consolidated available liquidity according to segment reporting decreased to SEK 4,382m (4 640). Aside from cash and cash equivalents of SEK 1,582m (1,840), this includes unutilized overdraft facilities and credit lines totaling SEK 2,800m (2,800), where credit agreements for SEK 2,400m had an average maturity of 2.7 years (3.5).

Interest-bearing net liabilities including the pension liability according to segment reporting totaled SEK 1,877m (334) at the end of the period. Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 782m (492). Of these liabilities, SEK 419m (78) were current.

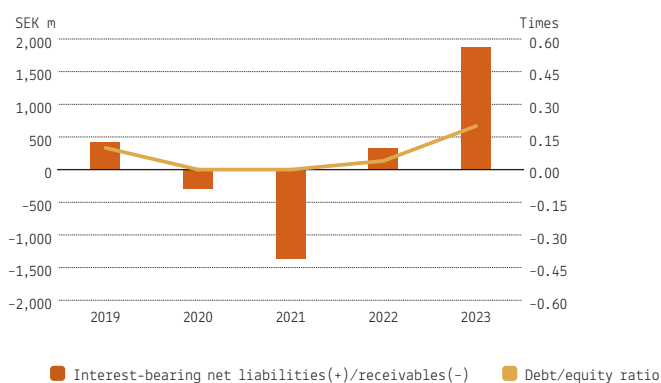
The valuation of financial assets and liabilities shows no significant difference between the carrying amount and fair value.

The effective tax rate amounted to 31 percent (21) and was negatively impacted by limitations on interest rate deductions.

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Financial income	33	19	8	10
Financial expenses	-133	-89	-31	-31
Financial income and expenses	-100	-70	-23	-21

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Interest-bearing net liabilities (+)/receivables(-) at beginning of period	334	-1,363	1,587	615
Change in interest-bearing liabilities/-receivables	1,544	1,697	290	-281
Interest-bearing net liabilities (+)/receivables (-) at end of period	1,877	334	1,877	334

INTEREST-BEARING NET LIABILITIES (+)/ RECEIVABLES (-) ¹⁾
GROUP



¹⁾ According to segment reporting

Cash flow

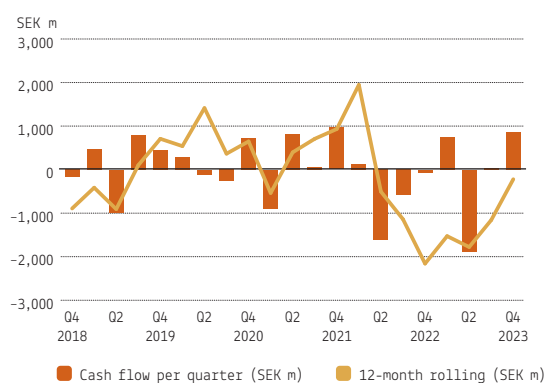
JANUARY–DECEMBER 2023

Cash flow from operating activities according to segment reporting was strengthened compared to the previous year and amounted to SEK -48m (-261), which is attributable to a lower level of investments in properties and lower working capital. Net investments in development properties resulted in a cash flow of SEK -247m (-333). The increase in holdings of unsold residential units in the balance sheet resulted in a negative cash flow of SEK -484m (88). Consolidated cash flow attributable to project properties (sales minus investment) during the period was SEK -383m (-716).

OCTOBER–DECEMBER 2023

Cash flow from operating activities was strengthened during the fourth quarter compared to the corresponding period the previous year and amounted to SEK 404m (354), which is attributable to a lower level of investments in properties and lower working capital. Net investments in development properties resulted in cash flow of SEK 168m (219). Holdings of repurchased residential units resulted in cash flow of SEK 17m (7). Consolidated cash flow attributable to project properties (sales minus investment) amounted to SEK -16m (-178).

CASH FLOW ¹⁾
GROUP



¹⁾ Total cash flow for the period

JM Residential Sweden

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

Average prices on the existing home market for tenant-owned apartments decreased during the fourth quarter on several of the business segment's sub-markets, and in the university cities, prices fell the most from a relatively high level. Single-family home prices remained unchanged or continued to fall slightly.

On the existing home market, supply continued to be at high levels and at higher levels than in the previous year. The supply of new production decreased and continued to be at very low levels, with the exception of Gothenburg.

Sales continued to be low but with a slight increase in the fourth quarter and a continued major focus on sales of residential units that are close to occupation or completed. The willingness of customers to sign a contract early in the process was below normal, with customers continuing to show caution.

Compared to the corresponding period the previous year, revenue and operating profit for the fourth quarter decreased due to impairment in development properties, price adjustments in current projects, lower sales, and increased financing costs. During market valuation of the business segment's development

properties, an impairment need of SEK 75m was identified in a few specific properties, which burdened profit in the fourth quarter. The operating profit excluding impairment amounted for the fourth quarter to SEK 4m and the operating margin to 0.6 percent.

Revenue and operating profit for the full year decreased compared to the previous year due to low current production, price adjustments in current projects, lower sales, increased production and financing costs, impairment in development properties, and costs for implemented savings measures.

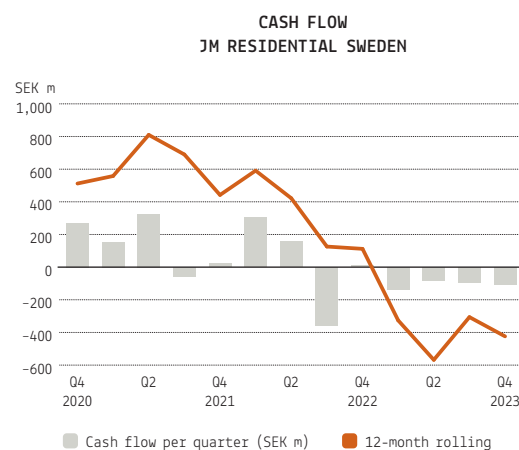
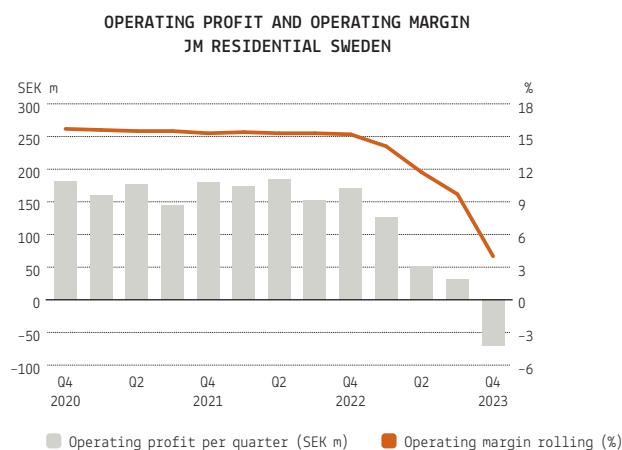
Both the fourth quarter's and the year's cash flow was weaker than in the corresponding period the previous year due to the increase in restricted working capital and an increase in the number of purchased residential units in the balance sheet.

Production was started in the fourth quarter on a total of 145 residential units in apartment buildings in Lomma, Mölndal and Öjersjö in Partille municipality, of which 124 residential units in apartment buildings and 21 single-family homes.

