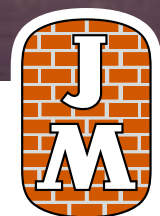




Annual Report 2021



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We are convinced that society
will progress where people are happy
and feel good. Continuing to develop
sustainable life environments is
what we do.

Just like in all our projects, it all
begins with a piece of land that we have
developed. Not for our sake. But for the
people who will live and work there.
Because we know that how we live affects
our quality of life.

*We are laying the foundation
for a better life.*

It is what we did yesterday,
it is what we are doing today, and it is
what we will do tomorrow.

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 cities in Sweden, Norway and Finland.

JM should promote long-term sustainability work in all its operations. Annual sales total approximately SEK 15 billion, and the company has around 2,500 employees. JM AB is a public limited company listed on Nasdaq Stockholm, Large Cap segment.

Revenue decreased to SEK 14,608m (15,388).

Operating profit increased to SEK 2,216m (2,028).
The operating margin increased to 15.2 percent (13.2).

Gains from the sale of properties and joint venture of SEK 436m (191) are included in the operating profit.

Profit before tax increased to SEK 2,158m (1,955).
Profit after tax increased to SEK 1,798m (1,575).

Consolidated cash flow including net investment in properties amounted to SEK 2,287m (1,715).

The number of residential units sold increased to 4,248 (4,026) and housing starts increased to 3,972 (3,199).

Return on equity for the past twelve months increased to 21.9 percent (20.8). Earnings per share during the year increased to SEK 25.90 (22.50).

Surplus value of development properties was SEK 7.2bn (6.5).

The Board of Directors proposes a dividend of SEK 13.50 (12.75) for 2021.

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

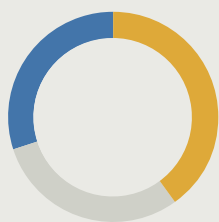


The financial statements are presented in Swedish krona (SEK), which is also the reporting currency for the Parent Company. All amounts are rounded to the nearest million unless otherwise specified. The figures in the report are based on the Group's consolidation system, which is in SEK thousand. Due to rounding of figures in tables, total amounts may not correspond to the sum of the initial rounded whole numbers.

Unless otherwise specified, the amounts and comments on pages 2–3, 26, 67–80 are based on JM's segment reporting. For an overview of the difference between segment reporting and IFRS, see Segment reporting on page 95. For definitions, see pages 77–80.

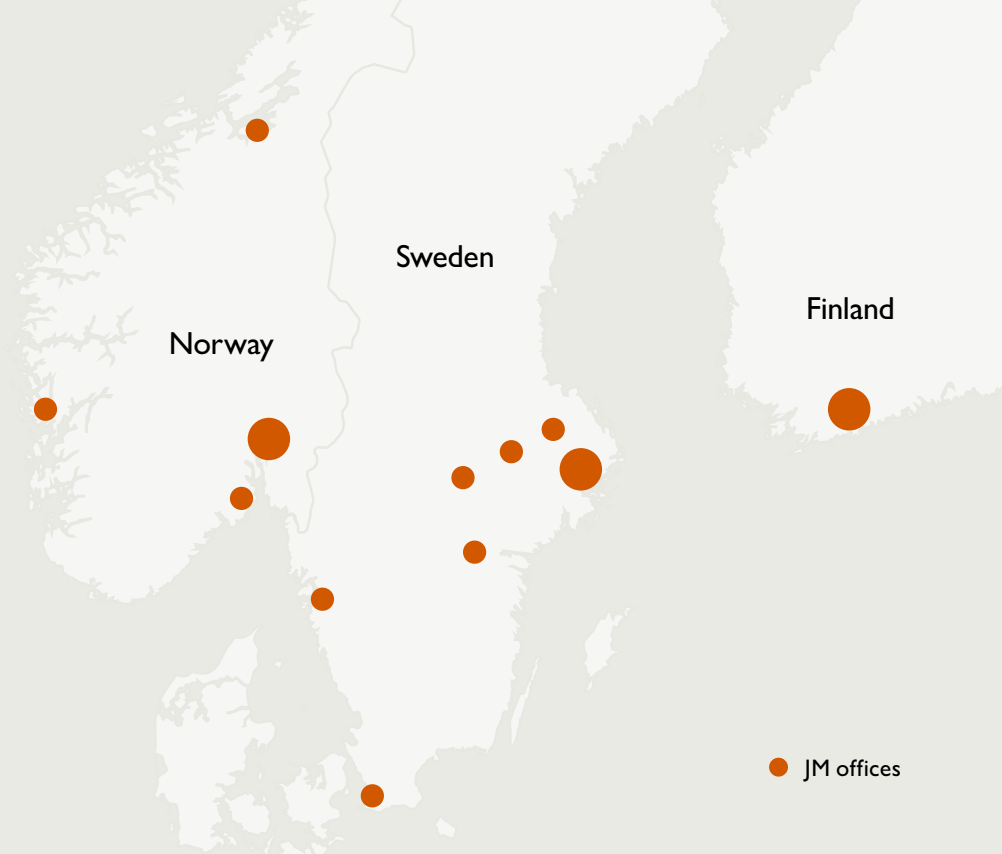
This Annual Report is a translation of the original text in Swedish, which is the official version.

GEOGRAPHIC DISTRIBUTION OF REVENUE, %



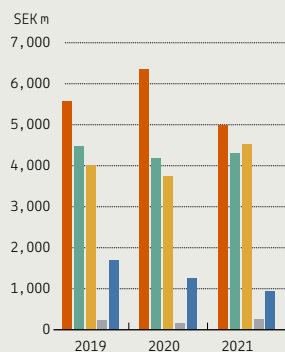
- Stockholm, 40% (47)
- Sweden excl. Stockholm, 30% (28)
- Norway and Finland, 30% (25)

Figures from 2020 are in parentheses



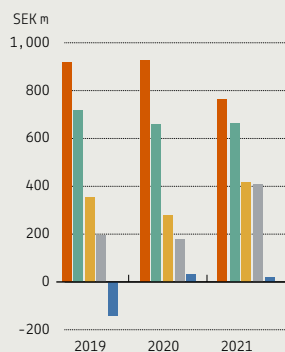
● JM offices

REVENUE BY BUSINESS SEGMENT



- JM Residential Stockholm
- JM Residential Sweden
- JM International
- JM Property Development
- JM Construction

OPERATING PROFIT BY BUSINESS SEGMENT



Sjetneliv, Trondheim, Norway

ACCORDING TO SEGMENT REPORTING

SEK m	2021	2020	2019
Revenue	14,608	15,388	15,692
Operating profit	2,216	2,028	2,008
Operating margin, %	15.2	13.2	12.8
Profit before tax	2,158	1,955	1,928
Cash flow from operating activities	2,287	1,715	1,291
Return on equity, %	21.9	20.8	22.2
Equity/assets ratio, %	50	47	42
Earnings per share, SEK	25.90	22.50	22.50
Number of residential units sold	4,248	4,026	3,595
Number of housing starts	3,972	3,199	3,269
Number of residential units in current production	8,094	7,976	7,813
Revenue according to IFRS	15,650	16,291	15,605
Operating profit according to IFRS	2,227	2,018	1,982
Earnings per share according to IFRS, SEK	26.00	22.00	21.90

A different and successful year

Strong demand and high level of housing starts during yet another year of the pandemic.

In 2021, we have had stable, high demand for JM homes in all markets and a high reservation and sales level.

JM started production on 3,972 residential units in 2021, which is 24 percent more than in the previous year. In addition to demand, planning processes continue to be an important factor for the rate of housing starts.

The housing market in Stockholm improved during the year with continued good profitability in our business. JM also had good profitability with good sales in a stable market in the rest of Sweden. In Norway and Finland, the housing market continued to develop favorably with very good results for JM. In 2021, we continued to gradually widen our geographic footprint, and we have now acquired land in Tammerfors, Finland, as well.

We are seeing continued strong interest from customers for our freehold apartments in Sweden. JM has around 700 freehold apartments in current production and 200 completed freehold apartments in Stockholm and Uppsala. Read more about this tenure on pages 18–19.

In 2021 we also sold two rental properties in Täby and Järfälla in Sweden with a total of around 300 residential units. Production began on around 800 residential units in an additional three rental properties in Sweden, of which two were started in the fourth quarter.

Impact of the pandemic

Our housing production in 2021 progressed according to schedule, just like in the first year of the pandemic, without any major impact in the form of shocks to supplier chains and staffing. We have consistently focused on reducing the risk of infection at our worksites. To maintain a high level of engagement among our employees, we carried out a number of activities, including an initiative to promote physical activity and strengthen the sense of cohesion between the Swedish, Norwegian and Finnish operations.

I am proud of our employees' ability to focus and deliver high quality under the conditions imposed by the pandemic's restrictions. Read more on pages 50–57 about how JM is working with employeeship, a safe working environment and sustainable employees.

JM's digital showing of homes and effective solutions for digital booking and signing of contracts continue to be appreciated by our customers even after the pandemic.

Uncertain cement supply and rising commodity prices

In 2021, the supply of cement and local cement production have been a highly relevant topic in Sweden following an uncertain license process between a market-leading producer and affected



“Our customers continue to demand our digital solutions even after the pandemic.”

authorities. At the end of the year, a legislative amendment was adopted to enable continued local cement production through an extension of the current license.

The price of steel and wood increased in 2021. Long supplier agreements limit the impact of price increases on JM's income statement. Concrete prices have been stable in 2021 for JM, where price increases has been announced for 2022. For JM, pure steel and wood constitute around 4 percent and 2 percent, respectively, of total costs and the material cost for pure concrete is judged to constitute around 2 percent of total costs. Cost increases on raw materials are offset in part through regular streamlining.

Sustainability work and reduced climate impact

Our industry's climate impact derives primarily from the manufacture of materials and products and emissions related to energy consumption in completed buildings. JM's goal is to have climate-affecting emissions close to zero by 2030, which means that we need to reduce our emissions by 85 percent compared to today's levels.

24%

more housing starts

In 2021, JM continued with several pilot projects related to climate-reduced concrete with both a 10 percent and a 25 percent climate improvement. Concrete represents around 60–75 percent of the total climate impact of the construction process. The pilot projects are investigating how the climate-improved concretes differ from standard concrete and how these differences, if there are any, impact the efficiency of the building process and any deviations from production schedules.

We are also conducting a number of pilot projects with fossil-free building sites, which includes evaluation of electric machinery and use of fossil-free fuel. A large part of JM's fossil fuel consumption is the fuel used for transports and machinery at construction sites. As part of the pilot projects, fossil diesel and gas that are used for transports and machinery in the construction area are exchanged for renewable diesel and biogas, respectively. Where possible, fuel-powered machines are replaced with electric equivalents. Other examples of our initiatives for reduced climate impact:

- Expansion of the activities in the Logistics Center with fully renewable fuel for vehicles, which streamlines the transport flows to and from the construction sites
- Development and implementation of digital systems for forecasts of waste volumes
- Pilot projects with pre-cut plasterboard to reduce waste volumes.

All our residential units planned as of 2018 are certified in accordance with Swan Ecolabel. In 2021, JM received Swan Ecolabel certification for 30 projects in all of its markets. For customers, a Swan Ecolabel home has several advantages, such as low energy consumption, a healthy indoor environment, and products made with wood from sustainable forestry.

Read more about Swan Ecolabel and JM's sustainability work on pages 15 and 41–60.

Customer insights

A person's life situation is the primary factor behind their choice of a home. JM continuously conducts various customer surveys to understand needs and preferences related to housing.

In 2021, JM published its first Nordic Housing Barometer, a report on how people in Sweden, Norway and Finland view their housing and what features they would like in future housing. The Housing Barometer helps us understand similarities and differences between the Nordic countries to be able to develop the best residential units in our different markets.

New role of the home

The pandemic has introduced new behavior, and home offices and separate working spaces have become a permanent part of many homes. There are many indications that people will continue to work partially from home after the pandemic, which means that housing design must meet the needs and functions for both leisure and work activities.

To meet these new expectations for the home, JM is working actively with the design of its homes, where well-planned interiors, smart technology and sustainability are the main focus.

Digital interior selections

Our digital interior design selection tool, which underwent a pilot test for two years, was fully implemented in 2021 in all our markets.

In addition to depicting the results, the tool ensures that the customer makes choices that truly work in the home in question, which reduces the risk of incorrect installations.

Satisfied customers

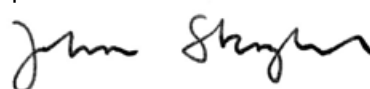
We continue to be pleased that we consistently receive high ratings from customers in terms of housing quality, service and reliability. JM has received top rankings in the housing industry in each country for more than twelve years. The Group's overall satisfied customer index is 78, which is very high.

It is confirmation of our efforts to listen to our customers and the engagement by JM's employees to give every customer a really great experience when buying a home.

Strong position and good conditions

Demand for residential units is supported by population growth in all our markets and the expectation of continued low interest rates. JM's breadth in its housing concept and forms of tenure allows for flexibility in the continued project development of residential units and contributes to stability across economic cycles.

We have strong structural capital in the company and a balance sheet that allows for both growth in the business and stable transfers to shareholders. The Board of Directors therefore proposes an increase to the dividend for 2021 and a continued mandate to repurchase shares.



Johan Skoglund

President and Chief Executive Officer



Shifting from fossil to renewable diesel results in a reduction by 80–90 percent.

Toward fossil-free transports and machines

JM has a concrete and ambitious goal of climate-affecting emissions close to zero by 2030. An important step in achieving this goal is to reduce the use of fossil-based materials such as oil, coal and gas since they generate carbon emissions.

A big part of JM's use of fossil fuel is the fuel used for transports and machinery at construction sites. This fuel needs to be replaced with a renewable fuel or electric transports and machinery.

JM has in 2021 started test projects at two construction sites in Sweden, Bunkhagen in Täby Park and Kaptenen in Malmö, with the aim of cooperating with suppliers to transition transports and machinery to renewable fuel and/or electricity. The projects investigate conditions for, for example, access to needed machinery, renewable fuel and warm-up methods.

The shift from fossil to renewable does not mean that carbon emissions from transports and machinery will disappear completely since even renewables generate emissions. However, the amount of the emissions falls sharply. For example, shifting from fossil to renewable diesel results in a reduction by 80–90 percent.

The experiences from the test projects in Täby Park and Malmö will guide JM in its continued efforts to achieve fossil-free transports and machinery at construction sites.

JM as an investment

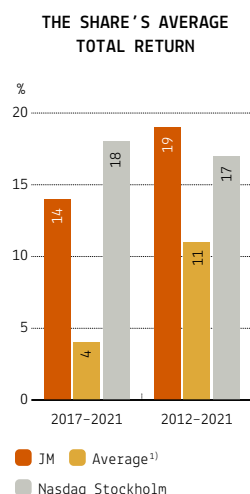
The ambition is to give shareholders a higher total return over time than other companies with a similar risk profile and business activities.

JM develops residential units and sustainable living environments in large growth areas in Sweden, Norway and Finland. The ambition is to give JM's shareholders a higher total return over time than other companies with a similar risk profile and business activities. The shareholders in JM are to be given the opportunity to receive good, long-term total return from well-balanced growth in the business

in terms of risk, with optimal utilization of risk capital over the business cycle and increasing value transfers to shareholders with a focus on earnings per share and dividends per share. This is achieved through high operational capacity, good risk control, financial strength and an attractive building rights portfolio that has great value potential and is continuously refined and updated.

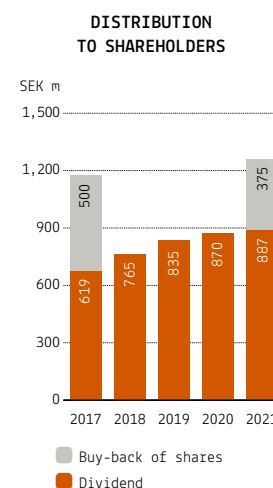
Good long-term total return

Over the past five years, JM has had an average total return of 14 percent. The share is volatile, but it has created good total return in the long run. Over the past ten years, the total return has been 19 percent, compared to 11 percent for the average for comparable companies.



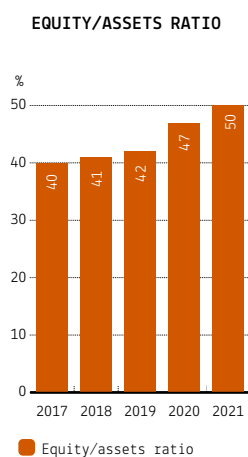
Increasing dividend over long period of time

JM's dividend has increased over a long period of time combined with multiple capital distributions over the years. Value transfers to the shareholders amounted over the past ten years to SEK 10.1bn, of which SEK 6.9bn through dividends and SEK 3.2bn through acquisition of own shares (buy-back).



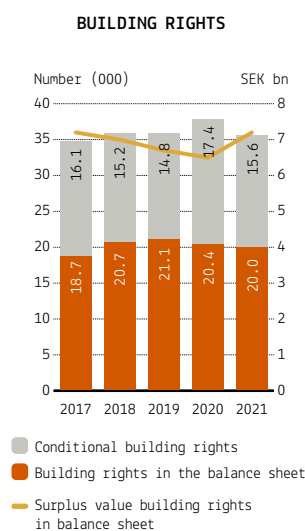
Strong balance sheet

JM has a strong financial position with an equity/assets ratio of 40–50 percent (excluding surplus values) over the past five years. A strong equity/assets ratio is a prerequisite for stable and cost-effective financing of ongoing housing production. At the same time, the risk capital including the surplus values should be optimized over the economic cycle.



Building rights portfolio with great value potential

JM has 35,600 building rights for future project development, of which 20,000 are reported in the balance sheet. The surplus value compared to the carrying amount of the building rights in the balance sheet amounts to SEK 7.2bn based on external assessment. The surplus value is part of JM's risk capital and indicates future profit potential.





Customer

JM resides close to the customer.
We aim to understand how driving forces
such as urbanization and demographics
influence customers, and which requirements
and needs are important to both current
and future customers.

Trends impacting future housing

By analyzing both global mega trends and local tendencies, we gain an understanding of how our customers want to live — and we create the dream homes of the future.

JM should be the customer's first choice when buying a new home. To achieve this goal, we must understand and predict how people will live and work. These are of course factors that change as society changes. And that change, in turn, is driven by technological, social, political, demographic, economic and climate trends over a long period of time.

Just like last year, 2021 has been a transformational period. The coronavirus pandemic continued to impact our world on more levels than what most people could have realized. One clear impact of the pandemic is a rapid increase in digitalization, and as more people worked from home new housing preferences emerged. It also became apparent that the need for flexibility and transformation is greater than ever.

Mega trends are global developments that define our future world and the speed at which things are changing. They impact business, the economy, society, cultures and everyday life — and their importance and impact differ for each industry, company and individual as well as for urbanization. We have therefore identified five mega trends that are particularly important for JM's business:

- Increasing rate of digitalization
- Increased focus on sustainability
- Aging global population
- More choices lead to greater diversity
- Globalization is uniting the world.

Increasing rate of digitalization

Digitalization has fundamentally changed society. The digital transformation of everything from work to health care, housing and education began many years ago, although the pandemic has forced a faster transition. This creates not only major benefits in the form of streamlining and improved quality, but also revolutionary changes on the labor market, primarily through more automation of work processes and artificial intelligence.

The pandemic has also caused many industries to quickly transition to remote working, which had been made possible by the digital shift that has long been in the making. Even though many people have now been able to return to a more normal life, the pandemic has created new habits that will persist. And made us think about how we live and work.

The new digital landscape is challenging established business models and structures, which places demands on adaptation and renewal in many industries. Greater digitalization also means greater vulnerability for data intrusion and infrastructure. This will lead to larger focus on data security issues and the stability and capacity of digital systems.

Increased focus on sustainability

Climate change is one of the most crucial issues of our time. Given this background, it is not strange that sustainability has become a key word in basically all industries. But the term sustainability comprises several different parts: environmental, social and economic development.

The environmental perspective for the housing development industry focuses primarily on using energy- and climate-efficient building methods, making sound material choices, reducing waste, and protecting our natural resources in the long run. From a social perspective, the focus is on diversity efforts and the creation of a society with high levels of tolerance where equality is a central tenet. This requires that people trust one another and take an active role in society's development. Finally, economic sustainability is about meeting the needs of people today without threatening the opportunities of future generations.

The focus in both trade/industry and society is now increasingly on concrete solutions and measures related to sustainability. Real issues are at the top of the agenda, and it is becoming increasingly important to show an ability to take action. One concrete example of this is the growing environmental impact due to digitalization, which places high demands on greater energy supply.

Aging global population

An aging population is a global trend that is impacting the entire world. But the average life span varies significantly between countries. In the Nordics, the average age is rising, and more people are working later in life.

As the oldest age groups expand, more people will need to work in healthcare for multi-ill elderly. Demand for service and leisure activities will also increase for the healthy elderly. Another clear trend is the change in life phases, where traditional major life events occur increasingly later in life, like marriage, childbirth, and the purchase of the first home.

More choices lead to greater diversity

In environments that foster interaction between and contact with other people, society and business will grow. In the past decade, as regions have grown, more people have settled in the suburbs, further away from the city center but close to rail traffic or highways in order to easily commute to and from work and school. This has meant greater numbers traveling on public transportation as well as more cars, which has increased the perceived stress levels of many people.

The pandemic paused this development as working from home became more widespread and accepted. The pandemic most likely will have an impact on our lives for a long time going forward and make us more aware of the spread of infection in crowded spaces. It is also likely that more people will continue to work from home to some extent even after the pandemic. We have a need, though, for social interaction, where the shared physical workplace serves as an important arena for the exchange of experiences and ideas. Already today we are seeing that many people are working at the office a few days a week and the rest of the time remotely at home.

Access and proximity to service and social meeting places continue to be very important. In a future where people work from home more often, it is probable that they will be more likely to look for a home in a more peripheral location but still close to services and within a reasonable commuting distance to central regions.

Globalization is uniting the world

From a long-term perspective, globalization will probably continue despite the temporary retreat due to the pandemic and some large countries in recent years focusing more on their own interests and security. Access to and the increasing use of information and communication technology link the world together. Ultimately, this means that people can access information that increases their knowledge and awareness.

Reduced poverty and greater transparency are some of the driving forces and effects of globalization. Another is the increase in demand for qualified labor, and in the Nordics we are seeing this primarily in research, innovation and development. The capacity to export highly technical goods and services will be the backbone of economic development in the future.

All of this affects where investments are made and how the future labor and housing market will develop. Improved economic welfare and the creation of more highly qualified jobs increase demand for homes, both in central locations and within commuting distance.



How we change along with our surroundings

Our development work follows a clear model. It is ongoing throughout the year and includes everything from business intelligence and market analyses to continuous dialogue with suppliers and customers.

The big world is reflected locally. The need for simplicity and harmony in the housing environment is increasingly evident now, and we are therefore focusing on creating well-planned designs for the inside of the home as well as for the common spaces outside the home. By focusing on flexibility, smart storage, open social spaces, peaceful rooms and spaces for recovery, we have very satisfied customers.

When it comes to housing and the local community, JM plays an important role as a long-term and established player. JM has been in business since 1945 when John Mattson, a master builder, founded the company. Since then, JM has taken on an increasingly greater role as it transitioned from home builder to project developer of sustainable communities. Our high demands and genuine community involvement permeate throughout every corner of the company and guide us in our work.

Listen to the customer

Our experiences show that a person's life situation is the primary factor that governs the choice and design of their home. As a means of understanding our customers' housing needs and preferences, we continuously conduct various customer surveys using focus groups, in-depth interviews and web panels, for example.

We also strive to be more open and sensitive to the needs of customers when they purchase their home. Customers are given the opportunity therefore to take part in the project at the earliest stage possible. There are a number of areas where the customer can be active and have an impact; for example, proposing the layout of the home, desirable services in the neighborhood, or alternative ways to use common areas.

New role of the home

The pandemic has created new behavior, and as more time passes it becomes more likely that the new behavior will become established habits. Home offices and separate working spaces have become a permanent part of many homes. There are many indications that in all likelihood we will continue to work from home part-time.

We already know that there is a clear need to disconnect in a constantly connected society. The role of the home is to provide a space for relaxation and recovery that can then be transformed into not only social spaces but now even workspaces. In order to meet these increased expectations on the home, JM is working actively with the design of its residential units, which should be well-planned and focus on interior design, smart technology and sustainability. Relaxing and practical outdoor areas, such as courtyards, balconies or patios, are also very important aspects when designing our housing projects.

The new role of the home, to put it succinctly, is that it should become a base for significantly more activities than before. Designing the homes of the future that also protect the balance between leisure time and work time is a challenge that will make a big difference to future home buyers.

JM is one of the Nordic region's leading developers of housing

Operations primarily focus on new production of homes, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland.

In all, JM started production on 3,972 residential units in 2021, compared to 3,199 residential units the previous year. Sweden had 2,671 housing starts, of which 95 percent were units in apartment buildings (2,194 tenant-owned apartments and 341 rental units) and 5 percent were single-family homes. Norway had a total of 636 housing starts, of which 91 percent were units in apartment buildings and 9 percent were single-family homes, and Finland had a total of 665 housing starts.

Sweden

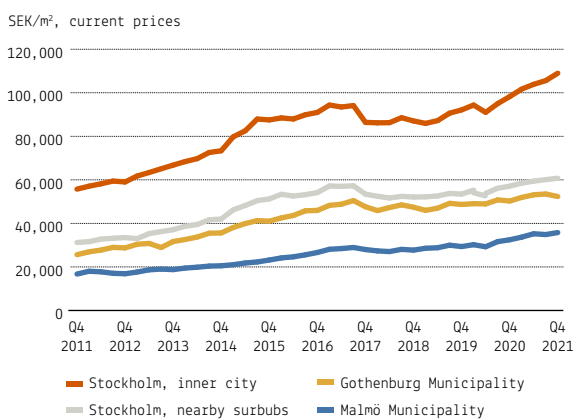
After a stormy 2020 with a record-setting fall in GDP, 2021 in Sweden was all about recovery. In the third quarter, both GDP and employment increased rapidly as the restrictions were phased out due to decreased infections and higher vaccination rates. However, at the end of the year infections rose again, and the new variant omikron made its appearance, which led to new restrictions and uncertainty. GDP increased in total around 4.5 percent in 2021. According to the National Institute of Economic Research, the economic downturn ended at the end of 2021 since the utilization of resources in the economy was balanced. The labor market also recovered in 2021, and employment at the end of 2021 had returned to pre-pandemic levels. Demand for both goods and

services fluctuated sharply in 2021, which ultimately resulted in imbalances and bottlenecks and thus greater inflationary pressure. The total number of completed home decreased in 2021, primarily due to fewer completed tenant-owned units. The number of housing starts was approximately the same as the previous year. The prices of both tenant-owned units and single-family homes continued to rise in 2021. JM is considered to have a market-leading position in Sweden. Its largest submarkets are the large metropolitan areas of Stockholm, Uppsala, Malmö/Lund, and Gothenburg.

Stockholm

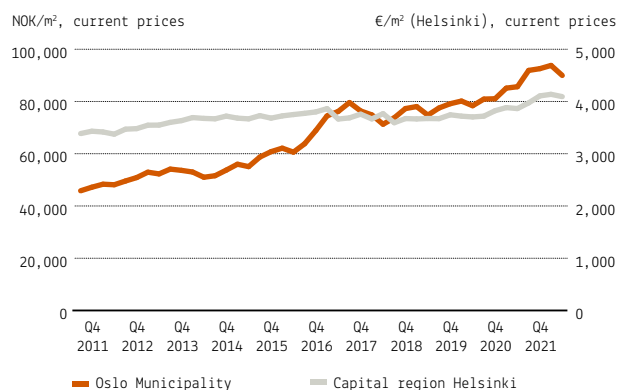
The Stockholm region was hit very hard by the pandemic in 2020 and recovered in 2021. Growth in wages was strong throughout the year, and employment, which began to rise again during the second quarter, quickly surpassed pre-pandemic levels. The number of new jobs increased sharply, and the number of announced layoffs fell back to normal levels. Population growth in the Stockholm region has been falling since 2019, but this trend was reversed in 2021 largely due to the increase in the international net immigration but also due to an increase in net births once the period of excess mortality ended.