No building rights were acquired in the fourth quarter.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue	3,476	4,500	726	1,156
Operating profit ¹⁾	139	682	-71	171
Operating margin, %	4.0	15.2	-9.7	14.8
Average operating capital	2,431	1,656		
Return on operating capital, %	5.7	41.2		
Operating cash flow	-424	112	-110	8
Carrying amount, development properties	1,927	2,270		
Number of available building rights	11,900	11,500		
Number of residential units sold	534	946	142	92
Number of housing starts	443	1,022	145	148
Number of residential units in current production	1,477	2,234		
Number of employees	472	568		
	-75	-	-75	-

¹⁾ Of which impairment in development and project properties



JM Norway

The business segment develops residential projects in Norway. Operations include acquisitions of development properties, planning, pre-construction and production and sale of residential units. Revenue and profit for the business segment are reported using the percentage of completion method.

The price level on the existing home market continued to decrease during the fourth quarter and at the end of the year was in line with the previous year. Norway's central bank also raised the key rate during the fourth quarter, which leads to higher mortgage costs for customers. At the same time, the market expects that interest rates have peaked in Norway.

Sales of residential units on the existing home market were at the same level as in the previous year, while sales of newly produced residential units were significantly lower than in the previous year. Demand for JM's residential units was also lower than normal in the fourth quarter.

Revenue and operating profit for the fourth quarter decreased compared to the corresponding period the previous year due to lower sales and increased production and financing costs. However, revenue and operating profit were positively impacted by two sales of land for housing projects in Bergen and the Oslo area.

During market valuation of the business segment's development properties, an impairment need of SEK 11m was identified

for two properties, which burdened profit in the fourth quarter. The operating profit excluding impairment losses amounted for the fourth quarter to SEK 45m, and the operating margin to 6.0 percent.

Revenue and operating profit for the full year decreased compared to in the previous year due to lower sales and increased production and financing costs.

Cash flow for both the fourth quarter and the full year decreased compared to the corresponding period the previous year, which primarily is due to lower operating profit. Cash flow for the full year was also burdened by larger investments compared to the previous year.

During the fourth quarter, the business segment started production on the first phase of the Granitten project at Furuset in Oslo, which consists of 156 residential units. The project has been sold in its entirety to a real estate company.

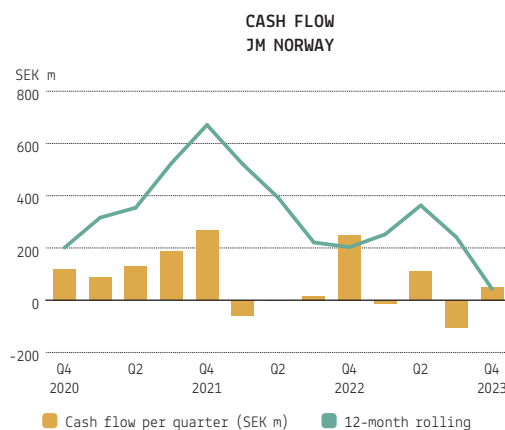
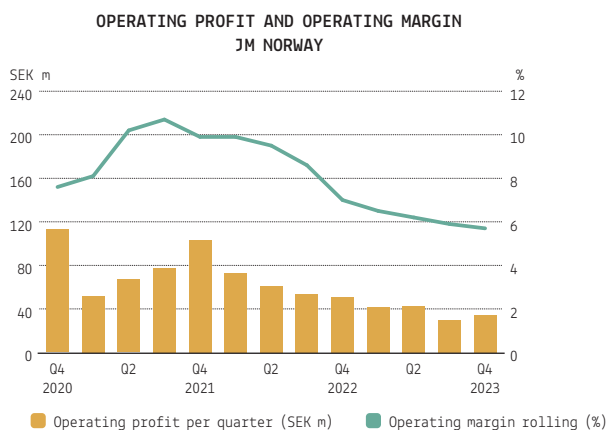
No building rights were acquired in the fourth quarter.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue	2,589	3,392	751	960
Operating profit ¹⁾	149	238	34	51
Operating margin, %	5.7	7.0	4.5	5.3
Average operating capital	2,063	2,158		
Return on operating capital, %	7.2	11.0		
Operating cash flow	38	203	46	249
Carrying amount, development properties	1,328	1,034		
Number of available building rights	6,400	7,100		
Number of residential units sold ²⁾	488	527	196	100
Number of housing starts ³⁾	405	605	156	189
Number of residential units in current production	1,071	1,335		
Number of employees	312	370		
	-11	-	-11	-
	156	-	156	-
	156	-	156	-

¹⁾ Of which impairment on development and project properties

²⁾ Of which residential units to investors

³⁾ Of which residential units to investors



JM Finland

The business segment develops residential projects in Finland. Operations include acquisitions of development properties, planning, pre-construction and production and sale of residential units. Revenue and profit for the business segment are reported using the percentage of completion method.

The activity on the housing market in the Helsinki region increased slightly during the fourth quarter. Inflation fell, and the market rate remained unchanged. However, there was continued caution among consumers regarding housing purchases, and customers' confidence in the future remained low. The prices on the existing home market in the Helsinki region stabilized during the fourth quarter.

Sales in the fourth quarter were higher than in the previous year primarily due to increased sales to investors.

Business segment revenue and operating profit for the fourth quarter decreased compared to the corresponding period the previous year, primarily due to lower sales to the consumer market and price adjustments in current projects. However, the operating margin was in line with the previous year.

During market valuation of the business segment's development properties, an impairment need of SEK 3m was identified, which burdened profit in the fourth quarter. Operating profit excluding impairment amounted to SEK 49m and the operating margin to 11.2 percent.

Revenue and the operating profit for the full year decreased compared to the previous year primarily due to lower sales, costs for implemented savings measures, and price adjustments in current projects.

Cash flow for both the fourth quarter and the year decreased compared to the previous year as a result of higher restricted working capital.

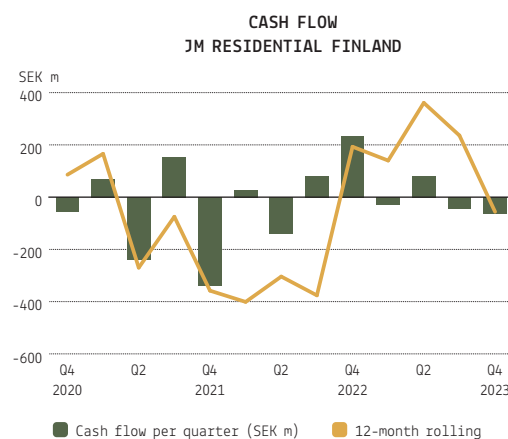
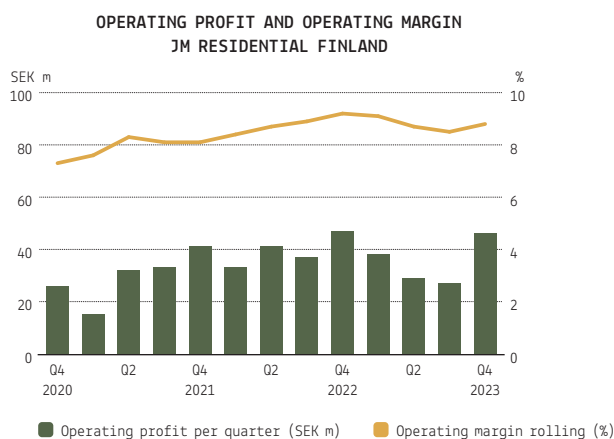
During the fourth quarter, JM started production on a total of 341 residential units in Helsinki and Espoo and acquired approximately 200 building rights in Hagalund, Espoo.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue	1,591	1,729	437	505
Operating profit ¹⁾	140	158	46	47
Operating margin, %	8.8	9.2	10.5	9.4
Average operating capital	1,718	1,618		
Return on operating capital, %	8.1	9.8		
Operating cash flow	–56	193	–61	231
Carrying amount, development properties	1,115	1,046		
Number of available building rights	6,900	6,800		
Number of residential units sold ²⁾	346	459	311	139
Number of housing starts ³⁾	375	599	341	226
Number of residential units in current production	917	1,337		
Number of employees	168	201		
	–3	–	–3	–
	290	359	290	128
	290	359	290	128