PRICES OF TENANT-OWNED APARTMENTS IN SWEDEN'S METROPOLITAN AREAS OVER THE PAST 10 YEARS



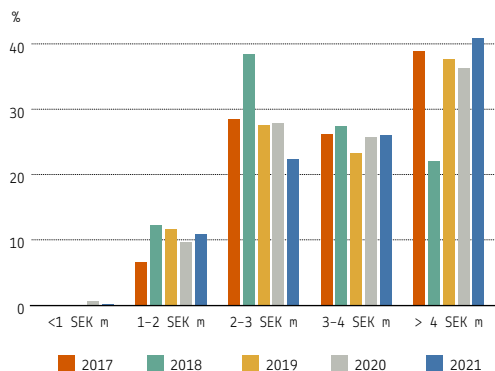
Source: Mäklarstatistik. Compiled by WSP Advisory.

APARTMENT PRICES IN OSLO AND HELSINKI OVER THE PAST 10 YEARS

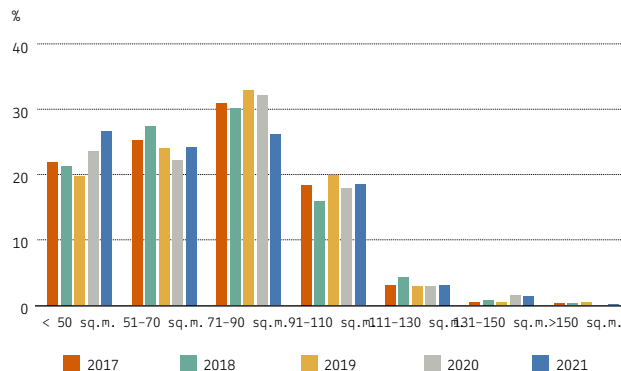


Source: The statistics bureau of each country. Compiled by WSP Advisory.

PERCENTAGE OF JM'S TENANT-OWNED APARTMENTS AVAILABLE FOR SALE IN DIFFERENT PRICE INTERVALS 2017-2021, SWEDEN



PERCENTAGE OF JM'S TENANT-OWNED APARTMENTS AVAILABLE FOR SALE IN DIFFERENT SIZE INTERVALS 2017-2021, SWEDEN



The prices of tenant-owned units in Stockholm’s inner city and suburbs rose in 2021 by around 5 percent. The prices of single-family homes rose even faster — in Stockholm Municipality it increased almost 10 percent. There was no major change during the year in Stockholm and its suburbs in terms of housing starts. The level was approximately the same as in 2020 for both tenant-owned units and rental units. However, the number of completed rental units increased in 2021. JM leads the market in new production of tenant-owned units in Greater Stockholm. Some of JM’s larger projects include Liljeholmskajen and Älvsjöstaden in Stockholm, Kvarnholmen in Nacka, Söderdalen in Järfälla, Dalénum on Lidingö and Täby Park in Täby.

Gothenburg

The Gothenburg region was also hit hard by the pandemic in 2020 and posted a strong recovery in 2021. Wages increased throughout the year, but then the labor market contracted slightly and the number of employed in the third quarter of 2021 had still not reached pre-pandemic levels. The negative trend in population growth was reversed in 2021. The largest contribution to the increase in population growth came from international net immigration. Domestic net immigration has declined since 2018 and was negative in 2021. Housing prices in Gothenburg increased during the year. The prices of tenant-owned units increased by 6 percent in the inner city and slightly slower in the suburbs. The prices of single-family homes increased significantly faster, at around 13 percent in the municipality. Housing starts in Greater Gothenburg remained at the same level in 2021 as in 2020. There were significantly fewer completed tenant-owned units in 2021 than the year before.

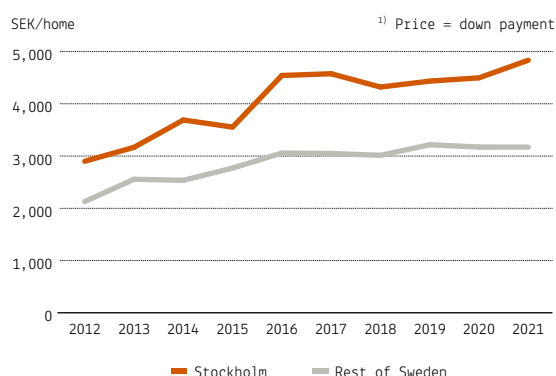
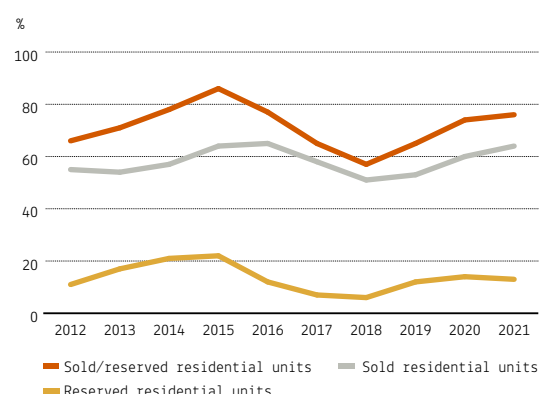
Malmö/Lund

The Malmö region withstood the pandemic of 2020 better than Stockholm and Gothenburg and had strong growth in 2021 in terms of both wages and the labor market. Population growth in the

Malmö region swung upward in 2021 just like in the other metropolitan regions as a result of an increase in international net immigration. The prices of tenant-owned units did not increase at the same rate in Malmö as in the other major cities: in Malmö’s inner city the increase in 2021 was 3 percent. The rate of increase in Lund was faster, with prices increasing by around 9 percent. The prices of single-family homes in Malmö Municipality increased by 10 percent. The number of housing starts in Greater Malmö increased in 2021 especially in terms of rental units. The number of completed rental units also increased, but the number of complete tenant-owned units remained at the same level as in 2020.

Uppsala, Linköping, Västerås and Örebro

There were clear effects from the pandemic in the Uppsala region, and the labor market struggled in 2020. However, the recovery never picked up speed in 2021 in terms of the number of employed in the region. The drop in wages was not as large as it was, for example, in the Stockholm region, but growth in 2021 was still high. The population increased faster in the Uppsala region than in the Stockholm, Gothenburg and Malmö regions in 2021, primarily due to strong domestic net immigration. Housing prices in Uppsala also increased during the year. The prices of tenant-owned units increased by just under 5 percent, and the prices of single-family homes increased by around 10 percent. In Linköping and Västerås, the prices of tenant-owned units increased by 7–8 percent while the prices in Örebro were slightly lower in the fourth quarter of 2021 compared to the corresponding quarter the previous year. This is because of a dip in the last quarter of 2021. The prices of single-family homes rose between 10 and 15 percent in Linköping, Västerås and Örebro.

AVERAGE PRICE ¹⁾ JM'S AVAILABLE-FOR-SALE RESIDENTIAL UNITS, SWEDEN

PERCENTAGE OF JM'S SOLD AND RESERVED RESIDENTIAL UNITS IN CURRENT PRODUCTION, GROUP


Norway

The Norwegian economy at the end of 2021 had basically fully recovered from the pandemic, and mainland GDP at the end of the year was higher than before the crisis, largely thanks to expansive financial and monetary policy and a roll-back of restrictions. Mainland GDP increased by approximately 3.5 percent in 2021. Norway's central bank began to raise interest rates in September, and interest rates were raised twice in the second half of 2021, from 0 to 0.5 percent. The prices of freehold units in Oslo rose sharply in the first quarter of 2021 and remained at a high level until the fourth quarter, when prices fell back to the same level as the fourth quarter of 2020. Housing construction did not change significantly; the number of housing starts in Oslo was approximately the same in 2021 as in 2020. The same applied to completed residential units. JM's largest markets are Oslo, Tønsberg and its surroundings, and Bergen.

Finland

GDP in Finland increased by around 3.5 percent in 2021, fueled by total investments and household consumption. The labor market recovered unexpectedly fast, and employment at the end of the year had surpassed pre-pandemic levels. Housing prices for tenant-owned units in Helsinki Municipality increased by around 5 percent in 2021. In 2021, the number of completed residential units in Finland decreased, but housing starts increased. JM's operations are located in the capital region.

MAJOR COMPETITORS, PRIVATE HOUSING MARKET

Country	Major competitors
Sweden	Peab, Skanska, HSB and Bonava
Norway	OBOS, Selvaag Bolig, Skanska and Bonava
Finland ¹⁾	YIT, Bonava, Skanska and SRV

¹⁾ Capital region

RESIDENTIAL CONSTRUCTION — NUMBER OF HOUSING STARTS

Country	2021	2020	2019
Sweden	63,700	54,800	48,400
Norway	30,100	29,900	31,700
Finland	48,100	40,600	38,300

Source: The statistics agency in each country, compiled by WSP Advisory. Figures for 2021 are preliminary and will be finalized during spring of 2022.

JM'S SOLD RESIDENTIAL UNITS

Country	2021	2020	2019
Sweden	2,747	2,966	2,580
Norway	674	587	582
Finland	827	473	433
Total	4,248	4,026	3,595

JM'S HOUSING STARTS

Country	2021	2020	2019
Sweden	2,671	2,104	2,227
Norway	636	550	614
Finland	665	545	422
Total	3,972	3,199	3,269

JM'S RESIDENTIAL UNITS IN CURRENT PRODUCTION

	12/31/2021	12/31/2020	12/31/2019
Number of residential units in current production ¹⁾²⁾	8,094	7,976	7,813
Percentage of sold residential units in current production, % ³⁾	64	60	53
Reserved residential units in current production, %	13	14	12
Sold/reserved residential units in current production, %	76	74	65

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

	12/31/2021	12/31/2020	12/31/2019
Includes residential units in projects where costs incurred are only reported as project properties under construction	484	463	600
	341	320	457

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

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

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

A woman with her hair in a bun and a young child are sitting on a couch. The woman is smiling and looking at the child. A small, fluffy brown dog is sitting between them. The background shows a balcony railing and some outdoor furniture.

Advantages

Buying a home from JM has many advantages. Our residential units are adapted to how people live today, and JM takes responsibility for social, ethical and environmental sustainability. Since 2018, all new JM residential units are built in accordance with the requirements for Swan Ecolabel certification.

All JM residential units meet Swan Ecolabel requirements

JM is contributing to the development toward a sustainable society. Swan Ecolabel certification places demands on environmental certification for documentation of materials used in construction.

All our residential units planned as of 2018 are certified in accordance with the Swan Ecolabel. A Swan Ecolabel building must meet demanding environmental requirements. JM is the first construction company to certify all its homes in accordance with the Swan Ecolabel in all Nordics markets.

When the building is completed, JM must be able to prove that the Swan Ecolabel's demanding requirements on energy, indoor environment and material are met, and that we have conducted the required controls and have the required documentation.

For customers, a Swan Ecolabel home has several advantages, such as low energy consumption, a healthy indoor environment, and products made with wood from sustainable forestry.

To purchase a home is to plan for the future. We would like to create the best conditions for the environment and an improved quality of life for the residents of our buildings. This is embedded in our DNA. Sustainability is not something new for JM.

If we are to be able to meet the extensive challenges facing not only us but society as a whole, it will not be enough to use what is already available. By setting the bar high, JM and all of its employees must think outside the box. We must find new paths and new ways to think and react. Our ambitious targets force us to do so. Read more about our sustainability targets on page 44.

Closer cooperation with Swan Ecolabel

Since all JM residential units that have entered the pre-construction stage after January 2018 are certified in accordance with the Swan Ecolabel, an increasing number of JM's residential units have been certified, and this applies in all three of our markets: Sweden, Norway and Finland. In September 2019, the first families moved into JM's first completed Swan Ecolabel project, Gustavslund outside of Helsingborg, and since then JM has delivered hundreds of Swan Ecolabel-certified homes to customers in Sweden, Norway and Finland.

"We have now reached the point where the Swan Ecolabel is a natural part of JM's everyday routines, processes, day-to-day tasks, brand, and offer," says Maria Sandell, head of sustainability at JM.

JM's fulfillment of the requirements for Swan Ecolabel certification is proof that we are working to reduce our environmental impact.

"Previous customer surveys show that our customers prioritize homes that have a high sustainability performance. We have every reason to believe that this is a trend that will continue to grow stronger as society as a whole shifts to more of a focus on sustainability."



One advantage for customers is that a Swan Ecolabel home can result in more favorable lending rates from a number of banks, so-called green mortgages.

"It is clear to us that the environmental aspect is becoming an increasingly important factor when choosing a home." The work with Swan Ecolabel certification is an ongoing process: the criteria change, and new criteria are added. JM is active in this process and has itself proposed possible changes to the Swan Ecolabel certification.

"Before, there was a lot of focus on energy consumption, but now we are working together with Swan Ecolabel to improve and develop the criteria for material, energy and the indoor environment," says Maria Sandell.

During 2021, JM had completed fourteen Swan Ecolabel projects in Sweden, thirteen in Norway and three in Finland. In the next few years, basically every project that reaches completion will be Swan Ecolabel certified. However, the projects that were started earlier than 2018 and thus were not subject to the requirement on Swan Ecolabel certification are also subject to the same production requirements as projects that are Swan Ecolabel certified.



Product development and innovative thinking

This primarily focuses on what we can do for our customers, but also how we can improve our operations internally.

JM works continuously to develop housing in order to offer its customers well-planned, sustainable and desired interior solutions with excellent material choices. Combined with smart functions in the home and property in the area, this creates Intelligent Homes. Our product development organization is also working intensely to find new solutions for climate-smart and sustainable building.

Some of the development projects are:

Kitchen: We place high demands on our kitchens — one of the home's natural gathering places for the family, where we also spend an increasing amount of time. We do homework, spend time together and cook here. All this requires modern, space-efficient and functional kitchen solutions. We also offer smart appliances that make food preparation and planning easier.

Bathroom: This is one of the more important rooms in the home. Our bathrooms are therefore smart and functional but also inviting — a place for relaxation and own time. The bathrooms offer motion-sensor lighting depending on the time of day and smart appliances that make laundry time easier. In the future, we see solutions for recycling of, for example, shower and laundry water or washing machines that start when solar cells generate electricity, which benefits both the economy and the environment.

Storage: Storage is a constant high-priority area for most people. There never seems to be enough storage space. JM is now focusing on creating new solutions and better planned storage areas.

Flexible floor plans: New needs in the home that we have identified are flexible floor plans for different activities that are often happening at the same time in a home. This is an area where intelligent technology and interiors create the possibility of transforming the room's functions with dividing wall solutions (size of family can vary from week to week) and creating lighting and noise-dampened zones for work, homework, and play, as well as digital locks that makes it possible for a hall storage space to become a temporary delivery surface for packages.

Indoor climate: The heating system in the property is controlled by the weather forecast, which provides more even comfort and optimal energy consumption. Looking forward, we want to see solutions in our residential units that through sensors automatically ensure optimal air quality, temperature, and natural lighting as needed. The measurable home is growing rapidly, and there is great interest in being able to control and influence energy consumption to live more sustainably and economically.

More convenient flows

We see how more functions in a property and home can work together to make life easier. For example, main entrance doors that open automatically and elevators that come down when you arrive and take you directly to your floor without you touching anything, or package deliveries and returns directly to the property.

Wooden buildings

One part of our development work is to evaluate apartment buildings with a wooden frame. There are several methods of building with wood that entail, for example, different degrees of prefabrication. JM would like to continue to have a high degree of flexibility in what we build with good adaptation to our various building rights and what customers are demanding in the local market. We are investigating the extent to which a wooden frame can be a good building approach in order to sustainably combine flexibility and greater industrialization/prefabrication.



Homes from JM — with a focus on people

We offer a broad product portfolio and different types of tenure, where the customer's needs and experience are at the heart of the development of new solutions.

Three housing concepts

- Smarta Kvadrat
- Original
- Premium

Three forms of tenure

- Tenant-owned unit
- Freehold unit
- Rental unit

Three of our development initiatives

- Digital interior design selection tool
- Smart health technology
- World-class customer experience

Housing concepts — a home for every need

Our goal is for everyone to find their dream home. No matter which phase of life they are in. That is why JM offers three different housing concepts: Smarta Kvadrat, Original and Premium.

It is said that the home is a reflection of our personality. This is a truth that becomes more apparent every year as the trend moves toward homes that are increasingly adapted to individual needs and where people are in life. Some want the most recent in smart technology and some value being able to work easily from home, while others are looking for a unique home filled with personal details.

Given this trend, JM has developed three housing concepts: Smarta Kvadrat, Original and Premium. The aim is to offer a more tailored and flexible product range that enables even more people

to find a home that meets their specific needs, wishes and lifestyles without needing to sacrifice JM's high quality.

Smarta Kvadrat

The Smarta Kvadrat concept is intended for people who want a simple, affordable and space-efficient home. Here, life is pleasant and comfortable. By streamlining production and the buying process, prices can be kept in check. Perfect for the retired couple who also want an apartment somewhere sunny or young adults who prefer to prioritize other aspects of life.

FACTS: SMARTA KVADRAT

- Affordable and functional housing
- Efficient building process and standardized solutions
- Two basic options for kitchen and bath
- Shared outdoor area and laundry room
- Digital buying process.



Original

Original is our classic concept that was created to fit a broad customer group. It offers high-quality living that is functional and comfortable. The design is timeless and made to last for many years. Original comes with a number of options for the interior fixtures in the home. For that little extra when it comes to design or materials, we offer our Premium concept.

FACTS: ORIGINAL

- Focus on function and design
- Timeless design that appeals to a broad group and lasts long time
- Several options for interior fixtures
- Primarily digital buying process.

Premium

Premium is our concept for a home that is tailored down to the smallest detail. It offers a unique home shaped by personal style. It is exclusive in design, material and fittings. Service is another important component of Premium, and the customer is offered help in every step of the purchase and move, from interior and furniture to advice regarding legal and financial matters.

FACTS: PREMIUM

- Focus on design and that little extra
- Possibility to add a personal touch to the home
- More exclusive materials and fixture brands
- Walk-in closet, extra storage and parking close to the home
- Smart technology for heating, lighting and security systems
- Arrangement of services such as cleaning, dry cleaning, catering, etc.
- Personal shopper for assistance throughout the entire purchasing process.



Several housing tenures — own or rent

JM has been building attractive homes for all target groups for more than 75 years. It is natural for us to offer several different housing tenures — tenant-owned, freehold and rental.

As one of the Nordic region's leading housing developers, it is important to have a broad range of tenures. We view this as part of a long-term social commitment, where JM contributes with a variety of homes for different target groups. We are therefore proud to offer tenant-owned, freehold and rental units. Regardless of the tenure the customer chooses, we offer a sustainable, safe, fresh and smart home that has a focus on people.

Tenant-owned unit

Buying a tenant-owned unit means becoming a member of a tenant-owners association, an economic association that owns the buildings and land on which the units are built. In turn, tenants purchase a share in the tenant-owners association.

Members of tenant-owners associations have a strong influence on how the property is managed. Members also have a right of possession to their unit that is not time limited. This means that membership can only be terminated if the member does not pay set fees to the association or is in serious breach of the association's rules of conduct. Members are also entitled to transfer their tenant-owned unit to basically anyone at any price.

When purchasing a tenant-owned unit, a member pays a cash downpayment to the association. Members then pay an annual fee that is broken down into twelve payments a year. The fee covers the tenant-owned unit's share of the association's costs for interest, amortization and operating and maintenance expenses. The association's members determine themselves the amount of the fee.

Continued focus on freehold apartments

With approximately 700 freehold apartments in production in Sweden, JM is a leading producer of this new tenure. Freehold apartments are becoming more common at JM, and in Norway and Finland they have long been the primary type of tenure.

“Freehold apartments can be likened to ‘elevated town-houses,’ where the owner is entitled to independently dispose over the property. At JM, we are and should be very customer oriented, and we are seeing high demand for freehold apartments, which makes it a natural decision to offer them,” says Olof Pettersson Herold, concept responsible for freehold apartments at JM.

In the rest of Europe, and the rest of the world, corresponding tenures with direct ownership of apartments are much more common. In Sweden, however, this tenure has so far been uncommon. It was made possible through new legislation in 2009, and JM began to offer it in 2014.

“Freehold apartments are a good complement to our other offers. The goal is to be the market leader in the areas where we are active.”

This form of tenure makes it possible to own an apartment in an apartment building. In contrast to a tenant-owned unit, a freehold in a unit entails direct ownership. This means that the owner decides when and how they renovate and if they want to rent out their apartment. Even a legal entity can purchase a freehold apartment.

An important difference between a freehold apartment and a tenant-owned apartment is that the shared costs can be kept significantly lower. This is primarily because freehold apartments

are not linked to any shared loans. In a freehold apartment, the fee is comprised solely of the costs for the ongoing operation and maintenance of common areas and the building's components. They form joint facilities and are managed by a joint property association.

In terms of production, the set-up is similar to that for tenant-owned units. JM offers interior options and frame inspections, and marketing and sales are managed in the same manner as for other projects.

“We value each project and choose the type of tenure that is best suited for the project at hand.”

At the time of writing, JM had 193 completed freehold apartments in Sweden, of which two on Lidingö in Stockholm and one in Uppsala.



JM builds newly produced tenant-owned units in attractive locations in expanding metropolitan areas and university cities, always close to good infrastructure. Every unit is priced based on factors such as location, design, size, local price levels, and supply and demand.

Freehold unit

In contrast to a tenant-owned unit, a freehold unit entails direct ownership. It is a common tenure for single-family homes that JM has offered for a long time in Sweden, Norway and Finland.

However, freehold apartments are a relatively new form of tenure in Sweden, although it is common in other countries. A freehold apartment is when a person buys and becomes the legal owner of their apartment. This form of tenure has several advantages — it offers the freedom to rent out the apartment without applying for permission and offers full rights of ownership just like when owning a single-family home. Freehold apartments also have low fixed costs since no payments are made to a tenant-owners association for a shared loan.

When purchasing a freehold apartment, the buyer pays 100 percent of the value of the home, as they would when purchasing a single-family home. Normally, a freehold apartment is more expensive than a tenant-owned unit, but the monthly fee is lower since there are no interest payments to the association. However, the tenants

jointly own parts of the building, such as the roof, facade, stairwells and elevators. These are managed by a joint property association, to which tenants pay a monthly fee.

Rental unit

Living in a rental unit means renting a home from a landlord over a long period of time. The landlord can be a private individual, but it is often a municipality or a company. Tenants do not own the unit or a part of an association, but rather may live in the property in exchange for a monthly rent. The rent is determined by the size, standard and location of the apartment.

There are several advantages to living in a rental unit. There is no economic risk, there is no requirement on a cash downpayment, the landlord provides assistance when something breaks, and it is possible to switch apartments. The rent also covers other expenses, such as heat, wear and tear and maintenance. On the other hand, there are limited renovation possibilities, and the tenant does not benefit from the increase in the property's value while living there.

JM builds, develops and manages rental units. We also build rental apartments for students and young adults. All our rental units have a carefully selected inside with sustainable materials, functional interior and smart layouts and are mediated by the housing association.

Always with the customer in focus

JM has earned top rankings in industry surveys of customer satisfaction for many years. The explanation is simple — the customer is at the heart of everything we do.

Year after year, JM receives top scores from its customers for housing quality, service and reliability. Nothing makes us prouder. The key to our satisfied customers is our long-term strategy to always listen to them and place them at the center of what we do, along with great commitment from every JM employee. Here are three examples of what we do to give our customers the best conceivable experience.

Digital interior selection tool

Our new Interior Selection Tool offers the customer the possibility of really adding a personal touch to their home. Buyers of newly produced homes from JM are given log-in information for our digital interior selection tool. There, they can browse at their own pace through the options available for their home. They can experiment with different combinations of materials and colors until they are satisfied. And they can see in 3D how their choices will work together.

The objective of the service is for all JM customers to be able to see, make and sign their interior choices digitally. Customers who would prefer not to make their own choices can use either in full or

in part the three complete design lines developed by our experienced interior designers. We also use already at the sales stage an interior simulator where people interested in our homes can test and be inspired by different interior styles for their future home.

Smart health technology

For all new homes from JM, our customers can choose the concept Intelligent Homes. This concept offers a broad selection of smart functions that make day-to-day living simpler, safer and more sustainable. During the pandemic, many people have also begun to view their homes from a health perspective. More and more customers want their homes to contribute to better health and hygiene.

This can include everything from sensor-steered ventilation that improves the air quality and touch-free surfaces that reduce the risk of spreading viruses and bacteria to only using healthy building materials or building homes that are quieter than required under Swedish standards. Other examples of smart health technology in the home are fall sensors and heart monitoring.

World-class customer experience

JM resides close to the customer. We always strive to understand the dreams, drive and needs related to their housing. To succeed, we conduct regular customer surveys. We also allow the customer to have a significant influence on their home, for example in its design or requests for services in the immediate area.

Digital interior selections

All JM housing projects now use a digital interior selection tool.

Among the construction and housing industry's increasing number of digital solutions, digital interior selections stand out. Homeowners who will soon be moving into their newly produced home can choose items such as the faucet, countertops and kitchen cabinet doors. This solution has completely replaced the old paper-based brochure.

"We can clearly see a level of maturity among our customers; many of them now expect this type of solution," says Johanna Lidesjö, a strategic product developer at JM.

A pilot test was conducted in Norway and Sweden in 2019 and in Finland in 2020. In 2021 it was rolled out in all three countries, and the digital interior selection tool is now used in all projects that have entered the sales phase.

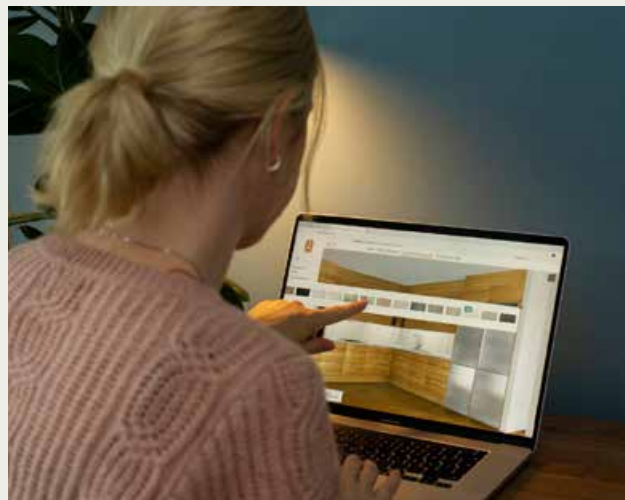
In addition to providing a visual of the selected options, the digital advancement also means that customers can choose when they want to make their choices — whether in the middle of the night or on the weekend — regardless of the interior studio's opening hours. At the same time, they immediately receive a clear cost summary for the available options.

"We can see that the digital interior selection tool is advantageous for both us and our customers. We can easily update the range of options, and the customer always has access to available products. It also provides quality assurance since the customer can only choose what works with the unit in question. This also impacts installation, where we minimize the risk of errors."

Since the customer provides their choices, interior designers are able to prepare themselves for potential meetings with the

customer in a whole new way. All communication with the customer regarding interior options goes through the Interior Selection Tool. The initiative to create a digital interior selection tool is a natural part of JM's ambition to be a digital leader, and it has also been possible to learn from the many digital showings that were held during the pandemic.

"It is important to listen to the needs and wishes of our customers, and we naturally provide help for those who need and want it. At the same time, we are seeing that many customers are managing the process on their own, and we thus can decrease the burden on our interior designers and become more cost effective."



Another important aspect of the customer experience is meetings and showings. The pandemic has sped up the digital development and changed customers' behavior at a fundamental level. JM has therefore offered digital showings of homes, digital customer meetings and new digital services such as contract signing. This has been appreciated, and we are continuing to develop the digital purchasing process.

To ensure that all employees understand how they can contribute to satisfied customers, we started JM's in-house Customer School where we teach staff in Sweden, Norway and Finland JM's view on customer care and customer relationships. The goal is a world-class customer experience where JM is the first choice for housing customers, both today and tomorrow. The customer is therefore at the heart of everything we do.