¹⁾ Of which impairment on development and project properties

²⁾ Of which residential units to investors

³⁾ Of which residential units to investors



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 and operating profit for the fourth quarter decreased significantly compared to the corresponding period the previous year due to the gains from the sale of the office project K1 Karlbergs Strand from fourth quarter 2022. The sale also generated an accrual effect in the fourth quarter of 2022. Operating profit in fourth quarter 2023 was burdened by impairment in two project properties totaling SEK 77m. The impaired properties refer to current projects with planned completion in the first half of 2024. The operating profit excluding impairment losses amounted for the fourth quarter to SEK 123m, and the operating margin to 36.6 percent.

Business segment revenue for the full year increased compared to the previous year primarily due to projects in current production. Contracting revenue and sales of services for the full year amounted to SEK 1,423m (1,224), and rental income to SEK 35m (34).

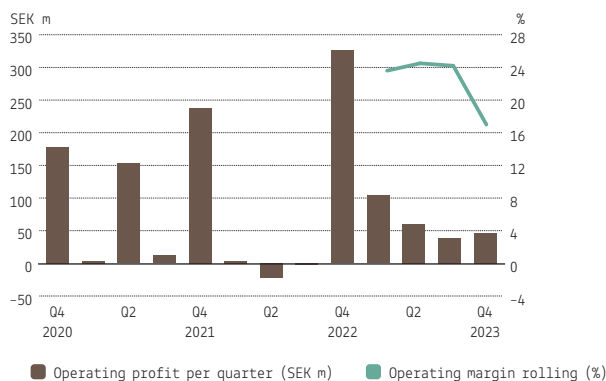
Operating profit decreased compared to the previous year primarily due to mentioned impairment losses.

Cash flow for both the fourth quarter and the year improved compared to the previous year due to increased project financing, deposits received for sold properties under construction, and the sale of a project property in the Dalénum area in Lidingö.

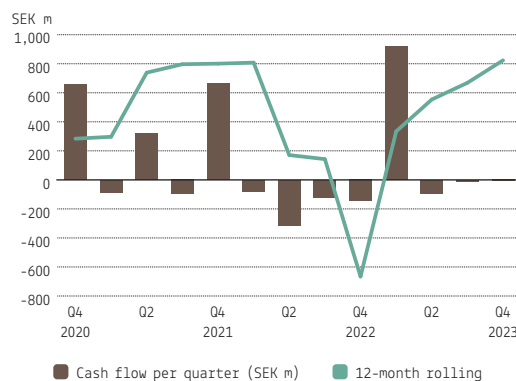
The business segment has three projects in current production, for which profit and revenue recognition occurs gradually during construction: the office project K1 Karlbergs Strand, with estimated completion in the first quarter of 2025, the rental project Kvarter 8, with estimated completion in the third quarter of 2024, and the residential care building Pilhamns Gårdar, with estimated completion in the third quarter of 2024. Production is ongoing in an additional three rental projects in JM's own balance sheet: Igelsta Trädkrona in Södertälje, with 96 rental units; Dyrvers Kulle in Sundbyberg, with 123 rental units; and Flora in Järfälla, with 155 rental units.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue	1,458	1,224	336	1,064
Operating profit ^{1) 2) 3)}	248	306	46	326
Operating margin, %	17.0	25.0	13.7	30.6
Average operating capital	1,372	1,325		
Return on operating capital, %	18.1	23.1		
Operating cash flow	824	-666	9	-145
Carrying amount, development properties	-	-		
Carrying amount, project properties	1,030	914		
Number of available building rights ⁴⁾	1,600	1,700		
Number of residential units sold ⁴⁾	218	70	-	70
Number of housing starts ⁴⁾	155	166	-	70
Number of residential units in current production ⁴⁾	662	507		
Number of employees	77	80		
¹⁾ Of which impairment in project properties	-77	-	-77	-
²⁾ Of which property sales	14	-	14	-
³⁾ Of which income from joint venture	-5	-11	-	-3
⁴⁾ Refers to units and residential care units				

OPERATING PROFIT AND OPERATING MARGIN
JM PROPERTY DEVELOPMENT



CASH FLOW
JM PROPERTY DEVELOPMENT



JM Construction

The JM Construction business segment carries out construction work for external customers in the Greater Stockholm area. The business segment focuses on civil engineering contracts for external professional customers.

Demand on the civil engineering market in Stockholm continued to be stable during the period, with strong competition for assignments and, like in the third quarter, somewhat cautious customers.

On July 1, operations for the part of the business unit that carried out internal civil engineering projects were transferred to JM Residential Stockholm. As a result of this transfer, JM Construction transitioned to a specialized civil engineering business that focuses on delivering profitable civil engineering projects with high quality. Ongoing Group-internal projects are being transferred gradually to JM Residential Stockholm.

Business segment revenue for the fourth quarter and the full year decreased compared to the corresponding period the previous year, primarily due to the operational transfer of internal projects and lower external activity for JM in the civil engineering business. Operating profit for the fourth quarter and the full year

decreased compared to the corresponding period the previous year primarily due to lower recognized revenue.

Cash flow for the year improved compared to the previous year, which is mainly due to a reduction in tied-up working capital.

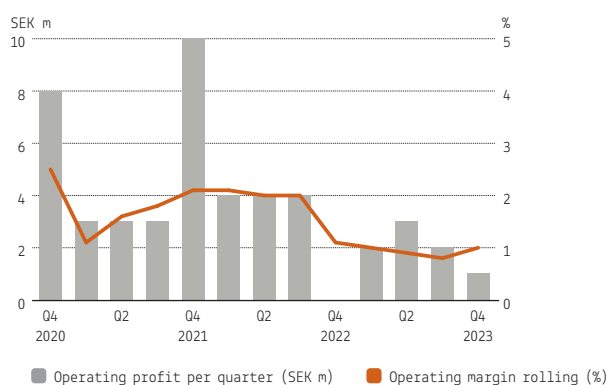
Cash flow for the fourth quarter decreased somewhat compared to the previous year, mainly due to an increase in restricted working capital.

In the fourth quarter, the business segment received a number of assignments, of which the largest is a collaboration on the civil engineering work in Täby.

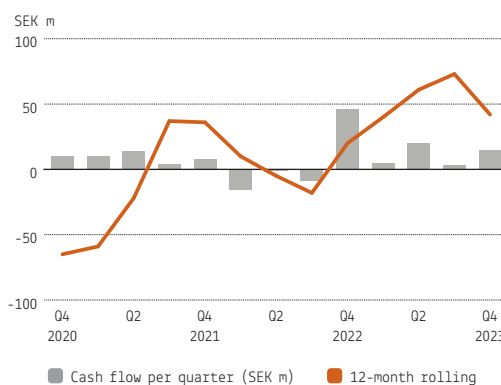
The largest ongoing projects are several infrastructure projects in Tyresö, development work for an upcoming industrial area in Länna in Huddinge municipality, groundworks and conduit work for new sewage treatment plants in Haninge, and development and detailed planning work in a new district in Vallentuna.