JM's largest projects



We build all our homes in locations that are not only close to cities, nature or water but are also close to public transport. It is also important for there to be service and schools in the area. JM's 12 largest projects are presented below.



1. Liljeholmskajen, Stockholm

Development period: 2001-2029
Housing type: apartment buildings
Number of residential units:
 - in total approx. 4,300, started 3,694
 - units started in 2021: 151
Number of remaining building rights:
 around 650
Location: central, 5 km to downtown Stockholm



2. Täby Park, Täby

Development period: 2018-2035
Housing type: apartment buildings
Number of residential units:
 - in total approx. 2,500¹⁾, started 376¹⁾
 - units started in 2021: 155
Number of remaining building rights:
 around 2,125
Location: 20 km from downtown Stockholm
¹⁾ Production also started on 128 rental units.



3. Norra Älvstranden, Gothenburg

Development period: 1998-2028
Housing type: apartment buildings
Number of residential units:
 - in total approx. 2,200, started 2,000
 - units started in 2021: 107
Number of remaining building rights:
 around 200
Location: close to water, 5 km to downtown Gothenburg



4. Dockan area, Malmö

Development period: 2003–2026
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,450, started 1,100
 – units started in 2021: 0
Number of remaining building rights:
 around 350
Location: close to the city center, by the sea



5. Kungsängen, Uppsala

Development period: 2003–2024
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,400, started 1,330
 – units started in 2021: 67
Number of remaining building rights:
 around 70
Location: close to the city center



6. Kvarnholmen, Nacka

Development period: 2010–2030
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,400, started 807
 – units started in 2021: 99
Number of remaining building rights:
 around 600
Location: central, 6 km to downtown Stockholm



7. Söderdalen, Järfälla

Development period: 2013–2035
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,400¹⁾, started 682¹⁾
 – units started in 2021: 60
Number of remaining building rights:
 around 700
Location: approx. 20 km to downtown Stockholm



8. Lomma Strandstad, Lomma

Development period: 2003–2023
Housing type: apartment buildings/single-family homes
Number of residential units:
 – in total approx. 1,130, started 910, of which 100 single-family homes
 – units started in 2021: 65
Number of remaining building rights:
 around 220
Location: close to the sea, 8/10 km to Lund/downtown Malmö



9. GWS Hertonäs, Helsinki, Finland

Development period: 2019–2027
Housing type: apartment buildings
Number of residential units:
 – in total approx. 1,080, started 576
 – units started in 2021: 334
Number of remaining building rights:
 around 770
Location: approx. 6 km to downtown Helsinki



10. Älvsjöstaden, Stockholm

Development period: 2016–2025
Housing type: apartment building
Number of units:
 – in total 1,050, started 935
 – units started in 2021: 291
Number of remaining building rights: 115
Location: approx. 10 km to downtown Stockholm



11. Dalén, Lidingö

Development period: 2010–2023
Housing type: apartment building
Number of units:
 – in total 881¹⁾, started 881¹⁾
 – units started in 2021: 0
Number of remaining building rights: 0
Location: approx. 9 km to downtown Stockholm
¹⁾ Production also started on 243 rental units.



12. Puustellinkallio, Esbo, Finland

Development period: 2018–2027
Housing type: apartment buildings
Number of residential units:
 – in total approx. 870, started 522
 – units started in 2021: 245
Number of remaining building rights:
 around 340
Location: approx. 11 km to downtown Helsinki



Profitability

JM creates value through its residential development projects. We create profitability and value for our shareholders through good risk control and effective capital utilization. Uniform modes of production and more effective logistics also contribute to value creation.

Business concept, vision and strategy

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.

OVERALL OBJECTIVE FOR SHAREHOLDER VALUE:

to give shareholders a higher total return than other companies with a similar risk profile and business activities. Total return refers to the sum of dividends and increased value.

Strategy

in order to achieve its overall shareholder value objective within the framework of its business concept, JM has the following strategy:

- Leading project developer of housing in the Nordic area — in terms of both market position and quality of the product
- Operations in growth areas with good long-term demographic and economic conditions
- Clear focus on high quality and eco-compliant homes and workplaces, with high customer value and in attractive locations
- Growth that preserves good profitability and leading market position
- Growth should primarily be organic, but also through corporate acquisitions that can strengthen JM's position in existing markets
- Company culture that is characterized by good values, responsibility, a long-term approach, sustainability and respect for individuals.

Leading project developer of high-quality housing in the Nordic area

JM is one of the Nordic region's leading developers of housing. Operations primarily focus on new production of homes, with the main focus on expanding metropolitan areas and university towns in Sweden, Norway and Finland. Areas with a growing population and a good purchasing power trend form the common denominator, increasing the potential for success in JM's business.

Project development at JM covers every link in the value chain, from acquisition of land to the sale of the new home. In many cases, JM projects mean the creation of new neighborhoods.

In Sweden homes will mainly be sold to tenant-owners associations for personal ownership, but may also include rental units and to some extent freehold apartments. Project development of commercial properties will be limited and primarily support housing development in large projects, where offices may be a natural

planning prerequisite. JM@home offer economic and technical management as well as housing-related services.

A clear focus on cash flows and effective utilization of the balance sheet form the basis for JM's strategy for value generation and growth. This is achieved by maintaining a high rate of housing starts, implementation and sales of projects.

Risk control and focus on cash flows mean that housing starts only take place in response to guaranteed demand in the form of reservations and signed contracts.

Quality assured pre-construction and production are achieved through JM's limited and efficient production capacity.

CAPITAL MANAGEMENT

The strategy comprises both asset and capital structure aspects, and has been adapted to JM's project development. Focus is on cash flows and effective utilization of the balance sheet, and entails, for example:

- Building rights portfolio – development properties on the balance sheet should correspond to five years of production
- Project properties – should primarily consist of residential properties developed in-house or properties that can be developed through conversion or densification. The portfolio's value will be realized through sale or exchange, and the size of the portfolio can vary over a business cycle
- Target for return on equity that on average over time should amount to 25 percent. The target is set on the basis of an analysis of the operating risk in the various types of operations and the asset classes on the balance sheet.

Targets and outcome

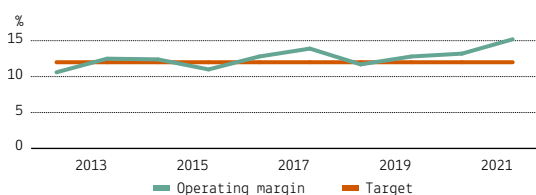
As a means of ensuring long-term value generation, JM has formulated general targets. JM's financial targets are defined based on segment reporting.

Financial targets

Operating margin

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

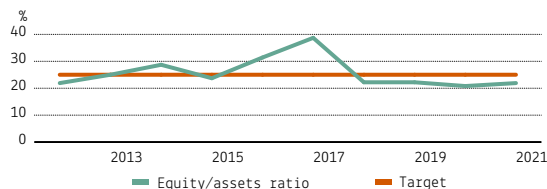
Outcome: In 2021, the operating margin amounted to 15.2 percent. During the 5-year period 2017-2021, the operating margin was on average 13.4 percent.



Return on equity

Target: Return on equity on average over time should amount to 25 percent.

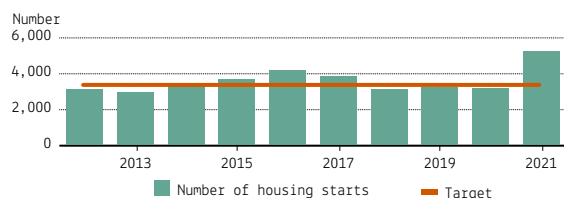
Outcome: In 2021, the return on equity amounted to 21.9 percent. During the 5-year period 2017-2021, the average annual return on equity amounted to 25.2 percent.



Growth

Target: Long-term growth with an average increase of 4 percent a year in the number of housing starts, with a baseline of around 3,800 housing starts a year.

Outcome: During 2021, the number of housing starts increased by 24 percent. During the period 2017-2021, the annual growth rate in housing starts was 0 percent.



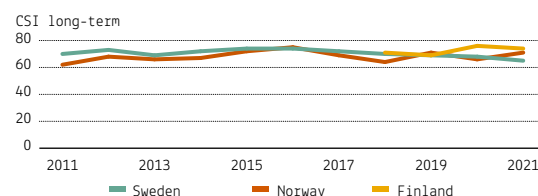
Non-financial targets

Customers

The objective is to have the industry's most satisfied customers.

Target: The target is to have by 2023 a rating of more than 70 in the Customer Satisfaction Index survey two years after occupancy (CSI long-term).

JM/Industry average 2021: Sweden 65/63, Norway 71/68, Finland 74/*.
*No available industry average for Finland

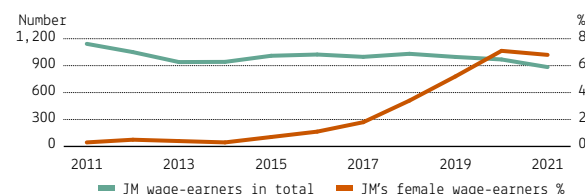


Employees

Gender equality in the operations is a long-term factor of success for JM.

Target: The target is for the number of women among JM's wage-earners to increase to 10 percent by 2023.

2021: 6.8 percent.

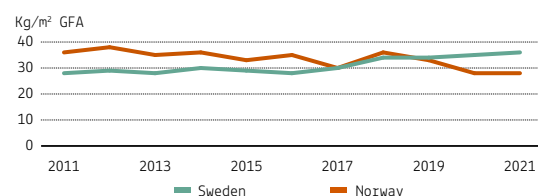


Environment

Construction waste is one of the industry's most important resource, environmental and quality issues.

Target: The target is to reduce the total volume of construction waste to 25 kg per produced m² by 2023.

2021: Sweden 36, Norway 28 kg/m² gross floor area (GFA).



FINANCIAL TARGET UPDATE

JM updated and established new financial targets, January 1, 2021, to more clearly support growth in the operations and a steady increase in earnings per share. The overall financial targets aim to provide balanced support for the long-term financial development within the Group and at the same time be adapted to the cyclical nature of the business.

BENCHMARK FOR CAPITAL STRUCTURES AND DIVIDEND POLICY

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

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

JM's benchmark for capital structures and dividend policy is defined using segment reporting.

Value generation in JM's core business

Our understanding of customer needs and demand — as well as how these are put into practice through effective processes — forms the basis for JM's value generation. We have developed effective construction processes and accumulated sound experience in carrying out large and complex projects.

From the very start in 1945, JM has worked to develop residential projects, which means that vacant or built land is acquired and refined into attractive housing or commercial premises. Project development covers every link in the value chain from acquisition of land to the sale of the new home. In many cases, JM projects mean the creation of new neighborhoods. Since our operations are primarily focused on new production of homes, over the years we have been able to develop our processes while working to improve the quality of our homes.

Good risk control, focus on cash flows and effective utilization of the balance sheet are prerequisites for ensuring long term value generation.

Sustainability work is a central and integrated part of our project development. We are designing the buildings and cities of the future, and we take environmental, economic and social aspects into consideration to create conditions for sustainable lifestyles.

Value chain

The value chain includes land and property acquisition, the planning process and pre-construction, production, sales and management. The ability to manage the entire value chain is an important competitive advantage for JM and decisive in terms of successful value generation. Each step of the project development process adheres to the requirements outlined in JM's decision gates, which aim to ensure good profitability as well as an effective and controlled process (see illustration on page 35).

Value grows step by step, as land use is defined. Full land value is attained when the local plan becomes legally binding and building permits are obtained — a process that can take from one to five years — and the project has been sold to buyers.

Appropriate capital structure

JM's business is capital-intensive and requires effective utilization of the balance sheet. In order to maximize value generation, the starting point of an optimized capital structure must be based on the fact that different fields of activity have different requirements for capital when addressing their specific risks. Using a capitalization model, JM performs an analysis each year to determine how much venture capital is needed for the different fields of activity.

The capitalization model quantifies access to and need for venture capital in each of JM's fields of activity, and is based on

assessed market values. The analysis also takes liquidity aspects in the various asset classes into consideration.

As one means of continually analyzing JM's overall requirement for capital, the management and the Board utilize the capital allocation model to assess required capital and allocated venture capital for the different fields of activity. The analysis of required capital subsequently forms the basis, together with other qualitative aspects not considered in the capitalization model, for the Board's decision regarding a suitable capital structure at any specific time, and is a prerequisite for value transfer to shareholders.

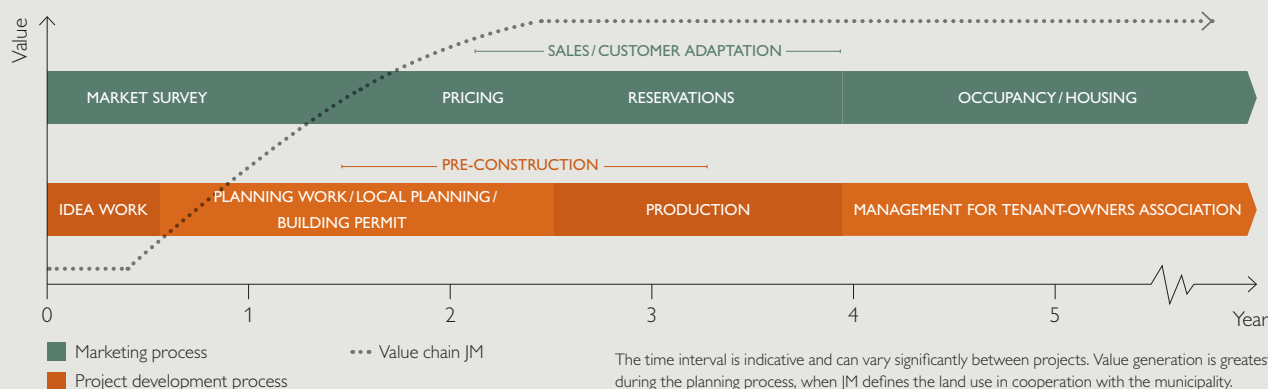
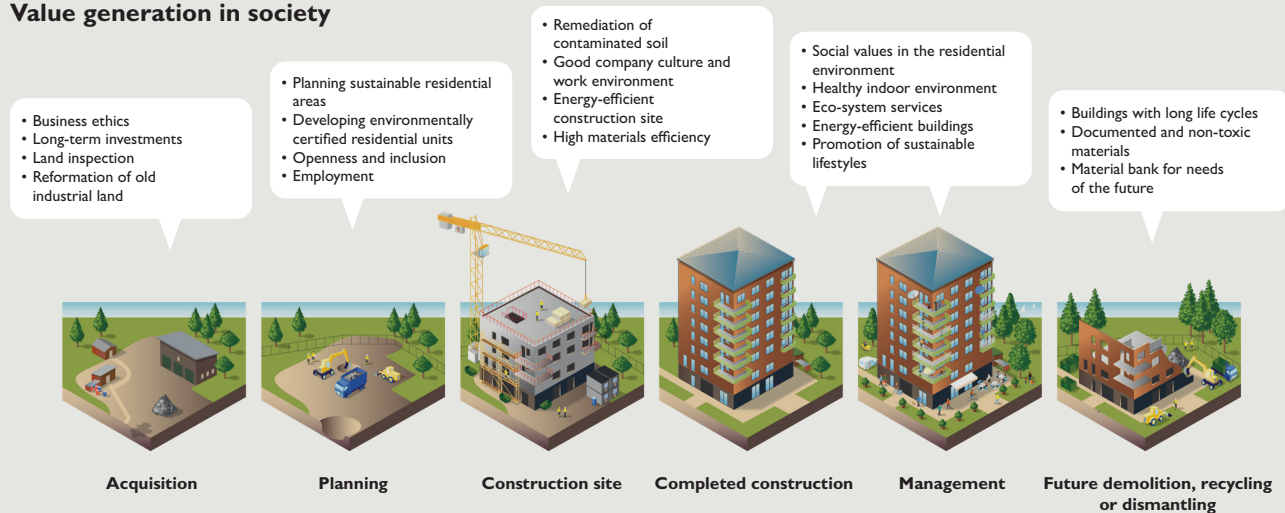
Required rate of return for projects

Value generation requires each investment to generate returns that exceeds its cost of capital. JM works with a number of investment analysis methods and criteria (such as WACC, IRR and present value ratios) to evaluate both each specific project's profitability and which projects should be prioritized. These methods and criteria form the tools and governance methods used to meet the Group's requirements of return for projects.

- **The weighted cost of capital (WACC) for new projects** amounts to 5.5–6.5 percent and is used to calculate the present value of forecast cash flows for a specific project
- **The debt/equity ratio in individual projects** is assessed to be 1.0
- **Average cost of capital — borrowed capital**¹⁾ A 2-year interest rate (corresponding to the average length of a project) of a total of 2.3–2.8 percent based on the underlying risk-free rate of 0.3 percent and a risk premium of 2.0–2.5 percent. Taking tax deductions for interest expense into consideration, the average cost of capital for borrowed capital is thus 1.8–2.2 percent
- **Average cost — shareholders' equity**¹⁾ Return on equity, when weighing the different evaluation criteria, CAPM (Capital Asset Pricing Model) and IRR (Internal Rate of Return), amounts to around 11–13 percent
- **Return on equity** The return on shareholders' equity for the 10-year period of 2012–2021 was an average of 25.6 percent, and an average of 25.2 percent for the 5-year period of 2017–2021.

¹⁾ Risk-free rate and risk premium assessed from a longer perspective.

Value generation in society



The time interval is indicative and can vary significantly between projects. Value generation is greatest during the planning process, when JM defines the land use in cooperation with the municipality.

INDEPENDENT TENANT-OWNERS ASSOCIATIONS BUILD CONFIDENCE IN THE LONG TERM

JM's residential project development in Sweden consists primarily of JM developing and selling tenant-owned properties where JM enters into agreements, with tenant-owners associations as the orderer, for a total undertaking to deliver a turn-key residential property. The individual home buyers enter into a purchase agreement with the tenant-owners associations. It is fundamental for JM's business that the tenant-owners associations are independent.

JM's success is largely based on ensuring long-term confidence for the business in relation to our stakeholders. This applies in particular to ensuring that individual buyers of tenant-owned apartments are confident in JM as a long-term, stable and secure housing developer. To create this kind of confidence, it is necessary during the production phase for the board of directors that represents the individual buyers of the tenant-owned apartments to be independent from JM and enter into agreements that protect the buyers' interests. In order to protect not only these interests but also JM's business-related interest in interacting with a professional orderer, the association's members of the board of directors must have relevant experience and competence. This is also important for the members' responsibility as laid down by association law. Therefore, the tenant-owners associations are formed by board members who are independent of JM and have extensive experience and competence in all areas that are relevant for a tenant-owners association. According to the statutes of the association, the majority of the board of directors during the entire production phase must be appointed by a party that is independent of JM. JM has no right to appoint the association's board of directors and never has any representation on the board.

The tenant-owners association's board of directors makes important decisions about and enters into agreements with JM for the production and provision of a turnkey residential property on behalf of the association and the individual buyers of tenant-owned apartments.

Furthermore, JM's business model, on a detailed level, is adapted to allow good governance and follow-up with a high level of business requirements. JM's description of residential development with tenant-owners associations as the customer reflects this relationship in a relevant and transparent manner. The essential criteria in this business model can be summarized by the following:

- The tenant-owners association's statutes stipulate the appointment of JM-independent board members in the association, where JM is not entitled to appoint the board
- All significant and relevant decisions are made independently by the board of directors in the tenant-owners association
- Agreements on a total undertaking, where JM delivers a turn-key property, are entered into by the independent board in the tenant-owners association prior to production start
- The tenant-owners association has its own financing through a construction loan, including the tenant-owners association's property as collateral. JM pledges a temporary surety as a partial credit enhancement
- An independent real estate agent sells the tenant-owned apartments based on a direct agreement with the tenant-owners association.

These main criteria are central from both a legal perspective and from a financial and accounting perspective, with transparent follow-up over the project's lifecycle, both internally and externally. Systematic follow-up includes current performance, risk and market changes and modified revenue and cost assessments in the projects. The entire project process, from agreement with the tenant-owners association on JM's total undertaking to deliver a turn-key property to the transfer agreement with the final buyers of the residential units and the completion of the projects, is consistently processed in financial reporting with a high degree of precision over time. The issue of independence, which is fundamental for the business, serves also a basis for the housing associations not just from a legal perspective but also from an accounting perspective being viewed as independent and thus are a customer of JM. See Note 1 on pages 93–97 for more information.

Project development and value generation take place in the different phases



Concept phase – market analyses offer insight into customer need

Good understanding of market development, customer need and demand forms the basis for generating value through project development. Thus JM regularly performs market surveys among its customer groups in order to ascertain need and preferences for issues ranging from type of housing to location and design. The customer needs and market development analysis generates ideas for how the offer can be attractively designed.



Land with the right development potential – at the right price

Projects generally start with acquisition of land. The market surveys that are regularly conducted to analyze customer preferences form an important basis for decision-making when acquiring land.

Being able to acquire land with potential for development – at the right price – is a decisive factor in terms of implementing plans to produce attractive housing and achieve profitable project development. The land acquisition and concept phases are thus crucial in project development.



Sales process – via several different channels

When the sales process begins, VIP customers receive advance information and have priority to JM's homes. Our sales channels include our websites, Showrooms, Big Open House Days, social channels, etc.



Pre-construction phase – with architects

Next follows a pre-construction phase under the supervision of JM's pre-construction manager. An architect produces drawings, and when the proposal has been approved, we involve consultants specializing in construction, land, electricity, ventilation, heating, sanitation, etc. A purchasing supervisor takes care of procurement processes, material and work orders, while the site manager plans the daily work.



Planning process – defining land use

The next step involves defining land use, which means building rights take shape with respect to their content. This step is performed in a dialogue with the municipality, which together with JM's project manager determines how the land can be used. Property owners can influence the planning process, but it also depends on the municipal planning process and any appeals.

It is during this stage – when ideas for the land are to be implemented and transformed into concrete plans for attractive neighborhoods – that the greatest part of value generation takes place.



Production – secure and effective processes

Construction does not begin until the number of reserved residential units reaches the predetermined target percentage. Site managers, foremen and others make sure work progresses safely and effectively. Many of JM's teams have worked together for a long time, and their well-established and structured processes are an important aspect of value generation.



Occupancy, management and housing services

Production and completion continue until occupancy, after which JM@home offers both technical and economic management to the tenant-owners associations in order to provide them with a secure, stable foundation as well as selected housing services. The services offered via JM@home create added value after occupancy.



Transfer of experience

By sending surveys to customers, we create a Customer Satisfaction Index for each project, which together with experiences from the organization serves as the starting point for how to improve our future work.

Building rights — the basis for sustainable profitability

JM continually invests in land that can be developed for future production. We acquire land at the same pace that we put land into production.

A great deal of insight into customers' needs and demand is required in order to make the appropriate investments in building rights. Rising housing prices have resulted in many prospective buyers looking for homes farther away from the city center. Improved public transport has also made it possible for people to accept longer commutes. At the same time, we see a clear trend that central urban locations are becoming increasingly attractive.

Good composition

JM's planned residential units are located in both traditionally strong housing markets and new emerging markets. Areas close to water and parks are popular. Other important qualities include close vicinity to public transport, service and schools. At the end of the year, JM had 35,600 available residential building rights (37,800). Capital tied up in building rights (development properties in the balance sheet) for residential units amounts to SEK 8,192m (7,815) at the end of the year.

Appraisal of residential building rights

At the end of the year, an appraisal of all of JM's residential development properties was performed in cooperation with an external appraisal company. The appraisals were made using an assumed sales price for the properties at actual cash values.

THE BUILDING RIGHTS PORTFOLIO COMPRISES TWO TYPES OF BUILDING RIGHTS:

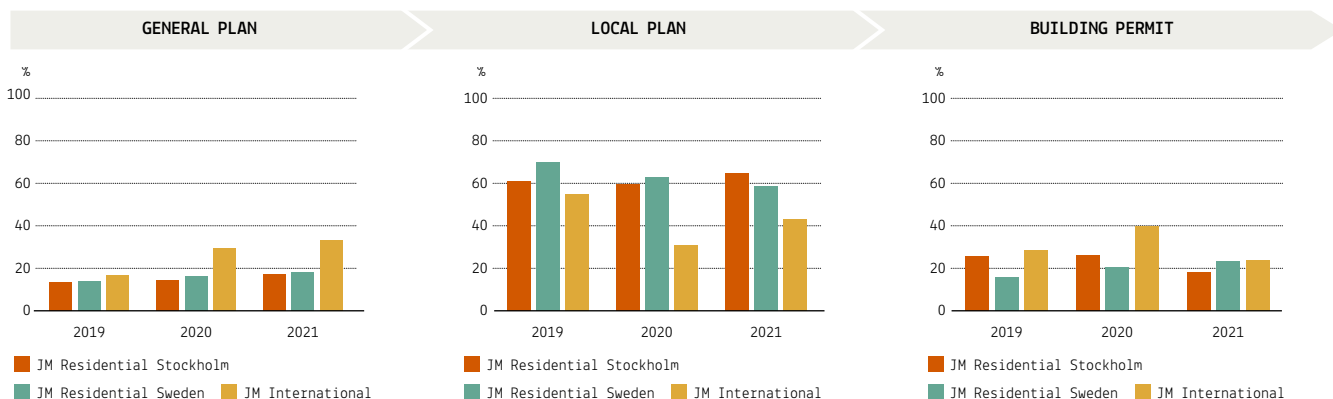
- Building rights in the balance sheet, 20,000 (20,400), corresponding to about five years of production at the current rate of production
- Building rights available through conditional acquisitions or cooperation agreements, 15,600 (17,400). In most cases, JM has the opportunity to decide both whether and when to buy the land.

The benchmark for building rights in the balance sheet is five years (indicates the number of years it would take to produce the building rights portfolio JM has in its balance sheet at the current rate of production, calculated on a rolling 12-month basis).

The appraisals were based on the location, attractiveness, scope and type of building planned, the stage in the planning process and the time remaining until production starts.

The assessed market value of JM's residential development properties amounts to SEK 15.4bn (14.3). The corresponding carrying amount is SEK 8.2bn (7.8). The 15,600 residential units available through conditional acquisitions were not included in the assessment.

DISTRIBUTION OF JM'S BUILDING RIGHTS IN DIFFERENT PHASES OF THE PLANNING PROCESS¹⁾

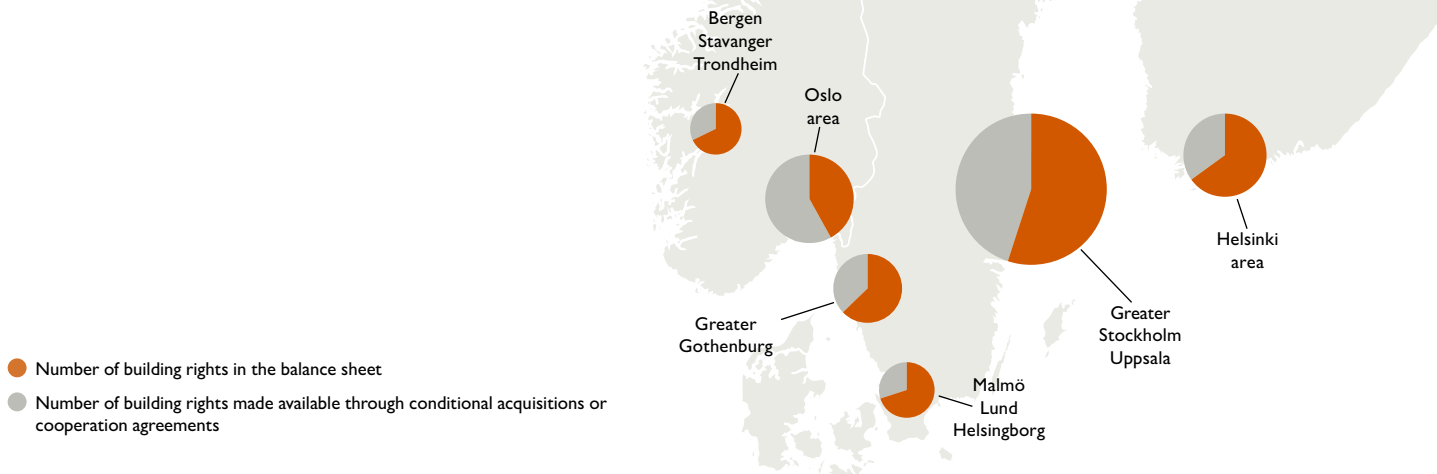


The general plan refers to the period before the work on local planning has begun.