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue ¹⁾	781	1,077	150	252
Operating profit	8	12	1	–
Operating margin, %	1.0	1.1	0.5	–
Operating cash flow	42	20	15	46
Carrying amount, development properties	8	10		
Number of employees	120	259		
¹⁾ Of which intra-Group	294	505	14	130

OPERATING PROFIT AND OPERATING MARGIN
JM CONSTRUCTION



CASH FLOW
JM CONSTRUCTION



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.

At JM, we take a long-term approach to everything we do. Our buildings should stand for at least 100 years, and our sustainability work continues even during economic downturns, which was reflected in 2023. Despite a challenging market, JM invested both time and money into sustainable pilot projects and more sustainable structure capital.

During the fourth quarter, a pilot study was initiated in Finland to study casting with climate-improved concrete in cold temperatures. Climate-improved concrete means that some of the binding agent has been replaced with material that has lower emissions. The aim of the study is to investigate any differences between the types of climate-improved concrete. Five concrete suppliers are participating in the study, which is testing concrete that has 15–30 percent lower emissions. The study is continuing during the first quarter and will be evaluated in the spring of 2024.

The climate impact of each of the Group's new projects is calculated at an early stage of the project development, which makes it possible to make adjustments early in a project to both reduce the project's climate impact and identify improvements that can be used in other projects.

JM has identified the most significant sustainability aspects to work with in order to generate long-term sustainable value creation both within both JM and in its surroundings. The

outcome of the Group's materiality analysis for the year showed that business ethics is an essential topic for our stakeholders. During the fourth quarter, all JM employees completed a mandatory course on business ethics and JM's code of conduct.

In December, a serious workplace accident occurred in conjunction with the dismantling of scaffolding at one of the Group's construction sites.

JM takes the accident very seriously and is continuing to work actively to improve security at our worksites. In general, the construction industry is good at identifying errors and deficiencies. It is equally important to have a sound safety culture, and in this respect JM focuses on how we succeed at both our safety work and implementing root-cause analyses following incidents. The theme and focus areas during JM's annual Safety Week, which is arranged during the fourth quarter, was Safety Culture. A number of good examples from the year's Safety Week featuring safety culture in the Group's projects and regions now serve as the basis for continued work on and analysis of the possibility for implementation in the company as a whole.

All completed residential units produced in JM's own operations during the year were certified in accordance with Nordic Swan Ecolabel. JM introduced a requirement on Swan Ecolabel housing production in 2018.

GOALS 2030	OPERATIONAL TARGET 2023	FULL-YEAR 2023	FULL-YEAR 2022
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) 1 (Norway) 1 (Finland)	9 (Sweden) 2 (Norway) – (Finland)
20% women among JM's wage-earners	Percentage of women among JM's wage-earners at least 10%	7.0%	8.0%
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	38/62	39/61
	Even gender distribution among managers, at least 35/65 women/men	31/69	30/70
Total amount of construction waste reduced to 15 kg/GFA (gross floor area) by 2030 ¹⁾	Total amount of construction waste reduced to max 25/GFA excl. garage	32 (Sverige) 29 (Norge)	35 (Sweden) 33 (Norway)
JM's operations have climate-affecting emissions close to zero ¹⁾	The estimated energy needed for residential units is at least 10% below the applicable norm in Sweden	27%	19%
	The estimated energy needed for residential units is at least 25% below the applicable norm in Norway	31%	34%
All properties must receive Nordic Swan Ecolabel certification ²⁾	All completed projects must receive Nordic Swan Ecolabel certification	90%	81%
JM's residential units have low energy consumption	kwh/m ² (A-temp in Sweden and GFA in Norway and Finland)	60 (Sweden) 53 (Norge) 78 (Finland)	59 (Sweden) 51 (Norway) 77 (Finland)

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

²⁾ The remaining 10% refers to completed projects for external stakeholders.

Other information

Risks and uncertainty factors

JM's risks and risk management are presented in 2022 Annual and Sustainability Report on pages 14–18, 76 and 80–81.

The risk assessment has not changed in relation to what is presented there.

Dividend

For 2023 the Board of Directors proposes a dividend of SEK 3.00 (14.00) per share, for a total of SEK 194m (903). The proposed record date for the dividend is Monday, April 22, 2024.

If the Annual General Meeting resolves to adopt the proposal, the dividend will be sent on Thursday, April 25, 2024.

Provided that the outlook for the housing market moving forward improves to a reasonable extent, JM's ambition is to convene for an extraordinary general meeting in the fourth quarter of 2024 to propose resolution on an additional dividend of SEK 3.00.

Buy-back, elimination and holdings of own shares

As at the end of the fourth quarter, JM has no treasury shares. The number of outstanding shares on December 31, 2023, amounts to 64,504,840.

The Annual General Meeting resolved on March 30, 2023, to authorize the Board of Directors, during the period up to the next Annual General Meeting and on one or more occasions, to decide to buy back 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. During the fourth quarter, JM has not repurchased any own shares.

Personnel

As at the end of the fourth quarter, there were 2,193 (2,488) employees. The number of wage-earners amounted to 828 (871), and the number of salaried employees was 1,365 (1,617).

Related parties

No significant transactions with related parties occurred during the period other than the normal transactions between JM's Group companies and joint arrangements. The transactions occurred at market terms.

Significant events after the end of the quarter

After 37 years at JM, of which 21 as President, Johan Skoglund has announced to the Board of Directors that he will be retiring in 2024. Johan Skoglund will continue as President and CEO until June 1, 2024 at the latest.

As of first quarter 2024, JM Construction will be absorbed into the Group since the business no longer is of such a scope that it constitutes its own business segment.

Group – segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue	13,851	16,385	3,407	5,152
Production and operating costs	-11,877	-13,216	-3,025	-4,099
Gross profit	1,973	3,169	382	1,054
Selling and administrative expenses	-985	-1,094	-227	-284
Gains/losses on the sale of property, etc. ^{1) 2)}	-256	-11	-245	-3
Operating profit	732	2,064	-90	767
Financial income and expenses	-100	-70	-23	-21
Profit before tax	632	1,994	-113	746
Taxes	-199	-419	-23	-152
Profit for the period	433	1,575	-137	593
Other comprehensive income	-205	568	-337	266
Comprehensive income for the period	229	2,143	-474	859
Earnings per share ³⁾ , diluted, SEK	6.70	23.40	-2.10	9.00
Average number of shares, diluted	64,504,840	67,384,072	64,504,840	65,709,664
¹⁾ Of which impairment losses	-258	-	-258	-
²⁾ Of which income from joint venture	-5	-11	-	-3
³⁾ Net profit/loss for the period				

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO SEGMENT REPORTING, SEK M	12/31/2023	12/31/2022
ASSETS		
Non-current assets	351	351
Project properties	1,030	932
Development properties	8,504	8,465
Participations in tenant-owners associations, etc.	803	308
Current receivables ¹⁾	4,541	5,225
Cash and cash equivalents	1,582	1,840
Total current assets	16,461	16,771
Total assets	16,812	17,122
EQUITY AND LIABILITIES ²⁾		
Equity	8,332	9,006
Non-current interest-bearing liabilities	397	268
Other non-current liabilities	364	414
Non-current provisions	2,559	2,717
Total non-current liabilities	3,319	3,399
Current interest-bearing liabilities	1,526	507
Other current liabilities	3,522	4,088
Current provisions	113	122
Total current liabilities	5,161	4,717
Total equity and liabilities	16,812	17,122
¹⁾ Of which receivables from property sales	57	55
²⁾ Of which liabilities for property acquisition	806	516

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO SEGMENT REPORTING, SEK M	FULL-YEAR 2023	FULL-YEAR 2022
Opening balance at beginning of the period	9,006	8,608
Total comprehensive income for the period	229	2,143
Dividend	-903	-922
Conversion of convertible loan	-	1
Repurchase of shares	-	-825
Equity component of convertible debentures	-	-
Closing balance at end of the period	8,332	9,006

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2023	2022	2023	2022
Cash flow from operating activities before change in working capital and taxes ^{1) 2)}	317	1,550	214	533
Tax paid	-344	-532	-30	-116
Investment in development properties	-1,338	-1,871	-362	-196
Payment on account for development properties	1,091	1,538	530	416
Investment in project properties	-429	-795	-36	-257
Sale of project properties	46	79	20	79
Change in current liabilities/receivables	610	-230	69	-105
Cash flow from operating activities	-48	-261	404	354
Cash flow from investing activities	-2	-29	-2	-28
Loans raised	976	538	495	94
Amortization of liabilities	-245	-661	-28	-238
Buy-back of shares	-	-825	-	-250
Dividends	-903	-922	-	-
Cash flow from financing activities	-172	-1,869	466	-394
Cash flow for the period	-221	-2,159	869	-68
Exchange rate difference, cash and cash equivalents	-37	18	-37	18
Cash and cash equivalents at end of period	1,582	1,840	1,582	1,840
¹⁾ Of which investment in participations in tenant-owners associations and freehold residential units	-1,671	-252	-377	-85
²⁾ Of which the sale of participations in tenant-owners associations and freehold residential units	1,186	340	394	92

GROUP KEY FIGURES

ACCORDING TO SEGMENT REPORTING, %	JANUARY-DECEMBER		OCTOBER-DECEMBER	
	2023	2022	2023	2022
Operating margin	5.3	12.6	-2.6	14.9
Return on equity	5.0	17.9		
Return on capital employed	6.7	18.6		
Debt/equity ratio, multiple	0.2	-		
Equity/assets ratio	50	53		

Group – IFRS

CONDENSED CONSOLIDATED INCOME STATEMENT

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022 ^{*)}	2023	2022 ^{*)}
Revenue	15,969	14,577	3,441	5,578
Production and operating costs	-13,205	-11,481	-2,919	-4,319
Gross profit	2,764	3,096	522	1,259
Selling and administrative expenses	-998	-1,108	-229	-288
Gains/losses on the sale of property, etc. ^{1) 2)}	-256	-11	-245	-3
Operating profit	1,510	1,978	48	969
Financial income and expenses	-125	-89	-30	-26
Profit before tax	1,385	1,889	18	942
Taxes	-356	-395	-51	-192
Profit for the period	1,029	1,495	-33	751
Other comprehensive income				
<i>Items that will be reclassified as income</i>				
Translation differences from the translation of foreign operations	-110	148	-101	47
<i>Items that will not be reclassified as income</i>				
Restatement of defined-benefit pensions	-105	515	-291	274
Tax attributable to other comprehensive income	22	-106	60	-56
Comprehensive income for the period	835	2,051	-365	1,016
Net profit for the period is attributable to shareholders of the Parent Company	1,029	1,495	-33	751
Comprehensive income for the period is attributable to shareholders of the Parent Company	835	2,051	-365	1,016
Earnings per share ³⁾ , basic, attributable to shareholders of the Parent Company, SEK	16.00	22.30	-0.50	11.50
Earnings per share ³⁾ , diluted, attributable to shareholders of the Parent Company, SEK	16.00	22.20	-0.50	11.40
<i>Number of outstanding shares at end of the period</i>	<i>64,504,840</i>	<i>64,504,840</i>	<i>64,504,840</i>	<i>64,504,840</i>
<i>Average number of shares, basic</i>	<i>64,504,840</i>	<i>67,073,227</i>	<i>64,504,840</i>	<i>65,398,819</i>
<i>Average number of shares, diluted</i>	<i>64,504,840</i>	<i>67,384,072</i>	<i>64,504,840</i>	<i>65,709,664</i>
¹⁾ Of which impairment losses	-258	-	-258	-
²⁾ Of which income from joint venture	-5	-11	-	-3
³⁾ Net profit/loss for the period				

CONDENSED CONSOLIDATED BALANCE SHEET

ACCORDING TO IFRS, SEK M	12/31/2023 ^{*)}	12/31/2022 ^{*)}
ASSETS		
Non-current assets ¹⁾	532	565
Project properties	1,030	932
Development properties	8,504	8,465
Utilization of site leasehold rights	476	513
Participations in tenant-owners associations, etc.	1,023	308
Work in progress	13,203	15,217
Current receivables	3,633	3,767
Cash and cash equivalents ²⁾	1,673	2,151
Total current assets	29,542	31,354
Total assets	30,073	31,919
EQUITY AND LIABILITIES ^{3) 4) 5)}		
Equity	7,972	8,039
Non-current interest-bearing liabilities	951	892
Other non-current liabilities	364	414
Non-current provisions	2,470	2,468
Total non-current liabilities	3,785	3,774
Current interest-bearing liabilities	15,089	15,480
Other current liabilities	3,115	4,504
Current provisions	113	122
Total current liabilities	18,317	20,105
Total equity and liabilities	30,073	31,919
Pledged assets	6,164	7,418
Contingent liabilities	1,776	2,056
¹⁾ Of which right-of-use offices and cars	179	214
²⁾ Of which cash and cash equivalents in tenant-owners associations	91	311
³⁾ Of which project financing	13,890	16,341
⁴⁾ Of which liabilities for property acquisition	806	516
⁵⁾ Of which current and non-current interest-bearing lease liabilities	637	709

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ACCORDING TO IFRS, SEK M	FULL-YEAR	
	2023 ^{*)}	2022 ^{*)}
Opening balance at beginning of the period	8,039	7,734
Total comprehensive income for the period	835	2,051
Dividend	-903	-922
Conversion of convertible loan	–	1
Repurchase of shares	–	-825
Equity component of convertible debentures	–	–
Closing balance at end of the period	7,972	8,039

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ACCORDING TO IFRS, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022 ^{*)}	2023	2022 ^{*)}
Cash flow from operating activities before change in working capital and taxes ^{1) 2)}	1,681	1,545	752	757
Tax paid	-344	-532	-30	-116
Investment in development properties	-1,338	-1,871	-362	-197
Payment on account for development properties	585	649	417	291
Investment in project properties	-429	-795	-36	-257
Sale of project properties	46	79	20	79
Change in current liabilities/receivables	855	-988	-43	-1,076
Cash flow from operating activities	1,057	-1,912	719	-517
Cash flow from investing activities	-2	-29	-2	-29
Loans raised	12,385	11,879	3,345	3,764
Amortization of liabilities	-12,979	-10,421	-3,267	-3,011
Buy-back of shares	–	-825	–	-250
Dividends	-903	-922	–	–
Cash flow from financing activities	-1,496	-288	78	504
Cash flow for the period	-441	-2,229	795	-42
Exchange rate difference, cash and cash equivalents	-37	18	-37	18
Cash and cash equivalents at end of period	1,673	2,151	1,673	2,151
<i>1) Of which the purchase of participations in tenant-owners associations and freehold residential units</i>	<i>-1,671</i>	<i>-252</i>	<i>-377</i>	<i>-85</i>
<i>2) Of which the sale of participations in tenant-owners associations and freehold residential units</i>	<i>1,186</i>	<i>340</i>	<i>394</i>	<i>92</i>

GROUP KEY FIGURES

ACCORDING TO IFRS, %	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022 ^{*)}	2023	2022 ^{*)}
Operating margin	9.5	13.6	1.4	17.4
Debt/equity ratio, multiple	2.0	1.9	–	–
Equity/assets ratio	27	25	–	–

^{*)} Starting on January 1, 2023, JM applies a new accounting principle for projects with Swedish tenant-owners associations; see Note 1 Accounting principles. Restated income statements and balance sheets with the reported effect per quarter are provided in Note 1 of JM's interim report for Q1 2023. Comparative figures in this report have been restated according to the new accounting principle.