The local planning decision refers to the period from when the work on the local planning began to the application for building permit.

The building permit phase starts with the application for building permit.

¹⁾ Number of building rights on the balance sheet.



Some of the development properties have old existing buildings that generate net rental income or which there are future plans for demolition. The appraisal of these buildings is based on current rental revenue and future use, taking costs for possible demolition into account. The market value of these buildings is included in the summary on page 30. The diagrams below show a breakdown of the market value of JM's development properties into different planning phases: General planning, Local planning and Building permit. General planning includes undeveloped land, which is not covered by the General planning. Local planning refers to the time from when the Local planning is started until the application for Building permit. Building permit process starts with the application for Building permit.

Geographic distribution of available residential building rights

Building rights refer to land that can be developed for future production; they are recognized as assets on the consolidated balance sheet under the heading, Development properties.

About 52 percent of the residential building rights reported in the balance sheet in Sweden are in the Greater Stockholm area. 14 percent of them are located in central Stockholm, including Lidingö and Liljeholmskajen, 42 percent in nearby suburbs and 43 percent in outlying suburbs.

JM's AVAILABLE RESIDENTIAL BUILDING RIGHTS

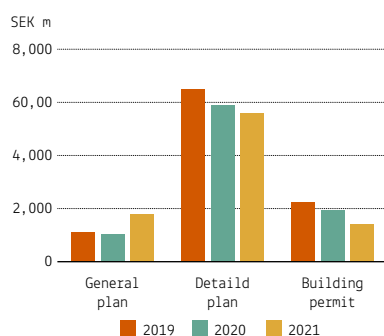
Geographic area	Number of building rights	
	2021	2020
Greater Stockholm (excluding Sigtuna, Upplands Väsby, Vallentuna, Norrtälje) ¹⁾	12,800	13,700
Malmö, Lund, Helsingborg	2,300	2,700
Greater Gothenburg	3,500	3,600
Uppsala, Sigtuna, Upplands Väsby, Vallentuna, Norrtälje, Linköping, Västerås, Örebro	4,100	3,600
Oslo area, Norway	4,600	4,800
Tønsberg, Drammen, Larvik and Skien, Norway	1,200	1,300
Bergen, Stavanger and Trondheim, Norway	2,000	2,400
Helsinki and Esbo, Finland	5,100	5,700
Total	35,600	37,800

¹⁾ Including property development.

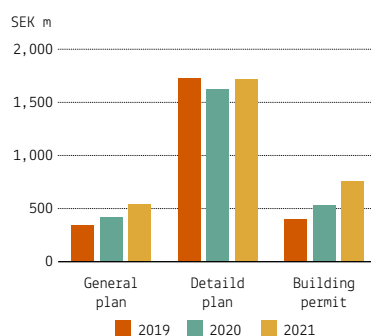
DEVELOPMENT PROPERTIES (RESIDENTIAL UNITS)

SEK bn	12/31/2021			12/31/2020		
	Market value	Carrying amount	Surplus value	Market value	Carrying amount	Surplus value
JM Residential Stockholm	8.8	4.1	4.8	8.8	4.2	4.6
JM Residential Sweden	3.0	1.7	1.4	2.6	1.5	1.1
JM International	3.5	2.5	1.0	2.9	2.1	0.8
Total	15.4	8.2	7.2	14.3	7.8	6.5

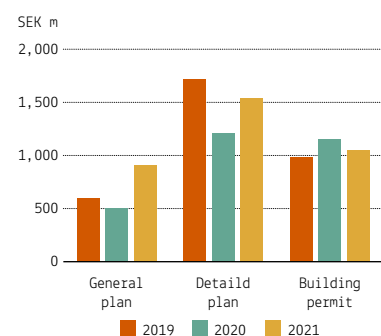
MARKET VALUE RESIDENTIAL BUILDING RIGHTS
JM RESIDENTIAL STOCKHOLM



MARKET VALUE RESIDENTIAL BUILDING RIGHTS
JM RESIDENTIAL SWEDEN



MARKET VALUE RESIDENTIAL BUILDING RIGHTS
JM INTERNATIONAL



General planning refers to the time before start of local planning. Local planning refers to the time from when the local planning is started until the application for building permit. Building permit process starts with the application for building permit.

Rental units, management and housing services

Project development within the Property Development business unit occurs primarily in rental units. The operations also include the project development of commercial premises and residential care units.

Project development of commercial premises mainly takes place in the Stockholm region and is intended primarily to support residential development projects. JM@home offers management of tenant-owners associations.

Rental units

JM's strategy is to have continuous and long-term production of rental units, including student and young adult housing, primarily in the Stockholm region. This strategy also includes the possibility of building rental units in Uppsala, Gothenburg and Malmö.

We completed two projects during the year; Manegen, with 128 rental units in Täby Park, Täby, and Havreflingan, with 192 rental units in Söderdalen, Järfälla. Two projects were started, Kvarter 8, with 218 rental units in Söderdalen, Järfälla, and Dyrvers Kulle, with 123 rental units in Sundbyberg. JM also continued its

ongoing work to build a good building rights portfolio for future projects. A decision was made to develop a phase of 100 rental units in Igelsta, Södertälje. JM also has an ongoing project in the joint venture that was formed in 2020 together with the Swedish Foundation for Strategic Research and the Knowledge Foundation. JM owns 20 percent of the company, which in the long-term will manage rental properties on site leasehold rights in attractive urban areas. The part of the return from the company that goes to the foundations will be used to support research and development within their assignments.

Residential care units

In 2021, local planning work continued for the residential care property Kaplanen in Uppsala. The project consists of approximately 80 residential units. In 2020, JM won a land allocation competition for residential care housing of 70 residential units in Värmdö Municipality with planned housing start in 2022.

Commercial properties

During the year, production began on the office property K1 Karlbergs Strand, Solna, Sweden. The property will encompass more than 20,000 square meters and is estimated to be ready for occupancy in the fall of 2024. Half of the property is planned to serve as JM's new head office.

JM@home

JM@home meets JM customers' demand for both technical and financial management. In 2021, the operations continued to develop and grow, both in terms of geographic market and sales.

JM@home broadens JM's customer offering, and valuable experiences are reconnected to new projects.



MARKET VALUATION — PROJECT PROPERTIES ¹⁾	12/31/2021				12/31/2020
	Market value, SEK m	Carrying amount, SEK m	Area (000) m ²	Occupancy rate annual rent, %	Carrying amount, SEK m
Properties under development	1,050	789	22	76	1,215
Completed rental unit properties	—	—	—	—	—
Completed commercial properties	38	23	1	89	31
Total	1,088	813	23	76	1,246

¹⁾ Market valuations are performed by external appraisal companies.

Industrialized construction and Attractive housing

Structured Project Development is JM's initiative for industrialization and thus the streamlining of housing project development

JM is an urban planner that creates housing and sustainable living environments adapted to the needs of the customer, the surrounding environment and local building traditions. JM's urban planning projects stretch over a long period of time and include a large number of residential units. The final results are new neighborhoods that, in addition to residential units, include stores, schools, restaurants, etc. An urban space that feels inviting and is characterized by diversity, with regard to form, materials, and the placement of the buildings. In order for JM to be able to meet and maintain demand under tough competition, the residential units must be attractive and faultless and developed at the lowest total cost. JM's program to meet these challenges is called structured project development.

Product

Structured project development is based on standardized "Lego-like pieces" or components that are used to create the residential buildings. The components look the same regardless of where the residential buildings are being built. How the components are put together creates variation in terms of both the design of the residential unit and the urban space. The components are defined in the "Pre-construction Instructions," which serve as a basis for product control.

In long-term framework agreements, manufacturing and delivery of the components are guaranteed for all JM building projects. Logistics terms and conditions and logistics instructions control the flow of components from manufacturers to JM's construction sites. Installation instructions and method descriptions describe how the components should be put together to create complete residential buildings. They constitute an important tool for production personnel, who should build faultless residential units.

Processes and methods of working

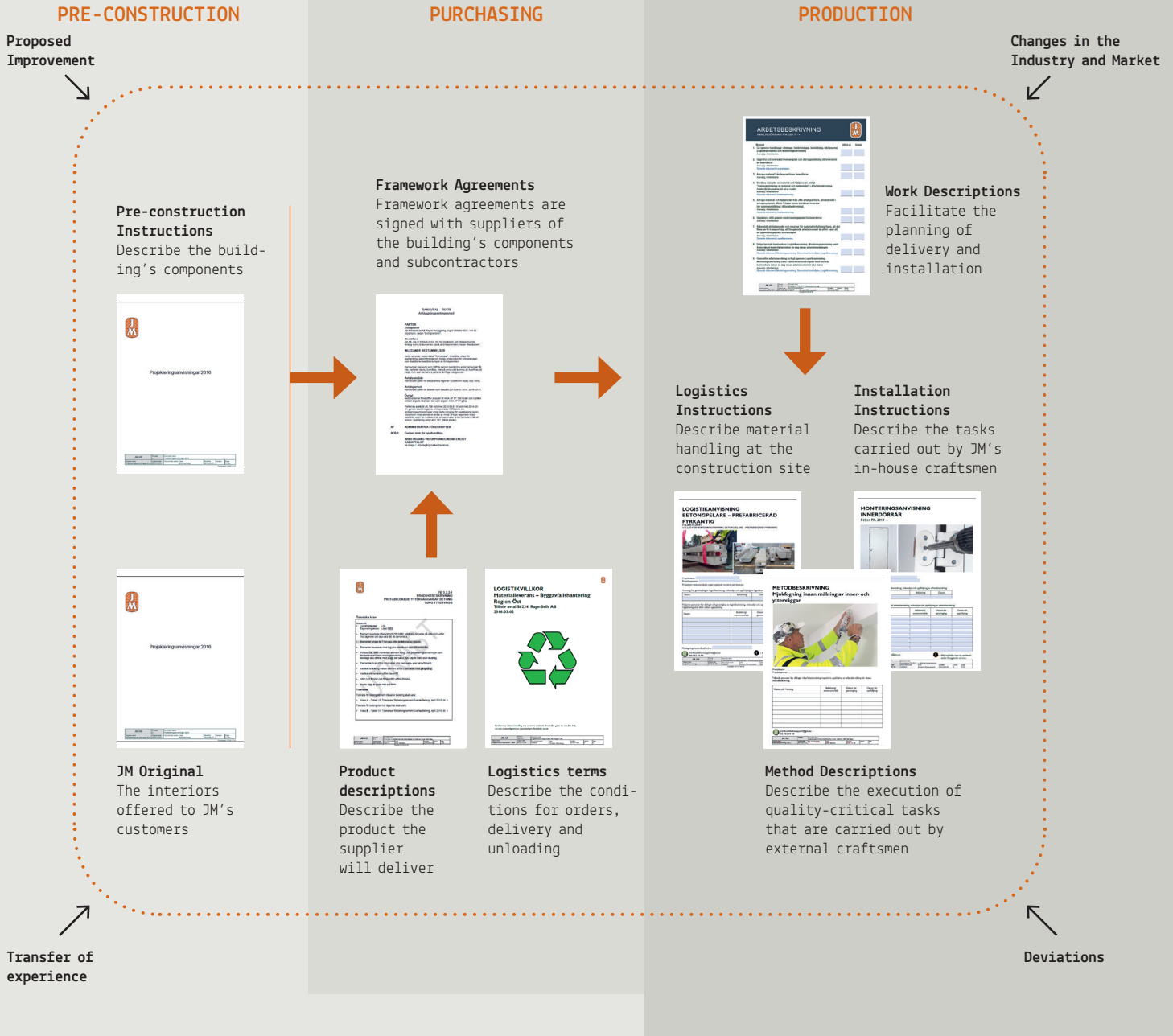
The customer's "journey" from their initial contact with JM to occupancy should be uniform, regardless of the location of the residential unit. The same applies to handling of fault reports and service and warranty activities after occupancy.

The work that results in a completed residential unit is increasingly becoming digital. One such method is a model-based approach, also called BIM (Building Information Modeling), that is currently applied at the design, production, and, in the longer term, warranty stages. From a customer perspective, contact is taking place more frequently via digital tools, for example when purchasing the home and choosing the interior.

Uniform customer interaction and digitalized methods of working require that the underlying procedures are standardized. JM's housing business is described in a number of main processes, which has underlying process categories, activities, and detailed procedure descriptions. All of this is gathered in JM's Operations System. The process structure that is used complies with an international standard, APQC (American Productivity & Quality Centre). At JM, considerable importance is placed on following the Operations System's processes.



Product Policy Procedures



Innovation and constant improvements

The standardization of products and processes makes it possible to deliver attractive and faultless residential units at the lowest total cost. Standardization, however, must not make housing development static. By applying a strategic development approach, continuous improvement projects are prioritized and implemented with the aim of making JM the customer's first choice while also resulting in streamlined housing development and sustainable residential units.

JM's employees have many ideas for how the standard can best be developed. This knowledge is captured through improvement suggestions. Every year, employees submit a large number of

improvement suggestions through JM's digital system, "Improve." These suggestions are handled by JM's process owners and can thereafter lead to direct changes or development projects focused on long-term change.

By applying structured project development, JM builds attractive residential units using an industrialized process. To succeed requires standardization of products and processes. Through constant improvement, the standard is continuously developed.

Risks and opportunities

Controlled risk-taking is decisive for good profitability and growth. Risks and opportunities are two sides of the same coin. Skillful management of strategic, operative, financial and sustainability risks creates opportunities and competitive advantages. From the other side of the coin, risks that are not managed properly can lead to insufficient profitability.

JM generates value through project development — by optimizing customer value, revenues and costs through the identification and acquisition of land on which to develop attractive neighborhoods and commercial premises. During the process, the project developer is faced with a number of risks and opportunities, which if handled appropriately can add to value generation and profitability. We also believe that we are transparent about our business from a sustainability perspective.

Risk management — an integrated part of decision-making

Together with the clear focus on long-term approach and sustainable value creation found in JM’s business concept and strategy, risk management helps ensure that risk-taking in the business is kept at a balanced level. Risk management is therefore an integrated part of decision-making at all levels of JM. It is subject to strategic initiatives from the Board and management, and a current risk analysis is regularly presented to the Audit Committee.

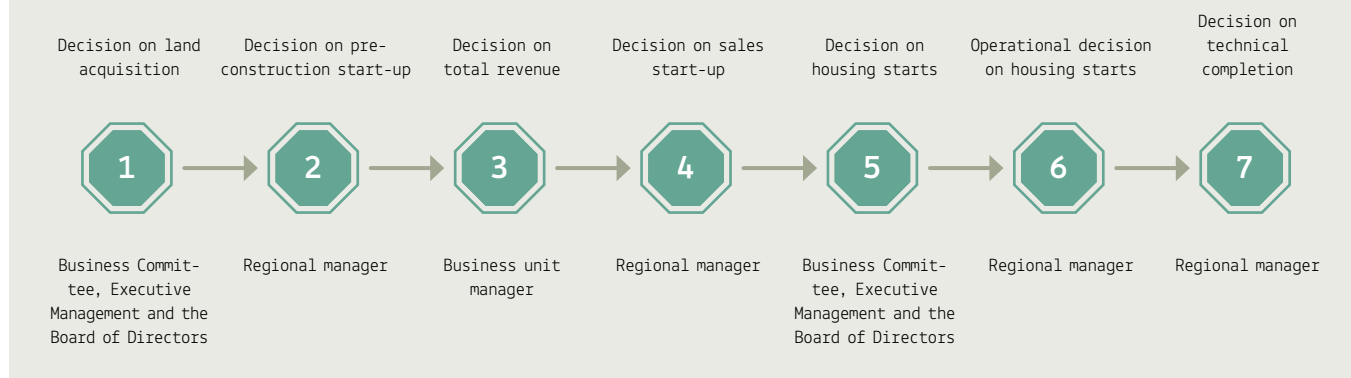
Procedures for project oversight, monitoring and follow-up are designed to reduce business and implementation risks. This applies in particular to the initiatives produced within the framework of structured project development, which help reduce the operational risks in the business. All significant business and project decisions are analyzed with regard to both risk and opportunities.

Climate-related financial risks and opportunities have been identified and analyzed to meet the recommendations in the TCFD (Task force on Climate-related Financial Disclosures) framework. The work with TCFD is described in more detail on pages 39–40.

ANALYSIS OF RISKS AND OPPORTUNITIES IN THE DIFFERENT PHASES OF PROJECT DEVELOPMENT – EXAMPLES

Decision situation	Risks	Opportunities
Land acquisition	Misjudgment of customer demand Modified municipal planning Misjudgment of technical difficulties and soil contamination	Attractive building rights Technical development with regard to management of environmental risks
Pre-construction start-up	Delays, increased costs	Customized design
Sales start-up	State of the economy, interest rate level	Right pricing
Housing starts	Uncertainty related to sales Delays, increased costs	Optimized efficiency in planning and production
Production	Work environment deficiencies Delayed occupancy	High level of security and good working climate Weather-proof production
Occupancy	Quality deficiencies Delayed occupancy	Swan Ecolabel housing Satisfied customers
Guarantee/Management	Climate shell exposed to more extreme weather	Robust product

DECISION GATES IN STRUCTURED PROJECT DEVELOPMENT





In 2021, the most important risks at JM have been the impact of COVID-19 on the housing market, uncertainty in the delivery chain for cement, and macroeconomic development. After some uncertainty on the housing markets in Sweden, Norway and Finland in the second quarter of 2020 due to COVID-19, all markets recovered already last year. In 2021, uncertainty emerged regarding the supply of cement from local cement production in Sweden due to an unclear authorization process between authorities and a market-leading producer. During the fourth quarter, an amendment to the law was adopted to enable the continuation of local cement production through a government review of a time-limited license to operate a limestone quarry. The amendment made it possible to extend the licenses in question.

During the year, market prices on some building materials rose, as did the general risk for inflation in the economy. JM's long-term supplier relationships and agreements balanced the impact of this on its cost position.

Good sales and reservations in current production balance the risk in the operations. Housing starts increased according to plan during the year but are slightly limited by the drawn-out planning processes. A more detailed description of the risks JM faces and how we are managing them is provided in the Board of Directors' Report on page 87.

Headed into 2022, the situation in all of our markets is judged to be favorable, but we are prepared in the event the market deteriorates and/or inflation rises. The inflation risk is judged to be limited based on JM's ability to adapt its costs and the capacity in the prices JM sets for customers. The planning processes on our primary markets continue to play a key role in the growth of the number of housing starts.

Balance sheet

The land acquired by JM is entered in the balance sheet as development property. When production begins for each project phase, the carrying amount of the property is transferred to the project and included among the project's costs. In the Swedish operations, land ownership is transferred through a sale to a tenant-owners association, which during the course of the project is invoiced on an ongoing basis in accordance with an agreed payment plan.

Cash flow

Since projects run over a long period of time, efficient cash flow management is essential. JM's control systems and processes are structured to support and stimulate an optimal cash flow approach in all project phases. Decisions concerning acquisitions and housing starts are crucial business decisions that have a major impact on cash flow, and therefore undergo special scrutiny and evaluation.

Finance strategy and policy

JM's finance unit handles the Group's short and long-term financing, liquidity planning, cash management and financial risk management. The division of responsibility, organization and control of the Group's overall financing activities are regulated by a finance policy established by the Board.

The policy specifies the objectives for finance operations, overall responsibility and specific rules and limits. The objectives for the finance operations are to:

- support the operational activities for project development of residential and commercial premises
- optimize the use of capital and cash flow management
- control and manage the financial risks to which JM is exposed.

JM's basic finance strategy is to clearly link cash flows from projects in progress and project properties to the Company's borrowing and interest rate risk management. This strategy provides the best control of financial risks.

In order to maintain flexible administration and cost-effective debt management, existing loan agreements are guaranteed by JM's excellent credit worthiness, which means that no mortgage deeds are provided.

Tax policy

The Board of Directors has adopted a tax policy stating the fundamental principles for how the Group handles taxes.

The manner in which JM handles its taxes shall be viewed from a sustainability perspective and guided by transparency, social responsibility and a clear contribution to the welfare of society. Significant taxes for JM include income tax, value added tax and sales tax (VAT), stamp duty, property tax, employer's contribution and special payroll tax.

The ambition is to pay the correct tax in each country where JM is operational based on the spirit of the law and regulations. The tax expense shall be handled with professional rigor as an important part of the company's income statement, and the tax flow shall be optimized within the framework of the ongoing operating activities.

Sensitivity analysis of the building right portfolio

One way to reflect the dynamics in the building rights portfolio of residential building rights in the balance sheet is to perform a sensitivity analysis where all anticipated future cash flows from the portfolio are calculated at present value. This analysis includes a number of simplified assumptions designed to determine via a model the present value of JM's building rights portfolio given a number of assumed revenue levels per square meter. The calculations are not a forecast.

All 20,000 residential building rights JM has in its balance sheet are assumed to be distributed evenly over eight years of production. The assumption is theoretical since housing starts in practice occur from both residential building rights in the balance sheet and conditional residential building rights. A standard residential unit is assumed to be 75 square meters, the assumed tax cost is 20.6 percent, and the discount rate after tax is 6.0 percent. The calculation does not take any inflation into consideration. The calculation includes both the tax charged and the deduction effect from historic land investment of SEK 8,192m.

The tables on below show assumed revenue, including loans in tenant-owners associations, and project costs per square meter of apartment space excluding VAT. Using a number of average revenue and cost assumptions, the future cash flows of the entire building rights portfolio are calculated at present value. The analysis shows a strong leverage effect in value creation depending on the company's ability to manage both revenue and expenses effectively, and in particular the general trend for housing prices during the period. A price or cost change of SEK 1,000 per square meter corresponds to about SEK 900m, or approximately SEK 13 per share, according to the basis for this calculation.

JM's 15,600 residential building rights made available through conditional acquisitions or cooperation agreements are not included in the sensitivity analysis.

SENSITIVITY ANALYSIS, PRESENT VALUE IN SEK m FOR JM'S BUILDING RIGHTS PORTFOLIO FOR HOUSING

Revenue/m ² , SEK ¹⁾	48,000	49,000	50,000	51,000	52,000
Cost/m², SEK ^{1) 2)}					
33,000	14,700	15,600	16,500	17,400	18,300
34,000	13,800	14,700	15,600	16,500	17,400
35,000	12,900	13,800	14,700	15,600	16,500
36,000	12,000	12,900	13,800	14,700	15,600
37,000	11,100	12,000	12,900	13,800	14,700

¹⁾ Excluding VAT ²⁾ Excluding cost of land

SENSITIVITY ANALYSIS, PRESENT VALUE IN SEK/SHARE FOR JM'S BUILDING RIGHTS PORTFOLIO FOR HOUSING

Revenue/m ² , SEK ¹⁾	48,000	49,000	50,000	51,000	52,000
Cost/m², SEK ^{1) 2)}					
33,000	214	227	240	253	267
34,000	201	214	227	240	253
35,000	188	201	214	227	240
36,000	175	188	201	214	227
37,000	162	175	188	201	214

¹⁾ Excluding VAT ²⁾ Excluding cost of land

Implicit value of conditional building rights

JM had 15,600 available residential building rights (17,400) at the end of the year through conditional building rights in Sweden, Norway and Finland. Normally, JM pays for these building rights in conjunction with the local planning gaining final approval. The building rights are then recognized in JM's balance sheet at acquisition cost as a development property. The acquisition price is normally based on the market value for the building rights at the time the terms of the agreement are met and the transfer occurs. The value of the development properties thereafter varies depending on price development of residential units and market valuations can be conducted based on prices in the area and specific project conditions.

It is normally not possible to sell conditional building rights, and the agreements have different periods of validity depending on the pre-conditions and agreement structure. Even if the conditional building rights normally do not have market prices, they still constitute secured continuation for JM's ongoing addition of building rights to be taken into production for residential project development. With the conditional agreements as a basis, an implicit net present value can also be calculated for future cash flows in the conditional part of the building rights portfolio. Under the assumption that the conditional portfolio of 15,600 residential building rights (17,400) is taken into production over a period of eight years, meets the target requirement of 12 percent (10) of the operating margin, and has an acquisition cost for building rights that approximately corresponds to the current average market value in the balance sheet, the net present value after tax amounts to SEK 4.3bn (4.1) at a discount rate of 6.0 percent (6.0). In other words, this can be viewed as an implicit value in JM's project development, in addition to the market value of the development properties JM has recognized in the balance sheet in accordance with the above sensitivity analysis, assuming that the projects can be carried out operationally.







SENSITIVITY ANALYSIS, VARIOUS COST CATEGORIES, PROJECT DEVELOPMENT FOR RESIDENTIAL UNITS

Category	2021			2020
	Share of cost, % ¹⁾	Change, %	Effect, SEK m	Share of cost, %
Salaries/wages	14	+/-10	+/-103	13
Material	15	+/-10	+/-110	15
Land	13	+/-10	+/-90	19
Developer's costs	13	+/-10	+/-91	12
Pre-construction	4	+/-10	+/-29	4
Overhead	8	+/-10	+/-56	7
Subcontracting	33	+/-10	+/-231	30

¹⁾ Share of cost base for project development of residential units in Sweden was SEK 7.1bn (8.2).

Material refers to costs for in-house purchases of building materials. Land refers to cost for land expensed. Developer's costs are costs not directly related to contracting, such as interest on loans, municipal connection charges and registration of title. Pre-construction mainly relates to costs for technical consultants. Overhead refers to incidental expenses for setting up the building site and rent for fixed assets such as machinery.

Managing climate-related risks and opportunities

 Climate area	 Impact on JM	 Risk	 Opportunity	 Management
1. Costs for fuel	Production Completed construction	Increased cost: • Carbon dioxide tax • Energy tax • Renewable	Energy-efficient Attractive product Improved customer value	Managed according to: • Active product/production/ method development
2. Energy savings/consumption	Planning Production Completed construction	Increased cost: • Electricity SEK/kWh • Heat SEK/kWh • Cooling SEK/kWh	Energy efficiency New technological solutions Renewable energy	Managed according to: • Energy mapping • Technological solutions • Intelligent Homes
3. Costs of raw materials and products	Planning Production	Increased cost: • Raw materials • Materials • Imports • Logistics	Efficient planning Efficient production Choice of supplier	Managed according to: • Agreement management • Procurement • Framework Agreements
4. Climate-affecting products (concrete and steel)	Planning Production	Increased cost: • Concrete • Steel	Technological development Other materials, e.g. wood, climate-improved concrete, and steel	Managing through participation: • Industry development • Research • Roadmaps
5. Increase in extreme weather	Land acquisition Planning Production Completed construction	Increased cost: • Climate shell • Regulation risk • Insurance • Water/waste • Municipal requirements	Robust climate shell that can withstand moisture and temperature Shortened production time due to milder winters	Managed according to: • Sustainability criteria transparency at acquisition • Robust products • Active product development • Structured production • Aftermarket
6. Elevated water levels	Land acquisition Planning Production	Increased cost: • Groundwater assurance	Choice of geographic and topographic location	Managed according to: • National Board of Housing's requirements • Municipal requirements (height above the water) • Technological requirements

Climate-related risks and opportunities

The Task Force on Climate-Related Financial Disclosures (TCFD) is a group appointed by the G20 countries' Financial Stability Board. The group has developed recommendations for harmonized and consistent climate reporting that promotes informed decisions among investors, lenders and insurers and creates a better understanding of climate-related risks in the financial sector. Companies have been reporting their impact on the climate for a long time, but TCFD focuses instead on how a change in the climate will affect companies.