Parent Company

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	FULL-YEAR 2023	FULL-YEAR 2022
Net sales	8,547	9,597
Production and operating costs	-7,588	-7,629
Gross profit	959	1,968
Selling and administrative expenses	-744	-828
Gains/losses on the sale of property, etc.	6	-
Operating profit	221	1,140
Financial income and expenses	-204	707
Profit before appropriations and tax	17	1,847
Appropriations	249	34
Profit before tax	265	1,881
Taxes	-160	-243
Profit for the period	105	1,638

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	12/31/2023	12/31/2022
Assets		
Non-current assets	2,601	2,932
Total current assets	10,311	11,955
Total assets	12,913	14,887
Equity and liabilities		
Equity	3,605	4,310
Untaxed reserves	1,900	2,300
Provisions	1,522	1,356
Non-current liabilities	352	426
Current liabilities	5,534	6,495
Total equity and liabilities	12,913	14,887
Pledged assets	100	100
Contingent liabilities	10,524	8,946

Notes

Note 1 Accounting principles

This year-end report and interim report for the fourth quarter of 2023 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.

Amended standards as of 2023

According to the amendments to IAS 1 Presentation of financial statements, which the Group applies as of January 1, 2023, JM must provide disclosures regarding significant information about accounting principles instead of disclosing significant accounting principles. The amendment to IAS 1 has been analyzed and is not judged to have a material impact on JM's financial statements. Other amendments to standards and interpretations that entered into force on January 1, 2023, have also not had a material impact on this financial statement.

Segment reporting

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

In segment reporting, the Group's revenue is recognized using the percentage of completion method.

In addition, project financing within JM Norway and JM Finland and parts of the project financing in JM Residential Stockholm, JM Residential Sweden and JM Property Development are recorded as a deduction item to "Revenue less progress billings" or "Progress billings in excess of recognized revenue" and raised/repaid project financing is reported in the cash flow from operating activities.

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

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

Change in accounting principle operating segment

Starting January 1, 2023, JM International will be broken down into two new operating segments: JM Norway and JM Finland. This decision is in line with JM's strategy to be one of the leading residential project developers in the Nordics and how the business is governed and reported. JM Norway will include residential development projects, acquisitions of development properties, planning, pre-construction and the production and sales of residential units in Norway. JM Finland will include residential development projects, acquisitions of development properties, planning, pre-construction and the production and

sales of residential units in Finland. The accounting principles and methods of calculation for the Group have also not changed compared to the description on pages 87–91 in the 2022 Annual and Sustainability Report.

Changed accounting principle for housing development through Swedish tenant-owners associations

Against the background of the decision by the Supreme Administrative Court not to grant JM leave to appeal, the ruling by the Administrative Court of Appeal from November 9, 2022, becomes legally binding. As of January 1, 2023, in accordance with IFRS 10 Consolidated Financial Statements, JM consolidates Swedish tenant-owners associations during the production phase up until the point in time that the home buyers of the residential units take over occupancy. Accordingly, the Group's balance sheet and profit and loss according to IFRS includes all of the tenant-owners associations' assets, equity and liabilities as well as revenue and expenses. This principle is hereinafter referred to as the "completion contact method".

JM recognizes the projects in the balance sheet where largest items consist of work in progress on the asset side and the tenant-owners associations borrowing as a part of the Group's interest-bearing liabilities. Revenue and expenses for the projects are recognized when the home buyers take over occupancy of the residential units.

The changed accounting principle entails that JM will recognize all residential projects that are developed in-house in Sweden, Norway and Finland according to the completed contract method. Revenue from residential development through tenant-owner associations in Sweden was previously recognized over time.

To provide a clear and comparable overview of JM's earnings trend over time with regard to residential development through tenant-owner associations, JM will continue to present segment reporting where revenue in these projects is recognized in accordance with the percentage of completion method. The reporting of financial key ratios will also take these conditions into consideration. This is in line with JM's internal governance model. Neither JM's risk profile nor existing financing agreements are impacted by the change in accounting.

The Parent Company's accounting principles are unchanged, for more information refer to Note 1 in 2022 Annual and Sustainability Report.

Comparative figures in this report have been restated according to the new accounting principle. Restated income statements and balance sheets with the reported effect per quarter are provided on pages 22–23 of JM's interim report for the period January–March 2023.

Note 2 Breakdown of revenue

REVENUE BY COUNTRY

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Sweden	9,671	11,263	2,219	3,685
Norway	2,589	3,392	751	960
Finland	1,591	1,729	437	505
Other	–	2	–	2
Total	13,851	16,385	3,407	5,152

REVENUE BY BUSINESS SEGMENT

ACCORDING TO SEGMENT REPORTING, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
JM Residential Stockholm	4,248	4,966	1,022	1,344
JM Residential Sweden	3,476	4,500	726	1,156
JM Norway	2,589	3,392	751	960
JM Finland	1,591	1,729	437	505
JM Property Development	1,458	1,224	336	1,064
JM Construction	781	1,077	150	252
Elimination	–294	–505	–14	–130
Other	–	2	–	2
Total	13,851	16,385	3,407	5,152

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

ACCORDING TO SEGMENT REPORTING, SEK M	OCT–DECEMBER	JULY–SEPTEMBER	APRIL–JUNE	JANUARY–MARCH	OCT–DECEMBER
	2023	2023	2023	2023	2022
Cost-based effect	219	201	313	292	325
Revaluation effect	–22	80	168	231	434
Sales effect	65	8	–24	5	–62
Total	262	289	457	528	697

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

REVALUATION EFFECTS – HOUSING BUSINESS

ACCORDING TO SEGMENT REPORTING, SEK M	OCT–DECEMBER	JULY–SEPTEMBER	APRIL–JUNE	JANUARY–MARCH	OCT–DECEMBER
	2023	2023	2023	2023	2022
JM Residential Stockholm	–60	10	27	53	134
JM Residential Sweden	12	15	70	118	188
JM Norway	35	29	49	39	73
JM Finland	–9	26	22	21	38
Total	–22	80	168	231	434

Note 3 Reconciliation between segment reporting and IFRS

CONSOLIDATED INCOME STATEMENT

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Revenue for the period (segment reporting)	13,851	16,385	3,407	5,152
Recalculation to the completion method	2,119	-1,808	35	425
Revenue for the period (IFRS)	15,969	14,577	3,441	5,578
Operating profit/loss for the period (segment reporting)	732	2,064	-90	767
Recalculation to the completion method	753	-105	132	197
Leases IFRS 16	24	18	6	6
Operating profit/loss for the period (IFRS)	1,510	1,978	48	969
Profit/loss for the period (segment reporting)	433	1,575	-137	593
Recalculation to the completion method	596	-81	103	157
Leases IFRS 16	-1	-	-	1
Profit/loss for the period (IFRS)	1,029	1,495	-33	751

CONSOLIDATED BALANCE SHEET

SEK M	12/31/2023	12/31/2022
Balance sheet total (segment reporting)	16,812	17,122
Recalculation to the completion method	-1,262	-2,250
Reclassification project financing, interest-bearing	7,302	7,001
Additional project financing Swedish tenant-owners associations	6,179	7,887
Reclassification project financing, non-interest-bearing ¹⁾	410	1,453
Leases IFRS 16	633	706
Balance sheet total (IFRS)	30,073	31,919

¹⁾ Billing on account to customers.