Governance

JM has decided to follow the TCFD recommendations. The following work has been performed:

- Identified climate-related financial risks and opportunities in JM's residential development projects
- Integrated climate-related financial risks and opportunities in the company's other risk and opportunities
- Developed the sensitivity analysis to also include climate-related risks and opportunities, as presented in the table above

- Conducted overarching scenario analyses that are based on the analysis of JM's climate-related risks and opportunities above and the sensitivity analysis on the next page.

The Board of Directors is regularly updated on a general level about climate risks, and sustainability is part of the Board's strategy work. Climate-related matters are part of sustainability, which is represented in JM's decision-making models when relevant. Implementation in current decision-making forums occurs through mandatory control points in analyses and bases for decision-making. The management team is informed and handles sustainability matters via its Sustainability Council, within which a large part of Executive Management is represented. Climate risks and opportunities are one of the matters that are regularly handled by the Sustainability Council. The President and the Head of Sustainability are ultimately responsible for sustainability matters. Every property project takes steps to ensure that procedure descriptions and tools are used, for example, for managing climate risks.

SENSITIVITY ANALYSIS FOR VARIOUS COST CATEGORIES LINKED TO CLIMATE, PROJECT DEVELOPMENT FOR RESIDENTIAL UNITS

Category per climate area ¹⁾	2021			2020
	Est. share of cost, % ²⁾	Change, %	Est. effect, SEK m	Est. share of cost, %
Fuel	2	+/- 10	+/- 11	1
Energy	2	+/- 10	+/- 11	2
Materials	15	+/- 10	+/- 110	15
of which Concrete	2	+/- 10	+/- 11	2
of which Steel	4	+/- 10	+/- 32	4
of which Wood	2	+/- 10	+/- 11	2
Climate shell	6	+/- 10	+/- 42	7
Groundwater assurance	1	+/- 10	+/- 5	1

¹⁾ The categories Concrete, Steel and Wood are subsets of Material. Groundwater Protection is a subset of the category Climate Shell.

²⁾ Estimated share of cost base for project development of residential units in Sweden was SEK 7.1bn (8.2).

Fuel refers to costs for fuel used at the construction site and for transports. Energy refers to costs for purchased electricity, heating and cooling for the business. Material refers to costs for in-house purchases of building materials. Concrete, steel and wood refer to the costs for in-house purchases of building materials that contain concrete, steel and wood, and costs for building materials that contain concrete, steel and wood purchased via subcontracting. Climate shell refers to costs for materials and products used for roofs, exterior walls, facades and bottom slabs. Groundwater protection refers to material costs to protect buildings from groundwater intrusion.

Strategy

Additional work has been carried out for the climate areas that are judged to have the greatest impact on JM's business, where each climate area is linked to the different phases of project development: land acquisition, planning, production, and completion. Risks and opportunities and how such are managed are presented for each climate area in the table on page 39.

Risk management

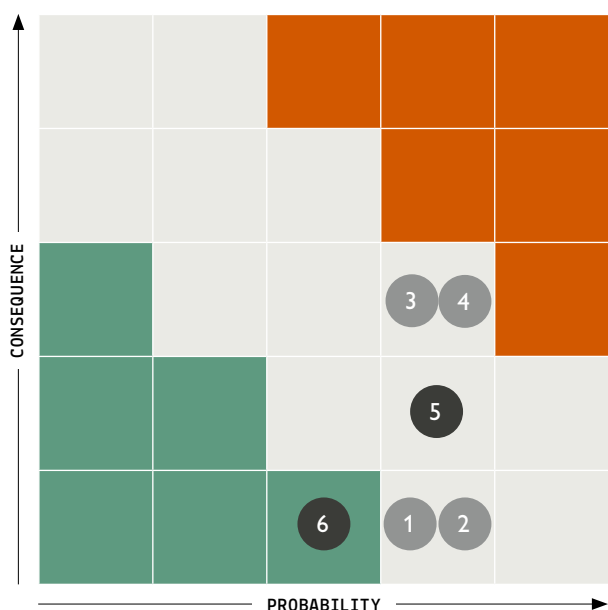
TCFD breaks down climate-related risk into two categories: transition risks and physical risks. Of the six climate areas that are judged to have the greatest impact on JM's business, four are classified as transition risks and two as physical risks. They are presented in the diagram below, where the sensitivity analysis constitutes part of the assessment basis. These risks have then been further assessed through a risk analysis that is presented in the diagram. The risks are described from a ten-year perspective based on SMHI's published impact analysis for Sweden, which is based on IPCC's (Intergovernmental Panel on Climate Change) scenarios for temperature increases (RCP 2.6–8.5). JM's impact from both transition risks and physical risks is judged to be moderate. Scenario analyses show that JM's operations face good conditions for an ongoing transition to adjust for changing climate effects, which is reflected in the diagram.

From a longer perspective, there are also opportunities via indirect influence of demographic relocation and growth.

Targets and metrics

To follow up on relevant climate-related risks and opportunities, JM has several targets and metrics. An example of a metric is the assessed cost impact that is specified in the sensitivity analysis for cost categories linked to climate. We are seeing a slight increase in the share of the cost for the Fuel category in the sensitivity analysis. To reduce these costs, continued focus on energy efficiency, shorter lead times, and resource efficiency is needed. For products such as concrete and steel, which have an impact on the climate, we are seeing that the transition costs are increasing due to the search for climate-neutral products that require major investments, such as fossil-free steel and CCS (Carbon Capture and Storage). JM is currently already using some reinforcements made from recycled steel and has also evaluated a more climate-friendly concrete in a number of its projects.

JM's climate-related targets, emissions and key figures are based on the Green House Gas Protocol and are reported in accordance with GRI Standards on pages 44 and 146.



Transition risks

- 1 Costs for fuel
- 2 Energy savings/consumption
- 3 Costs of raw materials and products
- 4 Climate-affecting products (concrete and steel)

Physical risks

- 5 Increase in extreme weather
- 6 Elevated water levels

- Transition risk
- Physical risk

The diagram depicts a model-based assessment of several dimensions that develop over time. The method rests on cost assumptions derived from the above sensitivity analysis using an estimated probability of climate-related effects and the cost for related measures.



Sustainability

Adopting a long-term approach has been a guiding principle for JM from the very start of the company in 1945. A clear strategic focus combined with a well-balanced building rights portfolio and a strong emphasis on sustainability issues lay the foundation for JM to create value in the future as well.

Sustainable and responsible urban planning

JM helps create well-functioning communities for the people of today and tomorrow — the buildings JM builds today will be used for at least 100 years. As a leading housing project developer, sustainability is our responsibility and our ambition.

For us, “sustainable urban planning” refers to financial, social and environmental accountability, which also encompasses the concept of Corporate Social Responsibility (CSR). We strive to strengthen our long-term, value-creating operations and their contributions to sustainable development. An important part is taking responsibility for the impact of our decisions and activities on society, people and the environment. JM’s clear strategic focus has given us a leading position on the market and good profitability. Sustainability work and consideration for the Precautionary Principle are central and integrated parts of our project development. JM’s Sustainability Report has been prepared in accordance with the GRI Standards at the core level. For more information, see pages 141–147.

Our ambition

JM’s sustainability work is based on not only our business idea and vision, where sustainability plays a central role, but also our values, including sustainability, staff and work environment policies, codes of conduct and ethical guidelines. These describe the commitments and the ambitions of the Group when it comes to sustainability. JM has conducted a materiality analysis to identify its material sustainability aspects — the areas that are considered to be the most important for JM’s long-term value creation and in which JM strives to always improve. In order to make an improvement in our operations, we have prepared for each sustainability aspect long-term goals for 2030, which are in line with both the UN’s sustainable development goals and more short-term operational goals. The work to achieve the goals for each aspect is managed by appointed administrators within the organization through systematic and scheduled work.

Organization

JM has two forums that are responsible for the Group’s sustainability work. The Quality and Environmental Council is responsible for the overall governance of the operations, and the Sustainability Council is responsible for coordination of the work to achieve the sustainability targets. The members of the Quality and Environmental Council consist of the managers of the business units and regions, and large parts of Executive Management participate in the Sustainability Council. The CEO and the Head of Sustainability are members of both forums. The Head of Sustainability is responsible for the Sustainability Department, which proposes targets, provides support, and coordinates and drives the development of the sustainability work in the Group. The sustainability work is distributed between different roles in the building projects and supported by regional quality and environmental coordinators.

Governance and follow-up

Sustainability work is governed in the same manner as the rest of the Group’s operations, i.e. through the Operations System — JM’s management system. This system steers both procedures and product design to secure long-term value creation for customers, owners, employees and society. The Operations System covers the entire development process, from property transactions, project management, project design, purchasing, production management, sales and the customer’s interior design choices to management and warranty and liability periods. Our governance and the improvements we implement in the area of sustainability thus have a direct impact on the entire operations. Governance is then followed up and evaluated on a regular basis through our indicators and key financial figures as well as the internal audit.

Stakeholder engagement

It is very important for JM to maintain an open dialogue with its stakeholders. The operations’ most important stakeholders have been identified through our materiality analysis and are updated on a regular basis. The stakeholder groups that we have identified are both the most important for us and the most affected by our operations. Through ongoing stakeholder dialogues with these groups, we capture their expectations and wishes, which then serve as a basis for our internal improvement work. For more information about our materiality analysis and stakeholder dialogue, see pages 141–142.



AMONG OTHER THINGS, IN 2021 WE:

- Received Swan Ecolabel certification for 30 projects in all countries within the JM Group
- Conducted several pilot projects with climate-reduced concrete, both 10 percent climate improvement and 25 percent climate improvement
- Expanded the operations of the Logistics Center with fully renewable fuel for vehicles, which streamlines the transport flows to and from the construction sites
- Developed and implemented a digital system for forecasting waste volumes for each project in Sweden and Norway
- Increased share of charging stations for electrical vehicles to 30 percent in our projects.
- Developed a tool to evaluate the compliance of projects with the EU Taxonomy Regulation
- Conducted several pilot tests with fossil-free building sites and the evaluation of electrical machines
- Performed climate calculations for several projects in different calculation tools in order to evaluate the tools and methods for climate calculations in all JM construction projects
- Introduced new guidelines for JM's company cars that require electrical or hybrid vehicles
- Created a new introduction training course on sustainability as part of the "New at JM Days"
- Conducted pilot projects with pre-cut plasterboard to reduce waste volumes
- Continued successful apprenticeship program for women
- Held JM Safety Week with a focus on safety culture.

Cooperation and transparency

An important part of JM's work revolves around cooperation, achieving together with other organizations a greater change in society in line with No. 17 of the UN Sustainable Development Goals: revitalizing the global partnership for sustainable development. We therefore actively participate in several different initiatives, both within and outside of the construction sector, to drive development toward greater sustainability. JM has signed the UN's Global Compact initiative, thus taking a clear stance on issues related to human rights, labor law, accountability for the environment and anti-corruption. JM continually monitors these issues as a means of ensuring that nothing in its operations is in conflict with the UN's initiative. JM also has a Code of Conduct and a process for sustainable supplier chains to guarantee that our suppliers and subcontractors do not operate in conflict with Global Compact, the OECD's guidelines for multinational enterprises, or the UN's principles on human rights.

We are striving to reduce our climate-affecting emissions and to have an environmental footprint close to zero by 2030. For us this means fossil fuel phase-out, energy efficiency measures, prioritization of building materials that are better for the climate, and 85 percent lower climate-affecting emissions compared to 2010 for the emissions over which we have direct control. JM's calculation and reporting of emissions from its operations that have an impact on the climate are based on the Green House Gas Protocol.












Credit rating agencies and fund management companies actively monitor JM's progress within sustainable development. For example, JM is listed on the OMX GES Sustainability Sweden Index and the Ethibel Sustainability Index (ESI) Excellence Europe.

JM report information about our environment and sustainability work to several external rating agencies, including Sustainable Shareholder Value, Sustainable Companies, and the Carbon Disclosure Project. In 2021, JM was ranked #4 in the Sustainable Companies ranking by Dagens Industri, Aktuell Hållbarhet and Lund University in the category Consumption Goods. JM was also listed in 2021 among the 300 most sustainable companies globally by Financial Times.

Sustainability issues are sometimes inherent in the industry, and this work therefore requires broad cooperation between companies in order to be successful. Some examples of organizations in which JM is involved include:

- **The Haga Initiative**, a network in which JM is one of the initiators. The aim is to reduce greenhouse gas emissions from the business world, highlight the climate as one of the most important issues to address for the future and serve as a role model for companies that adopt a proactive approach to climate change
- **Fossil-free Sweden**, a platform for a dialogue between companies, municipalities and other actors who would like to remove fossil fuels from Sweden by producing industry-specific routes
- **BASTA**, the construction sector's shared system for phasing out hazardous substances simplifying product selection.
- **Mentor Sverige**, a non-profit organization that works with mentors for youth
- **Red Cross**, the world's leading disaster relief organization. When JM closes its showrooms, the Red Cross takes over the interior.
- **Nätverket Renare Mark**, a forum to promote the development within the remediation of pollutants in the ground and water
- **Hållbart Stockholm 2030 (HS30)** — a sustainability forum for the transparent exchange of knowledge and contribution to members' concrete efforts to achieve Agenda 2030 and the global goals
- **Uppsala Klimatprotokoll**, Local climate agreement and network for firms and organizations in Uppsala LFM30, Local roadmap Malmö 2030
- **Elektrifieringspakten i Stockholm**, a cooperation to speed up the transition to electrical vehicles in the Stockholm region.
- **Lokal Färdplan Malmö 2030 (LFM30)**, a local initiative to speed up the climate transition and implementation of Agenda 2030 by the construction and engineering sector.

JM's Group-wide sustainability aspects and targets

Target area	Social contributions	Long-term target 2030	Operational goal	Results		
				2021	2020	2019
Long-term growth  	Pursue long-term, responsible and stable housing development Contributes to the UN SDGs: No. 8: Decent work and economic growth No. 17: Partnerships for the goals	JM has long-term and ethically sound financial growth that contributes to the improved welfare of society	The operating margin should amount to least 12 % including gains/losses from property sales Long-term growth in the number of housing starts ¹⁾ JM's building rights portfolio has at least five years of production	15.2 % 4.5 % 5.0	13.2 % N/A 6.4	12.8 % N/A 6.5
Customers  	No. 11: Sustainable cities and communities No. 12: Responsible consumption and production	JM has the industry's most satisfied residential customers	Industry's most satisfied customers according to CSI Occupancy: Sweden (S), Norway (N) ²⁾ CSI Long-term: Sweden (S), Norway (N) ²⁾	78/- (S) ³⁾ 75/- (N) ³⁾ 65 (S) 71 (N)	78/3 (S) 79/1 (N) 68 (S) 66 (N)	76/3 (S) 72/- (N) ³⁾ 69 (S) 71 (N)
Suppliers 	Works to strengthen labor law, human rights, anti-corruption efforts and environment responsibility in society Contributes to the UN SDGs: No. 8: Decent work conditions and economic growth	JM promotes social responsibility in its operations and supply chain	Conduct at least four sustainability audits at our construction sites and in the supplier chain ⁴⁾	3	2	4
Employees   	Develop a workplace with a good and safe work environment Contributes to the UN SDGs: No. 3: Good health and well-being Develop a workplace that offers diversity and equal opportunity Contributes to the UN SDGs: No. 5: Gender equality No. 10: Reduced inequalities	JM has the industry's best work environment and no workplace accidents JM works towards an even gender distribution and diversity among its employees	No serious ⁵⁾ (according to the definition by the national work environment authority) accidents with either own staff or subcontractors Even gender distribution among salaried employees (at least 40/60 women/men) in 2030 20 % female wage-earners by 2030	7 39/61 6.8 %	3 38/62 7.1 %	 37/63 5.2 %
Environment   	Contribute to greater resource efficiency and reduced environmental impact in society Contributes to the UN SDGs: No. 12: Responsible consumption and production Contribute to a society with a small impact on the climate Contributes to the UN SDGs: No. 7: Affordable and clean energy No. 13: Climate action	Total amount of construction waste reduced to 15 kg/GFA by 2030 JM has an efficient and largely circular flow of materials Greenhouse gas emissions close to zero JM's operations have climate-affecting emissions close to zero	Total amount of construction waste reduced to 25 kg/GFA by 2023 Increased percentage of construction waste that is sorted into fractions for recycling to 80 % by 2023 ⁶⁾ Reduction in greenhouse gas emissions from JM's own operations by 20 % in 2023 compared to 2019 ⁷⁾ Calculated energy need for residential units is 10 % lower than the applicable norm in Sweden and Finland and 25 % lower than the norm in Norway.	36 (S) 28 (N) 40 (F) 69 % (S) 87 % (N) 77 % (F) -3 % 23 % (S) 34 % (N) 18 % (F)	35 (S) 28 (N) 65 % (S) 89 % (N) -1 % 27 % (S) 36 % (N)	34 (S) 33 (N) 59 % (S) 79 % (N) 30 % (S) 28 % (N)

In addition to the above Group targets, there are sub-targets and other detailed targets related to productivity, innovation, quality and processes for internal control

¹⁾ Growth is calculated per year from the baseline of 3,800 housing starts in 2020.

²⁾ Customer Satisfaction Index (CSI). The survey is conducted by Prognoscentret, an independent market analysis company that focuses on the construction industry in the Nordic region. Industry comparisons are not available for Finland.

³⁾ CSI Occupancy, did not place in top three.

⁴⁾ In 2020 and 2021, due to the coronavirus pandemic, it was not possible to conduct sustainability audits to the same extent as before.

⁵⁾ A serious occupational accident is an accident where one or several people are injured at the workplace. Examples of serious occupational accidents:

- injuries that cause a fracture to a bone in the body
- injuries that cause severe bleeding or severe damage to nerves, muscles or ligaments
- injuries to internal organs.

⁶⁾ See page 47 for initiatives related to reduced waste volume.

⁷⁾ The target is measured in tons of CO₂e per produced residential unit.

Environmental work

As a project developer of housing, we face both considerable possibilities and great responsibility for influencing our operations and products to minimize environmental impact.

Climate

JM's climate target is for the company to have an impact on the climate that is close to zero by 2030. The target includes emissions from the use of fossil fuels, transports of people, purchased energy, transports of building material, fuel for construction machinery, energy consumption of our residential units in their first two years, and emissions from the manufacture of the building materials that we can influence.

Energy consumption in the operations

JM works proactively to reduce energy consumption throughout the entire operations. For example, all construction sites have energy-efficient sheds and low-energy lighting with daylight and motion detectors. We have also opted to purchase Good Environmental Choice electricity for our entire Swedish operations. We work continuously to introduce measures identified in our energy mapping, which has been conducted in accordance with the Energy Mapping in Large Companies Act (2014:266). This mapping includes energy use in buildings, the operations and transports over which the company exercises control.

Transports and construction machinery

Transports of materials, transports of people, and construction machinery are responsible for considerable emissions of substances that impact health, the climate and the environment. JM procures the majority of its material transports and work requiring heavy machinery from suppliers. We are developing the logistics procedures together with these suppliers. JM also has projects underway to increase the opportunities to take control over deliveries to and from our construction sites. As part of this work, we started a logistics center.

JM applies the Swedish Transport Administration's and the major Swedish cities' (the so-called Order Group's) joint environmental requirements on construction, including the following:

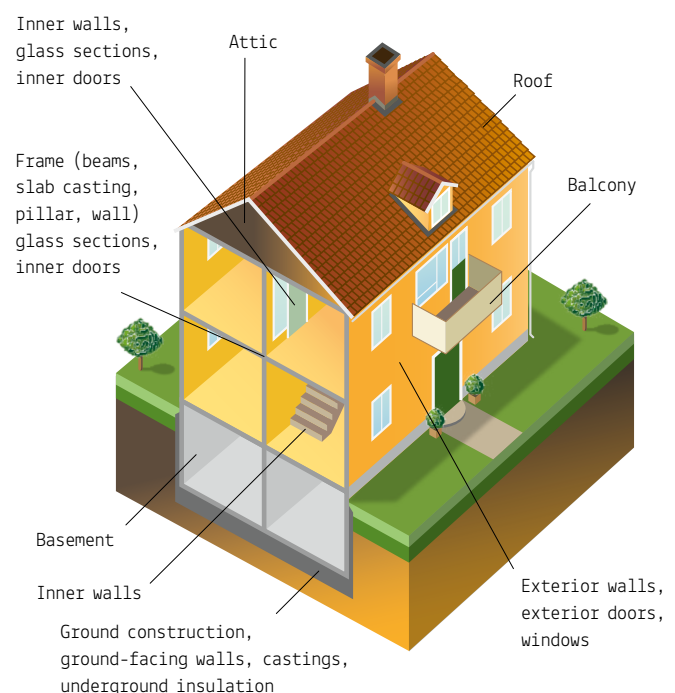
- Requirement of at least 20 percent renewable fuels in addition to the Reduction Obligation Act
- Requirements on age, Euro class and the maximum greenhouse gas emissions from vehicles
- Requirement on reporting of fuel consumption.

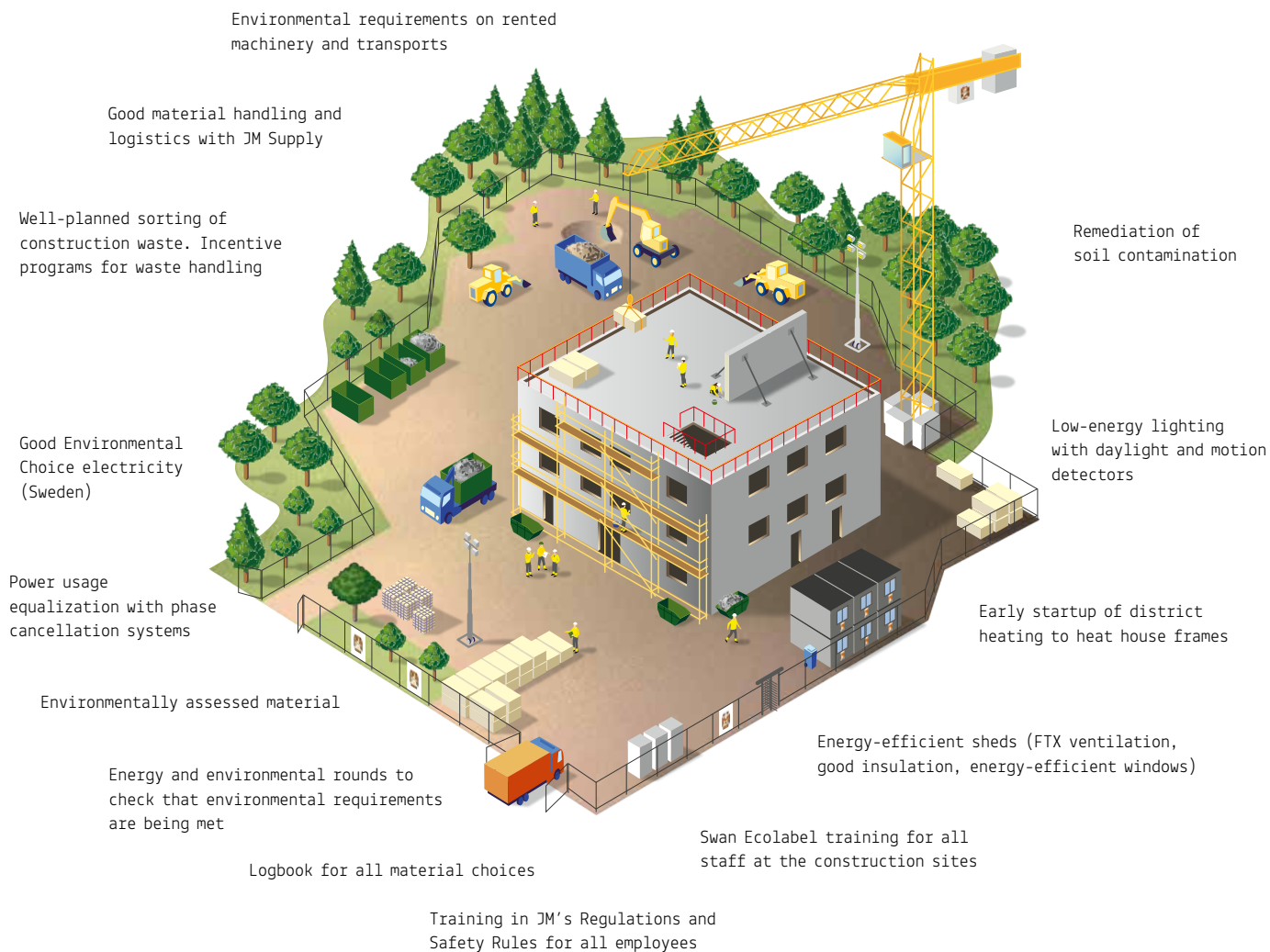
In addition, we have guidelines for business travel that prioritize rail travel over air travel (and we climate-compensate via Plan Vivo for any air travel we still do). In our guidelines for company cars, we make environmental performance a top priority and only approve electrical or hybrid cars.

Climate declaration for buildings

During the year, the construction industry has focused on preparing for the pending Climate Declaration for Buildings Act that enters into force on 1 January 2022. Under the act, a climate declaration must be prepared when constructing new buildings that apply for building permission after 1 January 2022. The climate declaration includes the climate impact from the entire construction phase, which includes emissions from material production, transports, and the construction site. The building elements included in the climate declaration are the building's climate screen, structural components, and interior walls. The calculated climate impact will be stated in the climate declaration as kilogram CO₂e per square meter, GFA. During the year, the National Board of Housing also published a handbook for climate declarations.

JM is preparing for the new legislation by developing climate calculations for a number of residential development projects and evaluating the calculation tools available on the market. The goal is to be able to automate the calculation process and set internal thresholds for the climate impact of JM's projects that includes even the parts of the construction that are not subject to the climate





declaration requirement. The National Board of Housing has a preliminary plan to introduce thresholds in 2027, but it is investigating if it can introduce the thresholds earlier.

Hazardous substances, handling and choice of materials

Choice of materials

Having a non-toxic environment is one of Sweden's national environmental goals. It is also one of the UN's global targets for sustainable development, Agenda 2030. Combating the use of substances that are hazardous for the environment and people's health is part of JM's sustainability policy.

JM has had procedures in place for a long time for the environmental assessment of building material to check that the materials we use do not contain hazardous substances or in any other way unnecessarily burden the environment. This creates a healthy indoor environment for our customers and a better work environment for our employees building the residential units. This also reduces the risk that harmful substances are spread in nature. When there is not enough information about a material's characteristics, we employ a precautionary approach and do not use

the material. JM's requirements on environmental assessment are adapted to the market's leading systems — BASTA, Byggarbete-dömningen och Sunda Hus. The Swan Ecolabel certification entails additional requirements on material choices and logbook registration. Registering the materials that are used for each part of the product creates traceability in the event materials would need to be changed in the future.

Moisture protection

All pre-construction and installation work in JM's residential units complies with requirements under the industry rules "Safe water installation". The industry rules also apply to installed heating systems. JM works with methods during planning and production that avoid humidity in the building to prevent moisture and water damage. We use moisture-tolerant and mold-resistant gypsum wall-board for both wet areas and exterior wall constructions. Stringent requirements are also placed on vapor barriers for bathroom walls in accordance with current construction regulations.

Contaminated land, water and buildings

In the metropolitan areas, the land used to build housing often consists of former industrial sites that today have been developed into areas where a lot of people want to live. There were many toxic chemicals on the market 60–100 years ago but little knowledge about their impact on our health or nature. The authorities' focus on these matters has increased sharply in recent years, which means increasingly stricter requirements on investigations, risk assessments, assessments of implemented measures, water rulings, controls and reporting. JM's competence in land remediation ensures compliance with applicable environment requirements to be able to offer attractive and safe residential environments — which benefits both JM's customers and society as a whole.

Resource efficiency

Construction waste

JM will reduce its construction waste to less than 15 kg/m² GFA no later than 2030, which would be a reduction of approximately half compared to today's level. Since 2016, we have worked on the investigation and implementation of around 165 prioritized measures with the aim of decreasing the amount of building waste. This work engages JM's entire organization and is being carried out in cooperation with our suppliers and waste contractors. The project has now entered into a new phase with a focus on change management. The goal is to create a positive culture around resource efficiency, waste and sorting within all areas of the Group and to increase the involvement of the project's earlier phases in the work.