CONSOLIDATED EQUITY

SEK M	12/31/2023	12/31/2022
Equity (segment reporting)	8,332	9,006
Recalculation to the completion method	-357	-964
Leases IFRS 16	-3	-3
Equity (IFRS)	7,972	8,039

CONSOLIDATED CASH FLOW

SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Cash flow from operating activities (segment reporting)	-48	-261	404	354
Reclassification project financing	-489	-2,495	140	-591
Reclassification Swedish tenant-owners associations	1,488	723	149	-328
Leases IFRS 16	106	121	26	48
Cash flow from operating activities according to IFRS	1,057	-1,912	719	-517

CONSOLIDATED INTEREST-BEARING NET LIABILITIES/RECEIVABLES

SEK M	12/31/2023	12/31/2022
Interest-bearing net liabilities (+)/receivables (-) at end of period (segment reporting)	1,877	334
Reclassification project financing	7,302	7,001
Additional project financing Swedish tenant-owners associations	6,087	7,575
Leases IFRS 16	637	709
Interest-bearing net liabilities (+)/receivables (-) at end of period (IFRS)	15,903	15,619

Note 4 Development properties

DEVELOPMENT PROPERTIES BY BUSINESS SEGMENT

CARRYING AMOUNT, SEK M	12/31/2023	12/31/2022
JM Residential Stockholm	4,097	4,033
JM Residential Sweden	1,927	2,270
JM Norway	1,328	1,034
JM Finland	1,115	1,046
JM Property Development	–	–
JM Construction	8	10
Other	31	70
Total	8,504	8,465

DEVELOPMENT PROPERTIES, GROUP

CARRYING AMOUNT, SEK M	JANUARY–DECEMBER		OCTOBER–DECEMBER	
	2023	2022	2023	2022
Carrying amount at beginning of the period	8,465	8,205	9,013	8,607
Acquisitions	1,628	1,700	440	246
Transferred to production	–829	–1,538	–268	–416
Other ¹⁾	–760	97	–681	26
Carrying amount at end of the period	8,504	8,465	8,504	8,465
¹⁾ Of which impairment losses	–181	–	–181	–

AVAILABLE RESIDENTIAL BUILDING RIGHTS BY BUSINESS SEGMENT

NUMBER	12/31/2023	12/31/2022
JM Residential Stockholm	12,300	12,400
JM Residential Sweden	11,900	11,500
JM Norway	6,400	7,100
JM Finland	6,900	6,800
JM Property Development (project properties)	1,600	1,700
Total	39,100	39,500
Including those carried in the balance sheet (development properties)		
JM Residential Stockholm	6,700	6,400
JM Residential Sweden	8,000	8,000
JM Norway	3,900	3,300
JM Finland	3,500	3,500
JM Property Development (project properties)	600	800
Total	22,700	22,000

Stockholm January 30, 2024
JM AB (publ)

Johan Skoglund
President and CEO

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

Group quarterly overview

ACCORDING TO SEGMENT REPORTING, SEK M

INCOME STATEMENT	2023				2022			
	Q 4	Q3	Q2	Q 1	Q 4	Q3	Q 2	Q1
Revenue	3,407	2,846	3,636	3,962	5,152	3,589	3,790	3,854
Production and operating costs	-3,025	-2,489	-3,073	-3,290	-4,099	-2,942	-3,035	-3,140
Gross profit	382	357	562	673	1,054	646	755	714
Selling and administrative expenses	-227	-203	-305	-252	-284	-238	-317	-255
Gains/losses on the sale of property, etc.	-245	-8	1	-4	-3	-9	-6	7
Operating profit	-90	146	258	417	767	399	432	466
Financial income and expenses	-23	-27	-27	-23	-21	-19	-14	-16
Profit before tax	-113	120	232	394	746	380	418	450
Taxes	-23	-43	-49	-83	-152	-85	-87	-94
Profit for the period	-137	76	182	311	593	295	331	356
CONSOLIDATED BALANCE SHEET	12-31	9/30	6/30	3/31	12/31	9/30	6/30	3/31
ASSETS								
Non-current assets	351	344	335	339	351	318	326	351
Project properties	1,030	1,027	960	800	932	1,369	1,225	896
Development properties	8,504	9,013	8,746	8,239	8,465	8,607	8,336	7,995
Participations in tenant-owners associations, etc.	803	751	503	363	308	339	389	330
Current receivables	4,541	4,872	5,126	4,856	5,225	4,536	4,218	3,770
Cash and cash equivalents	1,582	742	699	2,577	1,840	1,902	2,481	4,115
Total current assets	16,461	16,406	16,034	16,835	16,771	16,753	16,649	17,105
Total assets	16,812	16,750	16,369	17,175	17,122	17,071	16,975	17,457
EQUITY AND LIABILITIES								
Shareholders' equity	8,332	8,806	8,687	9,314	9,006	8,396	8,210	8,904
Non-current interest-bearing liabilities	397	188	186	257	268	250	247	193
Other non-current liabilities	364	413	413	413	414	374	373	374
Non-current provisions	2,559	2,631	2,671	2,591	2,717	2,862	3,036	3,066
Total non-current liabilities	3,319	3,232	3,270	3,261	3,399	3,485	3,657	3,633
Current interest-bearing liabilities	1,526	852	711	461	507	662	617	658
Other current liabilities	3,522	3,745	3,577	4,013	4,088	4,391	4,349	4,118
Current provisions	113	115	124	126	122	137	142	144
Total current liabilities	5,161	4,712	4,412	4,600	4,717	5,189	5,109	4,920
Total equity and liabilities	16,812	16,750	16,369	17,175	17,122	17,071	16,975	17,457
CASH FLOW STATEMENT								
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
From operating activities	404	-101	-1,143	792	354	-363	-525	273
From investing activities	-2	-	-1	1	-28	-	6	-6
From financing activities	466	138	-737	-39	-394	-219	-1,111	-146
Total cash flow for the period	869	37	-1,881	753	-68	-582	-1,630	122
Cash and cash equivalents at end of the period	1,582	742	699	2,577	1,840	1,902	2,481	4,115
INTEREST-BEARING NET LIABILITIES/RECEIVABLES								
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Interest-bearing net liabilities(+)/-receivables(-) at beginning of period	1,587	1,498	-549	334	615	64	-1,466	-1,363
Change in interest-bearing net liabilities/receivables	290	89	2,047	-882	-281	550	1,530	-102
Interest-bearing net liabilities(+)/receivables(-) at end of period	1,877	1,587	1,498	-549	334	615	64	-1,466
DEVELOPMENT PROPERTIES								
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Carrying amount at beginning of the period	9,013	8,746	8,239	8,465	8,607	8,336	7,995	8,205
New purchases	440	478	625	86	246	654	658	141
Transferred to production	-268	-161	-171	-229	-416	-430	-261	-431
Other	-681	-49	53	-82	26	47	-56	80
Carrying amount at end of the period	8,504	9,013	8,746	8,239	8,465	8,607	8,336	7,995
KEY RATIOS								
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Operating margin, %	-2.6	5.1	7.1	10.5	14.9	11.1	11.4	12.1
Debt/equity ratio, multiple	0.2	0.2	0.2	-	-	0.1	-	-
Equity/assets ratio, %	50	53	54	54	53	49	48	51
Earnings per share, SEK	-2.10	1.20	2.70	4.80	9.00	4.40	4.90	5.20
Number of available building rights	39,100	39,900	40,400	40,500	39,500	39,000	38,400	36,300
Number of residential units sold	773	286	363	479	462	470	732	995
Number of housing starts	740	201	454	214	898	688	719	808
Number of residential units in current production	6,033	6,188	6,657	6,996	8,078	7,962	7,823	8,276