Examples of measures to reduce construction waste include:

- Reuse agreements for products and construction material
- Improved procedures for pallet management at construction sites, for example improved pallet return management
- Participation in industry collaborations to find efficient return systems for more load carriers, for example brick pallets and plaster inserts
- Expansion of the waste organization with national waste boards to share experiences and raise competence within the organization.

JM should also increase the percentage of construction waste sorted into recycling fractions to 80 percent. To achieve this goal, JM is working on:

- Preparation of Group-wide procedures for sorting at JM's worksites. National adaptations are implemented based on Sveriges Byggindustrier's resource and waste guidelines for construction and demolition in Sweden and in consultation with JM's partners in construction waste handling in Norway and Finland
- A recently developed follow-up and forecast tool for production
- Development of training modules for the construction projects' waste coordinators
- Incentive programs for our projects
- Waste as a parameter to be evaluated for the possibility of receiving variable pay.

EU Taxonomy

The EU's Taxonomy Regulation aims to define economic activities that are sustainable as part of the efforts to work toward the established environmental objectives within the EU:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

In order for an activity to be classified as sustainable, it needs to significantly contribute to at least one of the six identified environmental objectives, not significantly harm any of the other objectives, and comply with minimum safeguards in accordance with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.

JM's operations fall largely under the activity Construction of New Buildings (7.1 in the EU Taxonomy Regulation). During the year, JM developed a tool to evaluate and classify its projects for the 2022 annual report, in which the portion of the operations that comply with the taxonomy's requirements (aligned) are to be reported.

Reporting procedures were also developed during the year for the portion of the operations that are subject to the EU Taxonomy Regulation (eligible) and are presented in the following table. For more information on JM's sustainability work, see pages 42–49.

The following table is based on reporting in accordance with IFRS.

Information on net sales (see the row Revenue) is found in the Group's income statement according to IFRS on page 88, and the year's CAPEX (from the balance sheet items Rights-of-use offices and cars and Machinery and equipment) are found in the Group's balance sheet according to IFRS on page 89 and in Notes 12 and 13 on page 104. For a definition of net sales, CAPEX and OPEX, see page 80.

IFRS	Total (SEK m)	Portion of eligible activities (%) ¹⁾	Portion non-eligible activities (%) ²⁾
Net sales	15,650	92	8
CAPEX ³⁾	38	0	100
OPEX ³⁾	304	0	100

¹⁾ Refers to new production of residential units in JM Residential Stockholm, JM Residential Sweden, JM International and in JM Property Development.

²⁾ Refers to JM Construction (civil engineering activities) and JM Property Development (rental income) and JM@home since these activities are not subject to the EU Taxonomy Regulation (2020/852).

³⁾ JM's business model is to own, develop and sell its assets over a short period of time. Most of the assets are thus reported as current assets, for example rights-of-use leasehold rights and project and development properties, and thereby do not meet the definitions in CAPEX or the operating expense for it (OPEX). The OPEX stated in the table is so small that JM uses the materiality exception for the distribution of what constitutes eligible activities. OPEX refers to expenses for short-term leasing, for example sheds, which are not reported as a fixed asset.

Swan Ecolabel residential units

Living in a Swan Ecolabel building

JM has always worked with sustainable construction. All residential units that entered the pre-construction phase as of 2018 will be certified in accordance with the Nordic Swan Ecolabel. This makes us the first Nordic construction company to certify its entire production of residential units according to the Swan Ecolabel. The idea is that the efforts the Group has made over a period of years to create a healthy indoor environment and sustainable development should be more visible for housing customers. Certifying JM's buildings in accordance with Swan Ecolabel means that the Swan Ecolabel's organizations in Sweden, Norway and Finland review and verify that JM meets very strict environmental requirements. Since JM has applied a methodological approach to its environmental work since the beginning of the 1990s, previous residential units have basically the same environmental and energy performance. That we meet all of the requirements for the Swan Ecolabel certification is good for the environment, the climate and, in particular, the people moving into our residential units. But what does the Swan Ecolabel mean for people living in a JM building?

“The Swan Ecolabel certification is very important for us at JM. It provides proof that our residential units meet high quality standards and sustainability performance and is a natural step in our efforts to be the market leader in sustainable housing.”

JOHAN SKOGLUND, PRESIDENT AND CEO

Healthy indoor environment

In the Nordic regions, we spend approximately 90 percent of our time indoors. A large part of the Swan Ecolabel certification focuses on creating a healthy indoor environment. This means that the buildings are built from robust and healthy construction materials. Building panels, parquet flooring, insulation, paint, glue and adhesives do not contain substances that are harmful to the environment and health. In addition, the Swan Ecolabel requires JM's constructions to be moisture proof with a minimal risk of mold and the buildings to have good and function-tested ventilation.



Bicycle storage and bicycle parking

Buildings, entrances, and courtyards designed to promote social interaction

Environmental room with packaging collection

Green courtyards

Living sustainably

We want to make it easy to live a sustainable life in our buildings. This is why all our residential units are equipped for sorting. Apartment buildings also have an environmental room for recycling additional types of material, light bulbs, electronics and batteries. Parking areas are prepped for the installation of charging stations for electric cars. Thirty percent of parking spots as of 2021 will have a charging station already at occupancy. Bicycling parking is placed under a roof.

Sustainable forestry

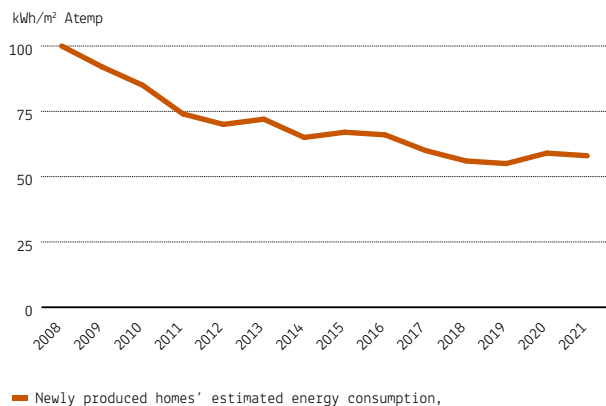
The wood in our Swan Ecolabel buildings comes from sustainable forestry, and a number of endangered tree species are forbidden. We do not allow wood that has been impregnated with fungicidal agents and germicides.



Low energy consumption

Since 2008, JM has built buildings that consume much less energy than the requirements set out in each country's building regulations. Our Swan Ecolabel buildings are naturally also energy-efficient, which decreases both the operating costs and the environmental footprint. The residential units are fitted with energy-efficient appliances and low flow faucets and shower heads. The lighting in the common areas is need-based to save electricity.

NEWLY PRODUCED HOMES' ESTIMATED ENERGY CONSUMPTION FOR JM IN SWEDEN



JM uses a standardized method to calculate the energy use of newly produced homes, which enables a comparison over time. The diagram shows the average from housing projects completed each year. The calculated energy use has been reduced by around 40 percent since 2008.

Creating engagement and developing sustainable skills

Engaged and competent employees are crucial for our success. Together we are building the societies of the future.

Far from all have the benefit of contributing something concrete with their work that will last for decades. At JM, we are working together in various ways to develop residential units and communities for coming generations. Our employees are part of the creation of buildings and landmarks that provide a roof for both homes and businesses. They are writing history.

Engaged and competent employees are crucial for our success. At JM, we want to create conditions for our employees to feel proud about what they contribute at work. We do this by taking a long-term approach to everything we do. In our work to develop and build sustainable homes and thriving neighborhoods, there are plenty of development possibilities and exciting assignments.

The year in retrospect

The beginning of 2021 continued to be influenced by COVID-19. The focus then was on reducing the risk of contagion and minimizing a potential negative impact on the business. To maintain a high level of engagement, well-being and performance among JM employees, we carried out a number of activities during the spring, including JM GO, which aimed to promote physical activity and strengthen the sense of cohesion between Swedish, Norwegian and Finnish employees. During the fall, we returned to the office and more normal routines at our construction sites. Employees enjoyed reuniting in person, and the return was celebrated in different ways within the business.

The digital development and change in behavior during the pandemic brought to the forefront the issue of flexibility in our working lives. At JM, we understand that flexibility will be an important feature of attractive employers in the future. Therefore, we are working continuously with this matter to see what it means for our employees in order to find an offer that both meets their needs and works for the business.

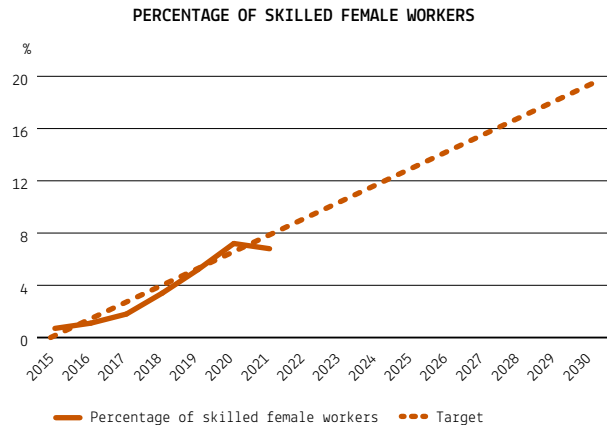
It is important that JM be perceived as an attractive employer to ensure a long-term supply of skills and successfully deliver on the company's ambitious business strategy. During the year, we have worked to identify how we could attract and keep the most engaged and competent employees. To do this, we need to offer the best employee experience in the industry, involved leadership, constant learning, and modern digital processes. But we also must offer an inclusive, flexible and safe work environment.

EMPLOYEE STRUCTURE — GROUP

	2021	2020	2019
Number of employees as of Dec. 31	2,453	2,530	2,559
– number of salaried employees	1,569	1,564	1,563
– number of wage-earners	884	966	996
Average age, salaried employees	43	43	43
Average age, wage-earners	41	40	40
Percentage of women among salaried employees, %	39	38	37
Percentage of women among wage-earners, %	6.8	7.1	5.2

AVERAGE NUMBER OF EMPLOYEES PER COUNTRY

	2021	2020	2019
Sweden	1,928	2,057	2,053
Norway	387	417	449
Finland	146	126	96
Total	2,461	2,600	2,598



Employeeship key for success

Fundamental values and engaged employeeship are key for our continued success. Therefore, JM's employeeship rests on our joint values, our code of conduct and our employee skills. Together, they form the foundation for employeeship by clarifying the approach and behavior that create good company culture while also providing guidance in important questions.

Our employeeship is a significant part of the introduction for new employees and is woven into the skills development of existing employees. Employees' commitment and well-being are followed up annually through our employee survey.

“The atmosphere is positive and encouraging”

Through Startskottet, students build a network and at the same time gain an understanding of the industry and how the building process works in practice.

Linnea Arrhenius is in her second year of JM's student program Startskottet. She combines the program with her studies at Chalmers and is involved in the construction of Kronjuvelen and Guldkornet at Eriksberg, Gothenburg among other projects.

“Startskottet is worth every minute and helps me in both my studies and my choice of career. I have gained a completely different understanding of the industry, and I am getting a lot back from this experience,” says Linnea.

How is the program set up?

“I have worked at JM for the past two summers, we meet during the spring and fall, and I will write my master's thesis here. I have now chosen to work at JM approximately one day a week, and this is a good complement to my ongoing studies; I get to go out and see what it is like in real life. This also means that I always have someone to turn to at the company for the various subjects I am studying.”

What is it like being operational?

“I really enjoy being in production, and I am thankful that I have an opportunity to learn from all the skilled workers, foremen and site managers. The sense of community is wonderful. Thanks to my background as a handball player, I am used to being part of a team, and production has the same feel. The atmosphere is positive and encouraging.”



What is important for you in your choice of employer?

“That the company has a vision for the future and is open to change. JM is innovative, has a defined method for building, and is good at developing concepts to make this method more efficient.”

How do you see the future?

“I like the problem solving that is needed in production, and I want to grow into the role of a foreman.”

About Linnea Arrhenius

Education: Studying for a master's in civil engineering at Chalmers University of Technology

Active right

now in: JM's student program Startskottet

Background: Played handball at elite level in Sweden and Norway

Dream home: I will build it myself, although what it will look like has yet to be determined.

Attracting the employees of tomorrow

Engaged and competent employees are crucial for our success. Surveys show that mobility on the labor market will be higher in coming years both as a result of the pandemic and due to other factors. The work to attract the right skills in the long run is therefore more important than ever. A central component of this is our collaboration with high schools, professional schools, colleges and universities. For students at colleges and universities, we offer in part our student program Startskottet and our trainee program.

We are pleased to note that there is increasing interest in both programs, and the number of applications has never been so high. We are also proud that we have many ambassadors at JM among both existing employees and those who stop working for us to take on new challenges outside of the company. The fact that many return is evidence of this and that the long-term relationship we are building with our employees is generating results.

INTERVIEW WITH GRETA PIERRE

“Being part of Startskottet was like a great preparation”



Greta Pierre went directly from the student program Startskottet to the role of measurement engineer at Kvarnholmen.

Greta Pierre started in JM’s student program Startskottet in 2019, through which she participated in a number of meetings and completed two summer internships. In June she was hired as a measurement engineer. She is now responsible for measuring and handling drawings with another measurement engineer at the building project Kvarnholmen in Stockholm, which consists of around 200 newly produced tenant-owned apartments.

“There is a lot of responsibility attached to making sure everything is right in the drawings. I work a lot with a total station, which is like a computer for measurement technology out on the construction site to achieve precise dimensions,” says Greta.



“There is a big difference between real life and studying. I wanted to do my internship early and start in production since this mix would make you good, fast.”

What has your participation in the student program Startskottet meant for you?

“Being part of Startskottet was great preparation. It was beneficial to participate in the student program during the time that I was studying; I wasn’t just studying, but working hands-on in the summers. And it was fun to meet people my age who were like me: driven and eager to get out and work in production. It’s also easier to get a job if you’ve had an internship while studying. When I started as a measurement engineer, I already had a basic understanding of how JM builds and what its strategies are.”

Why did you choose JM?

“It’s a big company, and we build a lot of homes. There is a Lean-approach here to streamline the building process that is strongly linked to logistics: how to shorten lead times and have as satisfied customers as possible. This could change the industry. Not all construction companies use this method, and it is really fun that JM does.”

How do you see the future?

“I want to become an even better measurement engineer, and with this as my foundation shift over to working as a foreman. I have studied construction management and planning of construction projects, and I think that leadership is fun.”

About Greta Pierre

Currently working as: Measurement engineer on the Kvarnholmen building project in south Stockholm
 Education: Construction engineer in construction engineering and design, KTH Royal Institute of Technology
 Dream home: Either a 1920s building or a new production.

INTERVIEW WITH MIKAEL CHRISTERSSON

“Talk to your managers and be clear about what you want”



Mikael Christersson is one of many who, after spending time at other companies, decided to come back to JM. Structure, values and a friendly atmosphere contributed to his decision to return.

After studying civil engineering at KTH Royal Institute of Technology, he became a foreman at JM. This was in 2000, and the following year he joined JM's trainee program. A few years later, Mikael chose to leave JM, and then he returned as a pre-construction manager between 2006 and 2017. After another stint at another construction company, he is currently the head of pre-construction at Region Stockholm North.

“I've been shaped by JM from the start. I was looking for a friendly, value-based company with soft values and a pleasant atmosphere. And it turned out that JM was exactly what I was looking for,” he says.

What made you decide to leave JM?

“I felt that my salary had plateaued, so I applied for a job as a foreman at another company. But I was only there a short while; I basically was only involved in one project.”

How did you maintain contact with JM while you were away?

“I kept in touch with the site manager I had at JM. After a while, Regional Manager Magnus Berg called and asked basically, “What do you want to do?” I was curious about pre-construction because it is both creative and challenging while also very educational. This was in 2006, and I was hired as a pre-construction manager.”

Why did you change again, and what brought you back to JM?

“A recruiter for another construction company offered the possibility of building a pre-construction department from scratch with its own designers. I believe in having designers and pre-construction managers under the same roof. Those three years were fun and informative, but all the hard work unfortunately gave me stress-related symptoms. I sought out JM again since it has a more developed organization and structure. I was hired as a project manager at Region Stockholm North, and after seven months I became the head of pre-construction.”

What do you see in the future?

“I feel loyal to JM and do not have any plans to leave again. I have been at JM almost my entire adult life, and it has become like family. JM does a lot of things very well, but others do also, and I do not regret trying out other companies. Now that I am back, I have brought new perspectives.”

What is your top tip for someone looking to change their job or career?

“Talk to your managers. Be clear about what you want. And dare to ask what possibilities are available.”



Involved leadership

Clear and involved leadership creates condition among our employees for high engagement, well-being and performance, which in turn has a direct impact on our bottom line.

Our framework for leadership, Involved Leadership, describes the leadership behavior that characterizes a successful leader at JM.

To equip our managers and leaders with the right tools and training, we offer a leadership program, freestanding leadership courses and coaching.

INVOLVED LEADERSHIP IN PRACTICE

“The entire workplace works inclusively and as a team”

JM's focus on a structured way of working and a leadership that involves the entire work group is spreading through the organization.

Henrik Jonsson is the coordinating leader coach and mentor in Involved Leadership in Practice, a training program that targets leaders and managers in JM's production organization. Josefin Lybeck started at JM in the fall of 2020 and is actively applying this method of working.

“The entire workplace works inclusively and as a team,” says Josefin.

Why is JM pursuing this initiative?

“The aim of the program is to increase participation and engagement among employees and contractors. We are developing leaders and managers to create greater security, greater motivation, and a sustainable working life for the entire work group. This leads to greater control over the work environment, quality, time and cost, from which we are seeing many positive results,” says Henrik.

What effects can you see in your role as a leader coach?

“Involved Leadership in Practice is based on a structure and leadership behavior that creates security and promotes cooperation and the development of independence among leaders and employees. Members of the work group are involved and take ownership for what they are doing, and they support one another to a greater extent,” says Henrik.

What was it like to start working at JM as part of Involved Leadership in Practice?

“As a new employee, it helps that there is a structure for how you build up your work. Henrik's support and ideas about leadership have helped me in my development,” says Josefin.

Give us an example of a tool you use from Involved Leadership in Practice!

“We use a weekly structure where we set aside time for the skilled workers on rounds, for cooperation, and for our own administration. This means, in part, that the skilled workers know when we are coming and save their questions until then.

I have also undergone training in leadership behavior and filmed several of my morning meetings,” says Josefin.

What is the benefit for the organization?

“Involved leaders spread their commitment to the entire work group. The skilled workers are experts in the different steps and know best how to solve problems that arise, and their knowledge and ideas are why the work is as good as possible at the end. With involved leadership, we have tools to promote this, and we become better at listening, giving feedback, and getting them involved,” says Josefin.

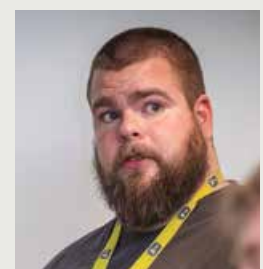
What response have you gotten from employees?

“Josefin's own skilled workers tell me and others that she is the best foreman they have had and that she is involved and driven,” says Henrik.

“I think that is largely because we involve them in the steps that are being carried out, listen to them, and make sure we reconnect on their questions,” says Josefin.

Involved Leadership in Practice

The training program for leaders in production is held in collaboration with Simon Elvnäs, who is one of the leading researchers in leadership. For ten weeks, leaders reflect on their leadership and create conditions and tools to work proactively and planned.



Constant learning

The starting point for learning and skills development at JM is that it should benefit the business based on the needs of the organization and the individual. A high rate of change and development in society and at JM demands that the organization and our employees continuously learn and develop.

It is strategically important that we secure over time skills for the entire project development process. We strive for a learning culture where constant learning is a natural part of our employees'

daily routines. For us, this means that we integrate learning into our work, we learn from our experiences, and we share knowledge with one another. Employees at JM, together with their immediate manager, take responsible for constant learning and development, thereby creating conditions for long-term performance. We also offer formal learning in the form of training courses, leader development programs, workshops, and other forms of learning activities that have a focus and goal of transferring lessons—turning new knowledge, behavior and abilities into practice.

LEARNING 2.0 WITH SARA RYDBERG

“We want to integrate learning into daily routines”

JM is transitioning to a learning organization where learning is linked to daily routines, extended over time, and leaders and employees share knowledge and experiences with one another.

Sara Rydberg, Head of Learning and Development, leads the work to identify strategies and goals for learning at JM.

“The high rate of development and change in society requires smarter learning. We also see that learning and development are important for being able to keep our employees and attract new ones,” she says, and continues,

“This is why we want to integrate learning into the daily routine: to learn from experiences and share knowledge with one another. And preferably do so in a social and enjoyable way. This means that people will develop both collectively and individually.”

Sara and her colleagues use the term “Just in Time” — that learning becomes more available in the organization where the employees are and when they need it.

“One example is adding a QR code to assembly instructions with a link to a short video that shows how we perform a certain step. Or it can be an employee who shares their experiences with colleagues,” she says.

Due to the pandemic, digital learning increased at JM.

“We didn't cancel; we adjusted. It's easy for a course to be one event and that's it. After we digitalized a lot of the learning, we might extend a course to three occasions. This means that you can go to a virtual half-day course and work the other half of the day,” says Sara. She continues,

“Something that might have been hard to get to before takes place, which makes the learning a little more democratic. At our digital introduction days for new employees, for example, we see greater participation from employees in different places in Sweden and Norway than when employees had to travel to Stockholm to attend the course.

Research shows that we learn best from integrated everyday learning and by extending the learning over time.

“We need social learning where we learn from one another. We also want leaders and employees to take a greater joint responsibility for learning, that they are curious and actively search for information from those around them and spread knowledge to one another. For example, you may ask for feedback, take the time to reflect over what worked well and what can be improved, offer up good examples or if you crashed and burned — you share your experience. This is the culture we want at JM,” says Sara, and continues,

“I think this could help us gain a better understanding of each other's roles. We have more commonalities than difference.”



Inclusive and safe work environment

Equal opportunity and diversity

Our goal is to be the most equal company in the industry and to reflect the diversity in society. The goal is for JM to have at least 20 percent skilled female workers in 2030.

To create the society of the future, our employees as a group need to reflect current society. Equal opportunity and diversity are also important for securing our long-term supply of skills. We must be an attractive employer for a larger number of competent employees. We know that an equal and inclusive workplace increases job satisfaction and contributes to lower absence due to illness and fewer workplace accidents. Employees feel better, perform better, and contribute better to the company's development in diversified work groups.

To ensure that we reach our goal, we are integrating equality targets into our ordinary HR processes and working systematically to develop and improve our employees' work environment and conditions. We do this by annually mapping and preparing action plans for rectifying any deficiencies.

Collaboration with Teknikkvinnor

In 2020, JM Production started a collaboration with Teknikkvinnor (Technology Women). Through skills-enhancing workshops and coaching, JM raised production managers' knowledge about equality and inclusion and gave them new tools.

"It is important for us to work actively with equality and inclusion if we are to successfully keep all our talented employees and continue to attract new ones," asserts Anders Wimmerstedt, Production Director. He continues,

"Leadership that focuses on inclusive behavior leads to greater enjoyment and commitment among our employees, and in turn this makes us an attractive employer. We need to go from words to actions. As a result, every production region has developed activities that will result in us achieving our goals in this area."

During the fall of 2021, the collaboration with Teknikkvinnor was expanded to include the entire Group. The first activity was a workshop in the HR management team with the goal of creating a common ground and shared vision for how we should work with equality and inclusion as a natural part of our operations going forward, and each participant received coaching in this area. In the strategic plan for 2022, there continue to be activities that will lead to our culture and HR processes supporting greater equality and inclusion.

The organization **Teknikkvinnor** provides expertise on equality and inclusion in technological industries. It is Sweden's largest technology network, with around 31,000 members: women and non-binary.

Sustainable employees

At JM, we advocate a good physical, organizational and social working environment, with the only acceptable goal being injury-free workplaces with high employee satisfaction. We view this balance between requirements and resources, employees' influence over their work, a sense of community, and support from managers to be important factors of success for creating sustainable and healthy workplaces and employees.

20%

skilled female workers



Exercise and cohesion during the pandemic

JM GO 2021 is an initiative introduced in the spring of 2021 to increase physical activity. Encouraging one another to be physically active during the pandemic also enhanced the cohesion between employees in Sweden, Norway and Finland. Each participant registered in an app all types of exercise that they did lasting at least 30 minutes, and all employees participated at their own level.

Results

Over 770 employees signed up for JM GO 2021, and it was a huge success. The participants' physical activity increased by 47 per cent, and on average they exercised 4.9 times and 327 minutes per person and week, which significantly exceeds WHO's recommendations for a healthy lifestyle. The activity enhanced the sense of community, and JM's employees encouraged one another with more than 177,806 likes, comments, photos and videos. After the initiative, an impressive 94 percent said that they exercised more than two times a week. Employees can now look forward to JM GO 2022, which will be held in the spring.

WHO recommends 75 minutes of intense exercise or 150 minutes of moderate exercise per person and week.

Vibration project

During the year, JM carried out a project to map the risks associated with vibration injuries, a common occupational illness in the construction industry that can cause lifelong pain for those afflicted. There is clear legislation on how long a person may work with vibrating machines. However, it is difficult to keep track of all machines that are used and to organize the work so that no one works too long with one tool. Measurements and time studies were therefore conducted, and the skilled workers were sent for evaluation. The overall results will serve as a basis for improvements within JM with the aim of preventing vibration injuries to employees. For example, this could lead to a new method of working, task rotation, new technology, and development of equipment in collaboration with suppliers. A training course for managers and employees has been developed, and the vibration project will be implemented in early 2022.



Risk observations

During the year, JM has had a strong focus on safety culture. Research shows a clear relationship between more reported risk observations and fewer accidents. There are several reasons for this: It provides an opportunity to rectify the risk onsite before it leads to an accident. It is possible to identify patterns in reported risk observations and take general measures. When we become better at the individual level at identifying risks, we injure ourselves less. A high degree of reported risk observations is a sign of a good safety culture.

During a targeted focus month in June, the number of risk observations reported via a mobile app increased. The reporting decreased during the summer but stabilized in the fall at a significantly higher level than in the spring. Current statistics are presented weekly for all projects and aim to encourage more employees to report risks. The work with risk observations will continue in 2022.

Risk observation: A relationship, behavior, danger or deficiency that could lead to a near-accident or accident.

Safety Week, including the safety push Håll Nollan

This year's Safety Week was held as usual Week 47 and consisted of several components:

1. The safety push Håll Nollan (Keep the Zero) for all employees. In 2021, the safety push was about the cooperation between different roles in a construction project.
2. Access routes for employees in production. More than half of our workplace accidents that result in a leave of absence can be traced to movements at our workplaces. It is when we move between work steps that we most frequently injure ourselves.
3. L-ABC/First Aid for employees at offices.
4. Follow-up of risk management, where all projects in the frame stage or later are analyzed to determine the extent to which JM had identified and managed relevant work environment risks in the pre-construction phase. Identifying and managing work environment risks for both the construction and usage phases at an early stage are a main focus for JM, and we are constantly working to further develop.



INGEN SKA SKADAS
PÅ VÅRA BYGGEN

Håll Nollan is a member organization for the construction and real estate industry in Sweden, and its vision is for everyone to return home unharmed at the end of the work day. JM is a member of Håll Nollan, and we participate in different work groups to develop a joint working method for dangerous steps. In terms of the work environment, companies do not compete with one another; rather, we cooperate and share procedures and safe solutions.

“At JM, we work safely or not at all.”

JOHAN SKOGLUND, PRESIDENT AND CEO

Professional purchasing for sustainable supply chains

As a large user of building materials and services, JM has both the opportunity and the responsibility to ensure that its supply chains are economically, socially and environmentally sustainable.

Strategic

JM's purchasing procedures should secure the resources the operations need at the lowest total cost with the right quality and at the right time and ensure customer benefit through compliance with the company's requirements and guidelines on quality, the environment and ethics.

Purchasing work should be characterized by involvement, openness to the feedback and wishes of our customers and employees, which means that we work together with our suppliers to continuously find new possibilities for improvement and development of both procedures and products.

Our suppliers are part of JM's brand and our face outward. The manner in which we live up to our social responsibility depends on how the supplier market and our contractors comply with JM's demands on quality, the environment and ethics.

Secure the resources the operations need through cross-functionality

In order to secure the resources the operations need at the lowest total cost with the right quality and at the right time, at JM we need to both challenge and develop all of the requirements we impose to achieve the highest possible customer value. We can achieve this through a close and cross-functional cooperation within the company. The category work increasingly focuses on cross-functional involvement where we gather expert skills to jointly develop improvements that lead to savings for JM.

Business partner

JM's centralized purchasing department has good insight into JM's own operations as well as those of our suppliers. From a total cost perspective, we must find a good balance between the specifications of the operations and what is best for JM as a business in the long run. Part of this is considering all of JM's business activities, and in 2021 we clarified the responsibility of the Group and optimized strategic purchasing by combining the Swedish and Norwegian central purchasing organizations.

Sustainable supply chains

JM has procedures for evaluation, follow-up and revision of supplier chains to minimize the risks associated with the supply of goods, brand, sustainability and finances.

We need to ensure deliveries for many years into the future. A long-term approach is therefore important when choosing suppliers. JM's suppliers contribute by offering our customers worry-free

accommodation that is of high quality and has a high degree of functionality. We ensure JM's offer and the customer benefit by also preventing the risk of bribes and threats, unauthorized workers and the use of environmentally hazardous materials when building our homes.

In order to sign a framework agreement, suppliers must undergo a sustainability review and the products we purchase are subject to environmental review. Products should meet clear environmental requirements so that we can certify all our buildings in accordance with the Swan Ecolabel.

The risk profiles of our framework agreement suppliers are continuously monitored from both a financial perspective and a delivery perspective. Continuity plans are available for the supplier categories that are deemed to have a high-risk profile or are critical for production.

In terms of the pandemic, our framework agreements and our close relationships with our suppliers helped us maintain our rate of production and keep control of costs.

Quality-assured requirements

We have well-defined procedures that unify and quality-assure the operations' requirements and needs. As a clear and competent buyer, we offer our suppliers conditions that enable them to deliver good quality, which presents opportunities for sustainable relationships with the best suppliers. By involving the operations in the purchasing process — from strategy work to the procurement phase, followed by the implementation of framework agreement partners and then the administration of the framework agreements — we form the basis for strong cooperation and reduce the risks of errors and incomplete deliveries.

- More than 650 suppliers – manufacturers, wholesalers, contractors and consultants
- More than 90 percent of the material purchases in Sweden and Norway take place via framework agreements.

> 90%

of the material purchases in Sweden and Norway take place via framework agreements

Close to the operations

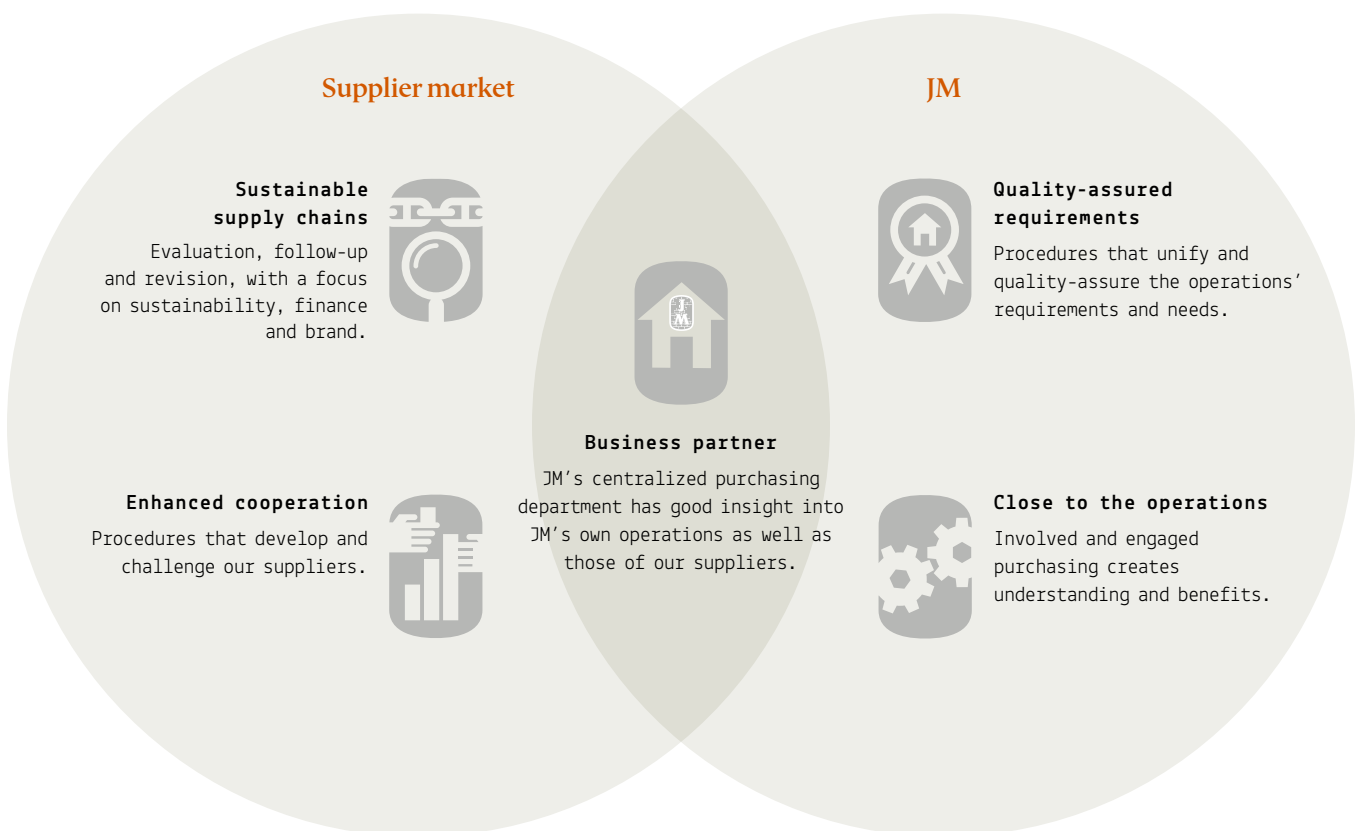
Our ability to make good business decisions is based on good understanding and high level of knowledge. In 2021, we have together begun to run category control projects with the aim of increasing the value and reducing the total cost in two selected areas: elevators and prefab concrete. The category project is being run by a cross-functional team with skills and expertise in several sub-areas such as production, work environment, logistics, environment and sustainability, and product development.

It is also valuable that JM's strategic purchasing work is able to contribute to the ongoing improvement work at JM by maintaining a dialogue with our suppliers and thus utilizing their skills and experience in our improvement work.

Enhanced cooperation

JM would like to work with the market's best suppliers, which contributes to our work to create long-term value and customer benefit.

An important part of how we enhance our cooperation with our suppliers is regular follow-up. We measure our suppliers' performance by analyzing delivery precision, the Satisfied Purchaser Index, and feedback from the operations. This gives us the possibility of continuously increasing the business gains in our supplier collaborations.



Responsible decisions at all levels

Business ethics were identified in the materiality analysis as a significant sustainability aspect. JM's ethical guidelines have served as the foundation of our ethics work for many years.

In addition to JM's ethical guidelines, there is also a Code of Conduct for employees. The aim is to define our values and ensure proper behavior in our day-to-day activities. The Code of Conduct clarifies the values we believe in at JM. In order to achieve high penetration within the organization in terms of knowledge and understanding for the content, the Code is used in all recruitment and at all annual performance reviews.

JM's ethical guidelines and Code of Conduct were supplemented during the year with new guidelines for representation. These specify the rules for the JM Group with regard to benefits and gifts, external representation, study trips, conferences and conflicts of interest. The objective of the guidelines is to prevent bribes and corruption and avoid unlawful influence.

Ethical issues do not always have an obvious solution. Therefore, JM established an Ethical Council that consists of members of the company's management team. This Council can provide guidance regarding ethical matters. JM also has an whistleblower function that allows employees and external stakeholders to anonymously report suspected serious irregularities or abuses. Reports are made to a security company that is independent of JM.

Competing on equal terms

JM believes it is very important that the company makes ethically correct decisions since such behavior strengthens JM's credibility and competitiveness. In order for JM's business operations to be both profitable and ethical, we have developed controlled and transparent decision-making procedures that are applied to all business transactions.

JM is a part of society, and it is important that we take responsibility for how we can contribute to a society that is sustainable in the long term. One of the ways that we do this is by creating homes, a product that is important for society, that focus on sustainability. Employees who are responsible and highly competent compose the foundation of our operations. JM is also a significant tax payer in the markets where we are present.

The fact that JM primarily functions as a project developer of residential units means that there are fewer risks since the

business has less interaction with other actors regarding project-specific business arrangements. The most important business arrangements are the acquisition of land, purchasing agreements and the sale of residential units. By establishing clear governance and follow-up of projects throughout the entire project development process, and combined with the fact that all transactions are reviewed by multiple decision-makers before the transaction is finalized, JM has established a management method that prevents risks and ensures compliance with our ethical guidelines.

One example of good management could be our purchasing operations. Purchasing at JM is currently largely controlled by central agreements. The greater degree of central control in purchasing markedly decreases the risk of self-beneficial behavior. All suppliers with whom an agreement is being considered are reviewed by multiple decision-makers during a strict purchasing procedure before an agreement is signed. This guarantees that the internal procedures are followed in practice.



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For the consolidated income statement and balance sheet in accordance with IFRS, IFRS 15 *Revenue from Contracts with Customers* and other standards are applied. This means that revenue and profit/loss for 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 for JM International as well.

For other differences between IFRS and segment reporting, see page 95.

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.

Demand in Stockholm continues to be high

Market

Continued high demand on the housing market in Stockholm during the year with rising average prices on the existing home market. The total supply of residential units and the supply of newly produced tenant-owned units in the Stockholm region decreased during the year.

Competition for well-situated land for housing is still considered to be at a high level. Prices continue to be at a level that requires selective acquisition.

The willingness of customers to sign a contract early in the process has been at a normal level.

Demand continued to increase during the year, which resulted in good sales of residential units of 1,306 (1,340). JM is continuing to experience high demand for freehold apartments, and production started on an additional 317 (123) units during the year. In total, the number of freehold apartments in current production amounts to 804 (544) at the end of 2021.

JM is the market leader in new production of tenant-owned and freehold apartments in Greater Stockholm, with several ongoing projects in the county. Some of the larger projects in the region are Älvsjöstaden and Liljeholmen in Stockholm, Kvarnholmen in Nacka, Söderdalen in Järfälla, Täby Park in Täby, Silverdal in Sollentuna, Igelsta in Södertälje and Dalénum on Lidingö.

Revenue and profit/loss

Business segment revenue decreased to SEK 4,990m (6,358). Operating profit decreased to SEK 763m (926), and the operating margin increased to 15.3 percent (14.6). Revenue and operating profit continued to be negatively impacted by the lower housing starts during the years 2018–2020 and the lower price levels from 2017 through the first half of 2020.

Cash flow during the year is strengthened by decreased holdings of development properties and decreased holdings of residential units in the balance sheet.

Building rights

During the year, JM acquired building rights corresponding to around 100 residential units (450).

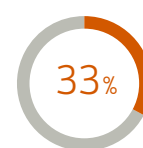
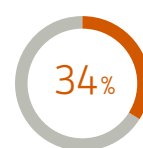
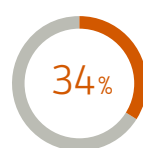
Housing starts

During the year, production started on 1,153 residential units (1,032): 1,113 (991) were units in apartment buildings, of which 176 in Järfälla, 99 in Nacka, 557 in Stockholm, 51 in Sollentuna, and 230 in Täby. Of the housing starts, 40 (41) were single-family homes in Södertälje.

JM RESIDENTIAL STOCKHOLM

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

REVENUE OPERATING PROFIT NUMBER OF EMPLOYEES
Percentage of the Group Percentage of the Group Percentage of the Group



JANUARY–DECEMBER

SEK M	2021	2020
Revenue	4,990	6,358
Operating profit	763	926
Operating margin, %	15.3	14.6
Average operating capital	4,771	5,372
Return on operating capital, %	16.0	17.2
Operating cash flow	1,214	1,064
Carrying amount, development properties	4,051	4,246
Number of available building rights	11,700	12,500
- of which building rights in the balance sheet	6,500	7,300
Number of residential units sold	1,306	1,340
Number of housing starts	1,153	1,032
Number of residential units in current production	2,855	2,878
Number of employees	806	872
- of which salaried employees	406	432
- of which wage-earners	400	440

Bunkhagen, Täby



High demand in the rest of Sweden

Market

The average prices on the existing home market increased during the year in all of the business segment's submarkets, with Malmö posting the largest price increases. The total supply of newly produced residential units continues to be at a low level. The supply of newly produced homes in Uppsala was at the same level, and in Gothenburg and Malmö it was lower compared to the corresponding period last year.

Competition for land for housing has been high in all of the business segment's submarkets. Interest in JM's projects continues to be strong with good sales. Customers' willingness to sign a contract early in the process is at a normal level. Sales amounted to 1,121 residential units (1,208).

The largest submarkets in the business segment are Gothenburg, Malmö, Lund, Uppsala, Linköping, Västerås and Örebro. Larger projects are underway in Eriksberg, Södra Centrum and Kviberg in Gothenburg, Hyllie and the Dockan area in Malmö, and Lomma Strandstad in Lomma. Projects are underway in Lunds Södra and Vipeholm in Lund. Larger projects are also underway in Kungsängen and Norra Luthagen in Uppsala, Öster Mälarstrand in Västerås, and Alnägarna in Örebro.

Revenue and profit/loss

Business segment revenue increased to SEK 4,317m (4,193), and with an operating profit of SEK 662m (657). The operating margin amounted to 15.3 percent (15.7). The business segment reports a continued good profit level and margin.

Cash flow during the year is in balance taking into consideration the investments in development properties.

Building rights

During the year, building rights corresponding to approximately 1,800 residential units (440) were acquired in Malmö, Lomma, Mölndal, Gothenburg, Kungälv, Örebro, Västerås, Knivsta and Uppsala.

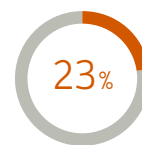
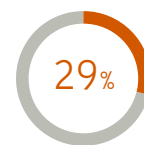
Housing starts

During the year, production started on 1,177 residential units (1,072): 1,081 (1,072) were units in apartment buildings, of which 239 in Malmö, 88 in Lund, 246 in Gothenburg, 56 in Partille, 109 in Linköping, 65 in Örebro, 100 in Västerås, 65 in Lomma and 113 in Uppsala, and 96 were single-family homes, of which 39 in Hjärup, 21 in Gothenburg and 36 in Uppsala.

JM RESIDENTIAL SWEDEN

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

REVENUE OPERATING PROFIT NUMBER OF EMPLOYEES
Percentage of the Group Percentage of the Group Percentage of the Group



SEK m	JANUARY-DECEMBER	
	2021	2020
Revenue	4,317	4,193
Operating profit	662	657
Operating margin, %	15.3	15.7
Average operating capital	1,354	1,307
Return on operating capital, %	48.9	50.3
Operating cash flow	442	512
Carrying amount, development properties	1,669	1,451
Number of available building rights	9,900	9,900
- of which building rights in the balance sheet	6,200	6,300
Number of residential units sold ¹⁾	1,121	1,208
Number of housing starts ²⁾	1,177	1,072
Number of residential units in current production	2,154	2,172
Number of employees	564	591
- of which salaried employees	369	367
- of which wage-earners	195	224
¹⁾ Of which residential units to investors	-	69
²⁾ Of which residential units to investors	-	69

Skölstahöjden, Uppsala



Continued good development on the housing market in Norway and Finland

Revenue and profit/loss

Business segment revenue increased to SEK 4,531m (3,747). Operating profit and the operating margin increased to SEK 415m (277) and 9.2 percent (7.4), respectively. The higher profit is due primarily to a strong market, good sales and an increase in current production.

Cash flow during the year is in balance taking into consideration the slight increase in working capital.

Norway

Prices on the existing home market in Norway increased slightly during the year and then stabilized at the end of 2021. Supply and the activity level were high on the housing market. At the same time, the Norwegian construction sector is experiencing increased cost pressure. JM's largest markets are the Oslo area, Drammen, Tønsberg and its surroundings, and Bergen. Larger ongoing projects are located in Oslo, Nordre Follo, Asker, and Lørenskog in the Oslo area and Drammen, Trondheim and Bergen.

During the year 674 residential units (587) were sold, and production started on 636 units (550). The number of residential units in current production amounts to 1,280 (1,369). JM acquired building rights corresponding to 490 residential units (1,470). Available building rights correspond to 7,800 residential units (8,500).

Finland

The housing market in the Helsinki region was stable at a high level in 2021. The turnover rate and prices on the existing home market have been rising during the year.

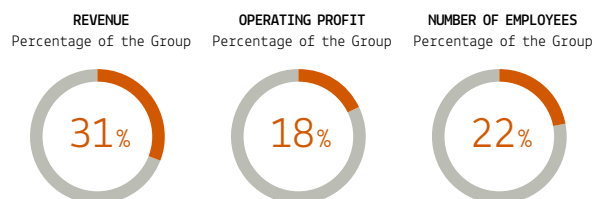
During the year 827 residential units (473) were sold, and production started on 665 units (545). The number of residential units in current production amounts to 1,321 (1,094). Larger ongoing projects are located in Greater Helsinki in Herttonäs, Böle, Myrbacka and Alberga.

JM purchased building rights during the year corresponding to 128 residential units (400) in the new region for JM, Tammerfors. Available building rights correspond to approximately 5,100 residential units (5,700).

Of the sold residential units and housing starts during the year, 583 residential units (101) and 505 residential units (101), respectively, refer to investors.

JM INTERNATIONAL

The business segment develops residential projects in Norway and Finland. Operations include acquisitions of development properties, planning, pre-construction and the production and sales of residential units.



JANUARY-DECEMBER

SEK M	2021	2020
Revenue	4,531	3,747
- of which JM Norway	3,030	2,716
Operating profit ¹⁾	415	276
- of which JM Norway	300	205
Operating margin, %	9.2	7.4
- of which JM Norway	9.9	7.5
Average operating capital	3,405	3,400
Return on operating capital, %	12.2	8.1
Operating cash flow	323	326
Carrying amount, development properties	2,462	2,108
Carrying amount, project properties	17	33
Number of available building rights	12,900	14,200
- of which building rights in the balance sheet	7,100	6,500
Number of residential units sold ²⁾	1,501	1,060
Number of housing starts ³⁾	1,301	1,095
Number of residential units in current production	2,601	2,463
Number of employees	551	530
- of which salaried employees	394	372
- of which wage-earners	157	158
¹⁾ Of which property sales	4	-1
²⁾ Of which residential units to investors	583	101
³⁾ Of which residential units to investors	505	101

Revenue recognition for the business segment is reported, using the percentage of completion method.

Mäntylänhuippu, Esbo, Finland



Sale of additional rental project

Revenue and profit/loss

Business segment revenue increased to SEK 262m (169), of which rental income was SEK 40m (80). Contracting revenue and sales of services amounted to SEK 222m (89). Operating profit increased to SEK 407m (178), of which gains from sales of property amounted to SEK 391m (170) and gains from joint venture amounted to SEK 40m (4), primarily attributable to value adjustments regarding rental properties. The operating profit is burdened by development costs for the new business operations, JM@home.

Net operating income for project properties was SEK 18m (57).

Cash flow during the year is boosted by a cash payment received of SEK 1,315m for sales of properties and burdened by investments in project properties.

Project development of rental units

Two rental projects were completed during the year and sold to external buyers: Manegen, with 128 rental units in Täby Park, Täby, and Havreflingan, with 192 rental units in Söderdalen, Järfälla.

At the end of the year, two rental projects were started on JM's own balance sheet: Kvarter 8 with 218 rental units in Söderdalen, Järfälla, and Dyrvers Kulle, with 123 rental units in Sundbyberg. Production is also ongoing in the Valla Park project, Sundbyberg, with 143 rental units. This property has been sold to external buyers with transfer of legal title upon completion in 2022. Revenue and profit are recognized gradually as the project is implemented.

In addition, work is ongoing in the joint venture company that was formed in 2020 for long-term management of rental units where JM's ownership amounts to 20 percent.

Residential care units

In 2021, JM pursued local planning for a residential care facility in Uppsala, Kaplanen. The project consists of approximately 80 residential units.

Commercial project development

During the year, production began on the office property K1 Karlbergs Strand in Solna, Sweden, which covers around 20,000 square meters, on JM's own balance sheet. Half of the property is planned to serve as JM's new head office.

JM@home

The business continued to develop during 2021. The customer base continues to increase, and the organization has grown. The increase in the customer stock is also reflected in greater net sales for the business.

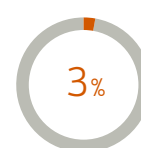
Building rights

Available building rights for project development of rental units and residential care units corresponds to approximately 1,100 residential units.

JM PROPERTY DEVELOPMENT

The business segment primarily develops rental units, residential care units and commercial properties in Greater Stockholm. The business segment's entire portfolio comprises project development properties. The operations include JM@home, which offers economic and technical management services to tenant-owners associations.

REVENUE Percentage of the Group OPERATING PROFIT Percentage of the Group NUMBER OF EMPLOYEES Percentage of the Group



JANUARY-DECEMBER

SEK M	2021	2020
Revenue	262	169
Operating profit ¹⁾²⁾	407	178
Average operating capital	1,242	1,513
Return on operating capital, %	32.7	11.8
Operating cash flow	801	284
Carrying amount, development properties	10	10
Carrying amount, project properties	795	1,213
Number of available building rights ³⁾	1,100	1,200
- of which building rights in the balance sheet	200	300
Number of residential units sold ³⁾	320	418
Number of housing starts ³⁾	341	-
Number of residential units in current production ³⁾	484	463
Number of employees	81	78
- of which salaried employees	65	59
- of which wage-earners	16	19
¹⁾ Of which property sales	391	170
²⁾ Of which income from joint venture	40	4

³⁾ Refers to rental units and residential care units.

Kvarter 8, Järfälla



Civil engineering market in Stockholm at good level

Market

Demand in the civil engineering market in Stockholm is at a good level, although with high competition for assignments.

Revenue and profit/loss

Business segment revenue decreased due to lower external activity for JM in the civil engineering operations, where profitability is prioritized over volume. The business segment focuses on projects that have synergies with residential project development. Revenue decreased to SEK 951m (1,253). Operating profit amounted to SEK 20m (31), of which gains from property sales of SEK 0m (18).

During the year, the organization was restructured to gather all of JM's civil engineering competence in Stockholm in the business segment to improve its possibilities for building structural capital for engineering work. Structural capital will lead to more efficient processes, continuous improvements and the lowest total cost in JM's housing projects.

Cash flow during the year is in balance.

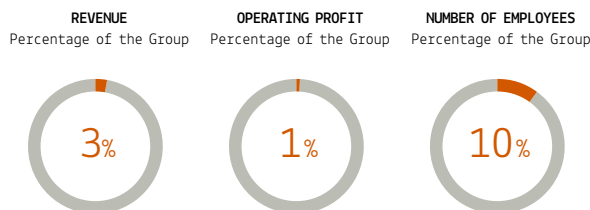
Projects

The largest ongoing external assignments are the infrastructure project in Tyresö (Tyresö Municipality), groundworks for Arlanda Terminal 5 (IN3PRENÖR AB), detailing work in Norra Djurgårdsstaden (City of Stockholm), groundworks and conduit work in Ursvik västra (City of Sundbyberg), and the restoration and renovation of a pipeline network in Huddinge (Stockholm Vatten).

Assignments for internal orderers include land and foundation work at Täby Park in Täby and development work in the Dalénum area of Lidingö, in Söderdalen, Järfälla, and Kabelverket in Älvsjö. In Solna, at Karlbergs strand, foundation work is being done for JM's new head office, K1.

JM CONSTRUCTION

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



SEK M	JANUARY-DECEMBER	
	2021	2020
Revenue ¹⁾	951	1,253
Operating profit ²⁾	20	31
Operating margin, %	2.1	2.5
Operating cash flow	36	-65
Carrying amount, development properties	13	16
Number of employees	251	257
- of which salaried employees	135	132
- of which wage-earners	116	125
¹⁾ Of which internal	442	332
²⁾ Of which property sales	-	18

Tangentvägen, Huddinge



Consolidated income statement — segment reporting

SEK m	NOTE	2021	2020
Revenue	1, 2	14,608	15,388
Production and operating costs	3, 4	-11,814	-12,607
Gross profit		2,795	2,781
Selling and administrative expenses	3, 4, 5	-1,015	-944
Gains/losses on the sale of property, etc. ¹⁾	7	436	191
Operating profit		2,216	2,028
Financial income	8	4	6
Financial expenses	8	-62	-79
Profit/loss before tax		2,158	1,955
Taxes		-360	-380
Profit for the year		1,798	1,575
Other comprehensive income		218	-215
Total comprehensive income for the year		2,016	1,360
Diluted earnings per share (SEK)	10	25.90	22.50
Average number of shares, diluted	10	69,560,505	70,061,421
Proposed dividend per share (SEK)	10	13.50	12.75
¹⁾ Of which income from joint venture		40	4

Comments

Revenue

(2021: SEK 14,608m, 2020: SEK 15,388m)

Consolidated revenue during the year decreased by 5 percent compared to 2020. Revenue has slowed due to the lower housing starts and price levels for projects started in Stockholm in the past few years. The lead time in JM's business is several years, from the development of the housing market to recognition in the income statement.

The revenue consists 95 percent of recognized revenue in housing projects. Recognized revenue is reported according to the percentage of completion method, which means that revenue is recognized based on the most recent forecast, period by period, as each project is completed and sold.

JM Construction's revenue represents 3 percent of the Group's revenue.

Rental income from rental units and commercial premises corresponds to 1 percent of the total revenue.

Operating profit

(2021: SEK 2,216m, 2020: SEK 2,028m)

Operating profit increased by 9 percent compared to the previous year. The operating profit includes gains from property sales and joint venture of SEK 436m (191). Selling and administrative expenses increased by 8 percent compared to the previous year.

Financial income and expenses

(2021: SEK -58m, 2020: SEK -73m)

Net financial items improved in 2021 compared to 2020 by SEK 15m. This improvement was primarily due to a slightly lower average interest-bearing debt level and lower average interest rates.

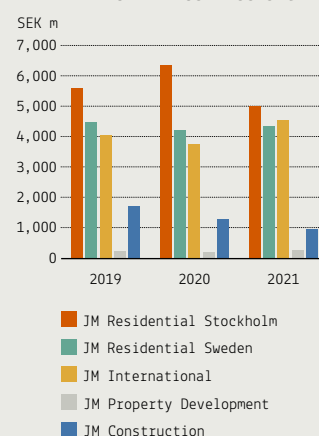
Taxes

(2021: SEK -360m, 2020: SEK -380m)

Reported tax expense in 2021 amounts to 17 percent (19) of reported profit/loss before tax.

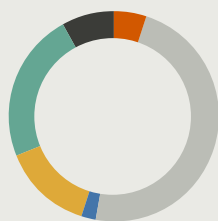
The effective tax rate is slightly lower than the nominal tax rate attributable to non-taxable revenue, regarding sales of completed rental unit properties.