Business Segment Quarterly Overview

ACCORDING TO SEGMENT REPORTING, SEK M

	2023				2022			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
JM RESIDENTIAL STOCKHOLM								
Revenue	1,022	955	1,176	1,095	1,344	1,141	1,196	1,285
Operating profit	-118	24	90	116	188	160	182	190
Operating margin, %	-11.5	2.5	7.6	10.6	14.0	14.1	15.2	14.8
Average operating capital	5,021	4,924	4,791	4,552	4,494	4,476	4,548	4,644
Return on operating capital, % ¹⁾	2.2	8.5	11.6	14.2	16.0	16.4	16.6	16.6
Operating cash flow	54	144	-806	76	-6	242	-182	244
Carrying amount, development properties	4,097	4,443	4,619	4,034	4,033	4,101	4,143	3,960
Number of available building rights	12,300	12,500	12,900	12,900	12,400	12,700	12,900	12,600
Number of residential units sold	124	74	66	51	61	102	230	264
Number of housing starts	98	133	-	-	265	205	178	73
Number of residential units in current production	1,906	2,174	2,299	2,396	2,665	2,598	2,709	2,870
JM RESIDENTIAL SWEDEN	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	726	639	982	1,129	1,156	1,012	1,205	1,127
Operating profit	-71	32	51	126	171	153	185	174
Operating margin, %	-9.7	5.0	5.2	11.2	14.8	15.1	15.3	15.5
Average operating capital	2,431	2,298	2,057	1,830	1,656	1,515	1,377	1,366
Return on operating capital, % ¹⁾	5.7	16.5	24.4	34.7	41.2	45.7	49.7	49.5
Operating cash flow	-110	-94	-85	-135	8	-356	156	304
Carrying amount, development properties	1,927	2,091	2,092	2,150	2,270	2,138	1,704	1,553
Number of available building rights	11,900	12,100	12,100	12,100	11,500	11,100	10,100	10,000
Number of residential units sold	142	139	140	113	92	189	290	375
Number of housing starts	145	-	159	139	148	255	262	357
Number of residential units in current production	1,477	1,642	1,922	1,958	2,234	2,246	1,991	2,153
JM NORWAY	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	751	561	645	632	960	829	747	856
Operating profit	34	30	43	42	51	54	61	73
Operating margin, %	4.5	5.3	6.7	6.7	5.3	6.5	8.1	8.6
Average operating capital	2,063	2,070	2,047	2,110	2,158	2,181	2,165	2,184
Return on operating capital, % ¹⁾	7.2	8.0	9.3	9.8	11.0	13.3	14.5	14.7
Operating cash flow	46	-105	109	-12	249	16	-2	-61
Carrying amount, development properties	1,328	1,351	888	957	1,034	1,245	1,391	1,443
Carrying amount, project properties	-	-	15	17	18	18	18	18
Number of available building rights	6,400	6,500	6,700	6,900	7,100	7,300	7,400	7,400
Number of residential units sold	196	71	144	77	100	140	93	194
Number of housing starts	156	68	140	41	189	132	34	250
Number of residential units in current production	1,071	1,006	1,001	1,105	1,335	1,240	1,147	1,436
JM FINLAND	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	437	326	389	439	505	399	449	375
Operating profit	46	27	29	38	47	37	41	33
Operating margin, %	10.5	8.4	7.5	8.6	9.4	9.3	9.1	8.7
Average operating capital	1,718	1,682	1,681	1,644	1,618	1,496	1,399	1,249
Return on operating capital, % ¹⁾	8.1	8.4	9.0	9.9	9.8	10.2	10.6	11.1
Operating cash flow	-61	-45	79	-29	231	79	-141	24
Carrying amount, development properties	1,115	1,068	1,086	1,040	1,046	1,031	1,009	951
Number of available building rights	6,900	7,200	7,100	6,900	6,800	6,100	6,100	5,000
Number of residential units sold	311	2	13	20	139	39	119	162
Number of housing starts	341	-	-	34	226	-	245	128
Number of residential units in current production	917	704	773	1,030	1,337	1,441	1,492	1,333
JM PROPERTY DEVELOPMENT	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	336	247	310	566	1,064	48	40	73
Operating profit	46	39	60	104	326	-2	-22	4
Operating margin, %	13.7	15.7	19.4	18.3	30.6	-	-	5.6
Average operating capital	1,372	1,394	1,399	1,355	1,325	1,212	1,171	1,187
Return on operating capital, % ¹⁾	18.1	37.9	34.8	29.9	23.1	18.0	19.8	34.3
Operating cash flow	9	-9	-95	919	-145	-124	-316	-81
Carrying amount, development properties	-	-	-	-	-	10	10	10
Carrying amount, project properties	1,030	1,027	944	783	914	1,351	1,208	878
Number of available building rights	1,600	1,600	1,600	1,700	1,700	1,800	1,900	1,300
Number of residential units sold	-	-	-	218	70	-	-	-
Number of housing starts	-	-	155	-	70	96	-	-
Number of residential units in current production	662	662	662	507	507	437	484	484
JM CONSTRUCTION	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	150	191	244	197	252	274	289	262
Operating profit	1	2	3	2	-	4	4	4
Operating margin, %	0.5	1.2	1.1	1.0	-	1.5	1.4	1.4
Operating cash flow	15	3	20	5	46	-9	-1	-16

¹⁾ Calculated on 12-month rolling profits and average capital.

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 foundation 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 14 billion, and the company has around 2,200 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 on average to 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 8:00 AM on January 30, 2024.

For more information please contact:

Tobias Bjurling, CFO, Head of IR

E-mail: cfo@jm.se, tel. (swbrd): 08-782 87 00

Financial calendar

Week 12, 2024	JM's annual report is published
April 18, 2024	Annual General Meeting
April 23, 2024	Interim Report January–March
May 22, 2024	Capital Markets Day
July 10, 2024	Interim Report January–June
October 22, 2024	Interim Report January–September

Press releases, Q4 2023

October 25	JM Interim Report January–September 2023
December 20	JM's President and CEO Johan Skoglund will retire in 2024
December 21	JM acquiring buildings rights for residential development in Espoo
December 21	JM acquiring buildings rights for residential development in Brundalen, Trondheim
December 22	JM acquiring property for residential development in Bergen

JM's annual reports, interim reports and other financial information are available at jm.se/investors

Text: JM. **Photo:** Sandra Birgersdotter Ek.

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