REVENUE BY BUSINESS SEGMENT

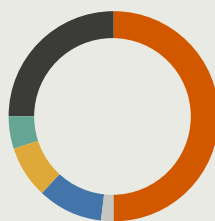


Consolidated balance sheet — segment reporting

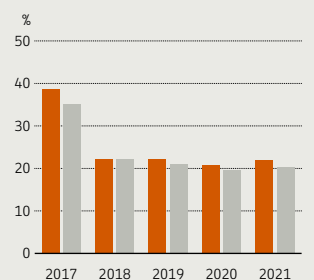
SEK m	NOTE	12/31/2021	12/31/2020
ASSETS	2		
Non-current assets			
Goodwill	11	180	168
Machinery and equipment	12	8	8
Participations in joint operations and joint venture	14, 15	118	78
Deferred tax assets		1	7
Financial assets	16, 25	23	17
Total non-current assets		330	278
Current assets			
Project properties	17	813	1,246
Development properties	17	8,205	7,831
Participations in tenant-owners associations, etc.	18	377	445
Accounts receivable	25	636	802
Other current receivables	20	419	521
Prepaid expenses and accrued income		49	35
Recognized revenue less progress billings	21	2,424	2,470
Cash and cash equivalents	22, 23	3,981	3,037
Total current assets		16,903	16,387
TOTAL ASSETS		17,233	16,665
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital		70	70
Other capital contributions		935	898
Reserves		-89	-208
Undistributed earnings (including net profit for the year)		7,693	7,057
Total share-holders' equity		8,608	7,817
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	23, 24, 25	190	354
Other non-current liabilities	24, 25	373	372
Provisions for pensions and similar obligations	23, 26	1,761	1,804
Other non-current provisions	27	678	848
Deferred tax liabilities		638	638
Total non-current liabilities		3,641	4,016
Current liabilities			
Accounts payable	24, 25	780	819
Current interest-bearing liabilities	24, 25	667	579
Other current liabilities	24, 25	552	382
Current tax liabilities		60	137
Progress billings in excess of recognized revenue	29	1,350	1,363
Accrued expenses and deferred income	30	1,430	1,419
Current provisions	27	145	133
Total current liabilities		4,984	4,832
Total liabilities		8,625	8,848
TOTAL EQUITY AND LIABILITIES		17,233	16,665
Pledged assets and contingent liabilities	31		

CONSOLIDATED ASSETS
12/31/2021


- Projects properties, 5% (8)
- Development properties, 48% (47)
- Other current receivables, 2% (3)
- Recognized revenue less progress billings/work in progress, 14% (15)
- Cash and cash equivalents, 23% (18)
- Other assets, 8% (9)

CONSOLIDATED CAPITAL STRUCTURE
12/31/2021


- Shareholders' equity, 50% (47)
- Other non-current liabilities, 2% (2)
- Provisions for pensions and similar commitments, 10% (11)
- Progress billings in excess of recognized revenue, 8% (8)
- Interest-bearing liabilities, 5% (6)
- Other liabilities and provisions, 25% (26)

RETURN ON EQUITY AND CAPITAL EMPLOYED


- Return on equity after tax
- Pre-tax return on capital employed

Comments

Goodwill

(2021: SEK 180m, 2020: SEK 168m)

The reported goodwill pertains to goodwill at the acquisition of Norwegian company's JM Norge AS and AS Projektfinans.

The change in 2021 refers exclusively to a change in the foreign exchange rate.

Project properties

(2021: SEK 813m, 2020: SEK 1,246m)

The portfolio refers to smaller commercial properties and land for offices.

During the year, two completed rental projects were sold for a gain of SEK 391m (170). The externally appraised market value was estimated to be SEK 1,088m (1,651), which means a surplus value of SEK 275m (405).

Development properties

(2021: SEK 8,205m, 2020: SEK 7,831m)

In 2021, JM's rate of acquisition increased compared to the previous year. During the year, JM acquired development properties for SEK 1,754m (1,022), while development properties for SEK -1,388m (-1,888) were transferred to production. The majority of the acquisitions consist of development properties intended for residential units.

The market value of the development properties shows a surplus value of SEK 7.2bn (6.5).

In all, JM has 20,000 building rights (20,400) in the balance sheet.

Participations in tenant-owners associations, etc.

(2021: SEK 377m, 2020: SEK 455m)

The purchase of unsold tenant-owned apartments occurs no later than the settlement date and is a consequence of the undertaking in the construction contract with the tenant-owners association. There are 67 (85) unsold residential units in the balance sheet and they refer primarily to show apartments for coming residential phases.

Recognized revenue less progress billings

(2021: SEK 2,424m, 2020: SEK 2,470m)

This asset item refers to the net of accrued revenue in current projects and accumulated billing in these projects. Ongoing projects that have a positive balance are reported in this assets item.

Pension provisions

(2021: SEK 1,761m, 2020: SEK 1,804m)

The liability decreased during the year primarily due to changes in the actuarial assumptions of discount rate with an actuarial gain in 2021 of SEK 101m (-42).

Other non-current provisions

(2021: SEK 678m, 2020: SEK 848m)

Refers to non-current provisions for warranty commitments related to expenses that may arise during the warranty period. The amount of the provisions is primarily based on the number of residential units per project and is charged to the project upon completion. The majority of the warranty provisions have a duration of around two to three years after the project is completed. The item also contains provisions for special payroll tax, which is calculated to be 24.26 percent of the difference between pension liability in a legal person measured using IAS 19 and reported pension liability in a legal person.

Deferred tax liabilities

(2021: SEK 638m, 2020: SEK 638m)

The deferred tax liabilities item refers, among other things, to the fiscal value of the difference between accounting and tax values (temporary differences) that will be realized in the future. The temporary differences are mainly attributable to tax allocation reserves and development properties.

Non-current interest-bearing liabilities

(2021: SEK 190m, 2020: SEK 354m)

Refers primarily to long-term interest-bearing liabilities to credit institutions and long-term interest-bearing promissory notes for acquisitions of development properties. The change refers primarily to reclassification from long-term interest-bearing liabilities to current interest-bearing liabilities in JM's foreign subsidiaries.

Current interest-bearing liabilities

(2021: SEK 667m, 2020: SEK 579m)

Refers primarily to current interest-bearing liabilities in connection with acquisitions of development properties. The change refers primarily to reclassification from long-term interest-bearing liabilities to current interest-bearing liabilities in JM's foreign subsidiaries.

Other current liabilities

(2021: SEK 552m, 2020: SEK 382m)

The item primarily consists of short-term promissory notes in conjunction with the acquisition of development properties. The item refers to the liability for unconditional agreements that were entered into with deferred payment. The increase compared to the previous year is due to more short-term promissory notes in conjunction with the acquisition of development properties, primarily in the foreign operations.

Progress billings in excess of recognized revenue

(2021: SEK 1,350m, 2020: SEK 1,363m)

The liability item refers to the net of accrued revenue in current projects and accumulated billing in these projects. Ongoing projects that show a negative balance are reported in this liability item.

Consolidated cash flow statement — segment reporting

SEK m	NOTE	2021	2020
	1		
OPERATING ACTIVITIES			
Operating profit		2,216	2,028
Depreciation and amortization		5	7
Increase/decrease in residential units in the balance sheet ¹⁾		107	-77
Other non-cash items		-648	-195
Sub-total, cash flow from operating activities		1,681	1,763
Interest received		3	5
Interest paid and other financial expenses		-36	-48
Paid tax		-549	-484
Cash flow from operating activities before change in working capital		1,099	1,236
Investment in development properties		-1,539	-1,529
Payment on account for development properties		1,349	2,010
Increase/decrease in accounts receivable		176	92
Increase/decrease in other current receivables, etc.		98	76
Increase/decrease in accounts payable		-51	-174
Increase/decrease in other current operating liabilities		262	-365
Cash flow before investments and sales of project properties		1,394	1,346
Investment in project properties		-447	-691
Sale of project properties		1,340	1,060
Cash flow from operating activities		2,287	1,715
INVESTING ACTIVITIES			
Investment in property, plant, and equipment		-4	-1
Property, plant, and equipment sold		-	-
Investment in joint venture		-	-78
Change in financial assets		-12	-
Cash flow from investing activities		-17	-79
FINANCING ACTIVITIES ²⁾			
Loans raised		663	453
Amortization of debt		-738	-571
Repurchase of shares		-375	-
Dividend		-887	-870
Cash flow from financing activities		-1,338	-988
Cash flow for the year		933	648
Cash and cash equivalents, at beginning of the year		3,037	2,397
Exchange rate difference in cash and cash equivalents		11	-8
Cash and cash equivalents, December 31		3,981	3,037

¹⁾ The increase/decrease in residential units in the balance sheet creates a cash flow and is included in the operations' net profit/loss.

²⁾ For interest-bearing net liabilities, see the consolidated quarterly overview on page 73 and the five-year overview on page 75.

Amounts in SEK m unless otherwise stated.

INCREASE/DECREASE IN RESIDENTIAL UNITS IN THE BALANCE SHEET

	NOTE	2021	2020
Acquisition of participations in tenant-owners associations	18	-664	-1,114
Sale of participations in tenant-owners associations	18	735	1,023
Change in promissory notes		36	14
Total		107	-77

OTHER NON-CASH ITEMS

	NOTE	2021	2020
Gains/losses on the sale of property	7	-396	-187
Changes in pension liability		-43	102
Other provisions, etc.		-209	-110
Total		-648	-195

INVESTMENT IN DEVELOPMENT PROPERTIES

		2021	2020
Investment in development properties	17	-1,754	-1,022
Change in promissory notes		216	-507
Total		-1,539	-1,529

PAYMENT ON ACCOUNT FOR DEVELOPMENT PROPERTIES

		2021	2020
Payment on account for development properties	17	1,361	1,897
Sale of development properties	7	1	38
Change in receivables, development properties sold		-13	75
Total		1,349	2,010

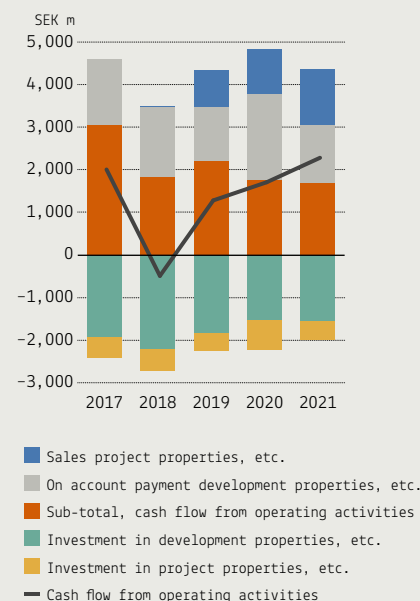
INVESTMENT IN PROJECT PROPERTIES

		2021	2020
Investment in project properties	17	-447	-691
Total		-447	-691

SALE OF PROJECT PROPERTIES

		2021	2020
Sale of project properties	7	1,340	1,060
Total		1,340	1,060

CASH FLOW FROM OPERATING ACTIVITIES



Comments

Operating activities

(2021: SEK 2,287m, 2020: SEK 1,715m)

Cash flow from operating activities is higher than in the previous year. Net investments in development properties and project properties and decreased holdings of repurchased residential units provided a cash flow of SEK 811m (773).

Cash flow from operating activities (sub-total)

(2021: SEK 1,681m, 2020: SEK 1,763m)

Operating activities, before interest and tax, contributed SEK 1,681m, which is a decrease of SEK 82m after elimination of non-cash items. Operating profit contributed SEK 2,216m (2,028). The change in holdings of repurchased residential units resulted in a cash flow of SEK 107m (-77).

Cash flow from operating activities before change in working capital

(2021: SEK 1,099m, 2020: SEK 1,236m)

Net interest paid and received decreased from SEK -43m in 2020 to SEK -33m in 2021. Taxes paid increased from SEK -484 in 2020 to SEK -549m in 2021.

Net development properties

(2021: SEK -189m, 2020: SEK 481m)

JM acquired development properties for SEK 1,754m (1,022). At the same time, SEK 1,361m (1,897) were taken into production in conjunction with housing starts.

Current receivables and liabilities

(2021: SEK 485m, 2020: SEK -371m)

Current receivables and liabilities had a total impact on cash flow of SEK 485m (-371), compared to the previous year of SEK 856m.

Net project properties

(2021: SEK 893m, 2020: SEK 369m)

Cash flow from net project properties derives primarily from the sales of two rental properties.

Financing activities

(2021: SEK -1,338m, 2020: SEK -988m)

During the year, dividends to shareholders were paid totaling SEK 887m. JM repurchased own shares at a value of SEK 375m. Interest-bearing liabilities including the change in interest-bearing promissory notes decreased net by SEK 77m.

Consolidated statement of changes in equity — segment reporting

SEK m	2021	2020
Opening balance at beginning of the year	7,817	7,326
Total comprehensive income for the year	2,016	1,360
Dividend to equity holders of the Parent Company	-887	-870
Conversion of convertible loan	38	-
Repurchase of shares	-375	-
Conversion of convertible loan	-	1
Closing balance at the end of the year	8,608	7,817

Comments

Shareholders' equity

(2021: SEK 8,608m, 2020: SEK 7,817m)

Shareholders' equity increased by SEK 791m compared to the end of 2020. Consolidated equity as at December 31, 2021, totaled SEK 8,608m (7,817), which corresponds to SEK 125 (112) per share. Return on equity was 21.9 percent (20.8).

Dividend to Parent Company shareholders

The dividend to shareholders of the Parent Company totaled SEK 887m (870), corresponding to SEK 12.75 (12.50) per share.

Conversion of convertible loan

During the year, 167,034 shares were converted in the outstanding convertible programs.

Repurchase of shares

During the year, 1,101,550 of shares were repurchased for SEK 375m and corresponds to the holding of treasury shares at the end of 2021. The number of outstanding shares, excluding holdings of treasury shares, totaled 68,648,746 (69,583,262).

Group quarterly overview — segment reporting

Amounts in SEK m unless otherwise stated.

INCOME STATEMENT	2021					2020					
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1	
Revenue	14,608	4,068	3,485	3,719	3,337	15,388	4,530	3,382	3,662	3,814	
Production and operating costs	-11,814	-3,282	-2,849	-2,980	-2,703	-12,607	-3,680	-2,786	-3,036	-3,105	
Gross profit	2,795	786	636	739	634	2,781	850	596	626	709	
Selling and administrative expenses	-1,015	-273	-207	-297	-239	-944	-233	-198	-269	-244	
Gains/losses on the sale of property, etc.	436	242	16	167	11	191	172	1	-	18	
Operating profit	2,216	755	445	609	406	2,028	789	399	357	483	
Financial income and expenses	-58	-14	-13	-15	-16	-73	-19	-16	-17	-21	
Profit/loss before tax	2,158	741	432	594	390	1,955	770	383	340	462	
Taxes	-360	-89	-99	-91	-81	-380	-127	-81	-74	-98	
Profit for the period	1,798	652	333	503	309	1,575	643	302	266	364	
BALANCE SHEET		12/31/2021	9/30/2021	6/30/2021	3/31/2021		12/31/2020	9/30/2020	6/30/2020	3/31/2020	
ASSETS											
Non-current assets		330	405	336	298		278	194	200	193	
Project properties		813	1,259	1,269	1,387		1,246	1,791	1,643	1,498	
Development properties		8,205	7,991	8,155	8,215		7,831	8,411	8,724	8,594	
Participations in tenant-owners associations, etc.		377	432	375	422		445	558	603	438	
Current receivables		3,528	3,475	3,569	3,726		3,828	3,847	3,796	4,007	
Cash and cash equivalents		3,981	3,022	2,969	2,148		3,037	2,314	2,572	2,684	
Total current assets		16,903	16,179	16,337	15,898		16,387	16,921	17,338	17,221	
TOTAL ASSETS		17,233	16,584	16,673	16,196		16,665	17,115	17,538	17,414	
EQUITY AND LIABILITIES											
Shareholders' equity		8,608	8,023	7,808	7,439		7,817	7,704	7,430	7,561	
Non-current interest-bearing liabilities		190	308	281	366		354	362	293	267	
Other non-current liabilities		373	373	373	373		372	679	751	749	
Non-current provisions		3,078	3,100	3,012	3,231		3,290	3,398	3,280	3,151	
Total non-current liabilities		3,641	3,781	3,666	3,970		4,016	4,439	4,324	4,167	
Current interest-bearing liabilities		667	376	737	505		579	632	806	899	
Other current liabilities		4,172	4,255	4,313	4,141		4,120	4,198	4,837	4,652	
Current provisions		145	149	149	141		133	142	141	135	
Total current liabilities		4,984	4,780	5,199	4,787		4,832	4,972	5,784	5,686	
TOTAL EQUITY AND LIABILITIES		17,233	16,584	16,673	16,196		16,665	17,115	17,538	17,414	
		2021					2020				
CASH FLOW STATEMENT		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
From operating activities		2,287	916	487	792	92	1,715	1,288	-165	404	188
From investing activities		-17	-16	-1	-1	1	-79	-78	-	-	-1
From financing activities		-1,338	51	-434	32	-986	-988	-484	-93	-516	105
Total cash flow for the period		933	951	52	823	-893	648	726	-258	-112	292
Cash and cash equivalents at end of the period		3,981	3,981	3,022	2,969	2,148	3,037	3,037	2,314	2,572	2,684
INTEREST-BEARING NET LIABILITIES/RECEIVABLES		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Interest-bearing net liabilities (+)/receivables (-) at beginning of period		-300	-587	-244	449	-300	420	409	247	198	420
Change in interest-bearing net liabilities/receivables		-1,063	-776	-343	-693	749	-720	-709	162	49	-222
Interest-bearing net liabilities (+)/receivables (-) at end of period		-1,363	-1,363	-587	-244	449	-300	-300	409	247	198
DEVELOPMENT PROPERTIES		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Carrying amount at beginning of period		7,831	7,991	8,155	8,215	7,831	8,938	8,411	8,724	8,594	8,938
New purchases		1,754	519	407	341	487	1,022	249	103	397	273
Transferred to production		-1,388	-347	-581	-247	-213	-1,888	-792	-346	-302	-448
Other		8	43	10	-154	110	-241	-37	-70	35	-169
Carrying amount at the end of the period		8,205	8,205	7,991	8,155	8,215	7,831	7,831	8,411	8,724	8,594
HOUSING PRODUCTION		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Number of available building rights		35,600	35,600	36,200	37,300	37,300	37,800	37,800	37,900	38,600	35,900
Number of residential units sold		4,248	969	808	1,210	1,261	4,026	1,623	956	642	805
Number of housing starts		3,972	1,428	817	800	927	3,199	976	855	731	637
Number of residential units in current production		8,094	8,094	7,722	7,353	7,485	7,976	7,976	7,829	7,249	7,583
Sold residential units in current production, %		64	64	62	62	62	60	55	51	54	
Reserved residential units in current production, %		13	14	16	15	15	14	16	14	15	
Sold/reserved residential units in current production, %		76	78	78	77	77	74	71	65	69	
KEY RATIOS		Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Operating margin, %		15.2	18.6	12.8	16.4	12.2	13.2	17.4	11.8	9.7	12.7
Debt/equity ratio, multiple		-	-	-	-	0.1	-	-	0.1	-	-
Equity/assets ratio, %		50	50	48	47	46	47	47	45	42	43
Earnings per share, SEK		25.90	9.40	4.80	7.20	4.40	22.50	9.20	4.30	3.80	5.20

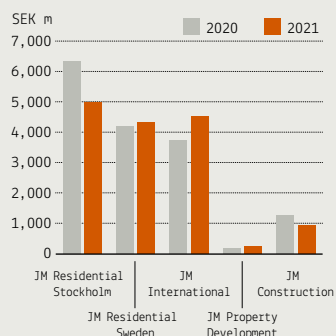
Group — five-year overview — segment reporting

Amounts in SEK m unless otherwise stated.

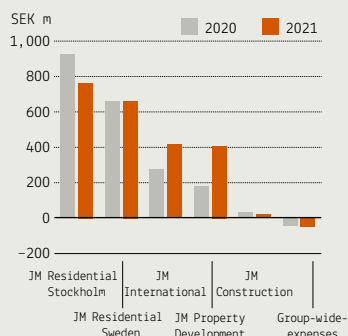
INCOME STATEMENT	2021	2020	2019	2018	2017
Revenue	14,608	15,388	15,692	16,161	17,008
Production and operating costs	-11,814	-12,607	-12,994	-13,247	-13,648
Gross profit	2,795	2,781	2,698	2,914	3,360
Selling and administrative expenses	-1,015	-944	-966	-1,041	-1,005
Gains/losses on the sale of property, etc.	436	191	276	13	14
Operating profit	2,216	2,028	2,008	1,886	2,369
Financial income and expenses	-58	-73	-80	-69	210
Profit/loss before tax	2,158	1,955	1,928	1,817	2,579
Taxes	-360	-380	-358	-379	-385
Profit for the year	1,798	1,575	1,570	1,438	2,194
INCOME STATEMENT BY FUNCTION					
Production					
Recognized revenue	14,422	15,157	15,439	15,935	16,808
Production costs	-11,663	-12,457	-12,834	-13,109	-13,513
Profit from production operations	2,759	2,700	2,605	2,826	3,295
Development properties					
Rental revenue	145	151	167	160	159
Operating expenses	-91	-83	-95	-88	-82
Property tax	-37	-44	-37	-26	-37
Profit from development properties	18	24	35	46	40
Project properties					
Rental revenue	41	80	86	66	41
Operating expenses	-21	-22	-26	-22	-15
Property tax	-2	-1	-2	-2	-1
Profit from project properties	18	57	58	42	25
Gross profit	2,795	2,781	2,698	2,914	3,360
Selling and administrative expenses	-965	-904	-931	-1,002	-958
Property sales, etc.					
Sales values	1,308	1,078	923	116	21
Carrying amounts	-872	-887	-647	-103	-7
Gains/losses on the sale of property, etc.	436	191	276	13	14
Group-wide expenses	-50	-40	-35	-39	-47
Operating profit	2,216	2,028	2,008	1,886	2,369
BALANCE SHEET					
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
ASSETS					
Non-current assets	330	278	219	214	209
Project properties	813	1,246	1,399	1,635	1,074
Development properties	8,205	7,831	8,938	8,306	7,543
Participations in tenant-owners associations, etc.	377	445	366	567	309
Current receivables ¹⁾	3,528	3,828	4,274	4,083	3,698
Cash and cash equivalents	3,981	3,037	2,397	1,682	2,572
Total current assets	16,903	16,387	17,374	16,273	15,196
TOTAL ASSETS	17,233	16,665	17,593	16,487	15,405
EQUITY AND LIABILITIES ²⁾					
Shareholders' equity	8,608	7,817	7,326	6,798	6,178
Non-current interest-bearing liabilities	190	354	425	146	203
Other non-current liabilities	373	372	765	696	273
Non-current provisions	3,078	3,290	3,223	3,037	2,656
Total non-current liabilities	3,641	4,016	4,413	3,879	3,132
Current interest-bearing liabilities	667	579	690	694	332
Other current liabilities	4,172	4,120	5,030	4,994	5,654
Current provisions	145	133	134	122	109
Total current liabilities	4,984	4,832	5,854	5,810	6,095
TOTAL EQUITY AND LIABILITIES	17,233	16,665	17,593	16,487	15,405
¹⁾ Of which receivables from property sales	14	1	76	53	83
²⁾ Of which liabilities for property acquisition	675	459	949	1,040	794

CASH FLOW STATEMENT	2021	2020	2019	2018	2017
From operating activities	2,287	1,715	1,291	-473	2,013
From investing activities	-17	-79	-7	-8	300
From financing activities	-1,338	-988	-576	-412	-1,259
Total cash flow for the year	933	648	708	-893	1,054
Cash and cash equivalents, December 31	3,981	3,037	2,397	1,682	2,572
INTEREST-BEARING NET LIABILITIES/RECEIVABLES					
Interest-bearing net liabilities (+)/receivables (-), January 1	-300	420	546	-790	435
Change in interest-bearing net liabilities/receivables	-1,063	-720	-126	1,336	-1,225
Interest-bearing net liabilities (+)/receivables (-), December 31	-1,363	-300	420	546	-790
DEVELOPMENT PROPERTIES					
Carrying amount, January 1	7,831	8,938	8,306	7,543	7,121
New purchases	1,754	1,022	1,745	2,402	2,017
Transferred to production	-1,388	-1,888	-1,068	-1,517	-1,534
Other	8	-241	-45	-122	-61
Carrying amount, December 31	8,205	7,831	8,938	8,306	7,543
DEVELOPMENT PROPERTIES					
Market values	15,400	14,300	15,600	15,300	14,700
Carrying amounts	8,200	7,800	8,900	8,300	7,500
Surplus values	7,200	6,500	6,700	7,000	7,200
HOUSING PRODUCTION					
Number of available building rights	35,600	37,800	35,900	35,900	34,800
– of which recognized in the balance sheet	20,000	20,400	21,100	20,700	18,700
Number of residential units sold	4,248	4,026	3,595	2,463	3,100
Number of housing starts	3,972	3,199	3,269	3,135	3,873
Number of residential units in current production	8,094	7,976	7,813	7,835	8,200
Sold residential units in current production, %	64	60	53	51	58
Reserved residential units in current production, %	13	14	12	6	7
Sold/reserved residential units in current production, %	76	74	65	57	65
PROJECT PROPERTIES					
Market values	1,088	1,651	1,769	2,002	1,343
Carrying amounts	813	1,246	1,399	1,635	1,074
Surplus values	275	405	370	367	269
PERSONNEL					
Average number of employees	2,461	2,600	2,598	2,562	2,538
– of which abroad	533	543	545	492	448
Wages, salaries and remunerations	1,478	1,474	1,516	1,482	1,401
KEY RATIOS					
Operating margin, %	15.2	13.2	12.8	11.7	13.9
Return on equity after tax, %	21.9	20.8	22.2	22.2	38.7
Pre-tax return on capital employed, %	20.4	19.7	21.0	22.3	35.1
Pre-tax return on total capital, %	13.1	11.9	11.8	11.9	18.7
Equity/assets ratio, %	50	47	42	41	40
Interest-bearing loan, SEK m	2,618	2,737	2,817	2,228	1,786
Debt/equity ratio, multiple	–	–	0.1	0.1	–
Interest coverage ratio, multiple	35.8	25.7	23.4	24.0	38.4
Interest-bearing liabilities/total assets, %	15	16	16	14	12
Asset turnover rate, multiple	0.86	0.90	0.92	1.01	1.20

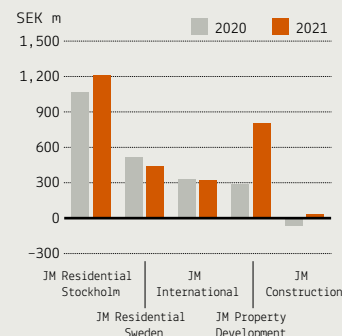
REVENUE



OPERATING PROFIT



OPERATING CASH FLOW



Business segment quarterly overview — segment reporting

Amounts in SEK m unless otherwise stated.

JM RESIDENTIAL STOCKHOLM	2021					2020				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	4,990	1,251	1,179	1,312	1,248	6,358	2,023	1,310	1,403	1,622
Operating profit	763	204	181	196	182	926	299	185	192	250
Operating margin, %	15.3	16.3	15.4	14.9	14.6	14.6	14.8	14.1	13.7	15.4
Average operating capital	4,771	4,771	4,963	5,157	5,283	5,372	5,372	5,552	5,682	5,740
Return on operating capital, % ^{*)}	16.0	16.0	17.3	16.7	16.2	17.2	17.2	16.0	16.1	16.3
Operating cash flow	1,214	388	394	417	16	1,064	383	143	207	331
Carrying amount, development properties	4,051	4,051	4,146	4,361	4,486	4,246	4,246	4,587	4,816	4,812
Number of available building rights	11,700	11,700	11,000	11,500	11,900	12,500	12,500	12,600	12,800	12,900
Number of residential units sold	1,306	356	261	332	357	1,340	474	299	220	347
Number of housing starts	1,153	265	351	239	298	1,032	282	252	258	240
Number of residential units in current production	2,855	2,855	2,703	2,526	2,773	2,878	2,878	3,095	2,843	3,035

JM RESIDENTIAL SWEDEN	2021					2020				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	4,317	1,170	951	1,154	1,042	4,193	1,137	913	1,093	1,050
Operating profit	662	180	145	177	160	657	181	141	169	166
Operating margin, %	15.3	15.4	15.2	15.3	15.4	15.7	15.9	15.4	15.5	15.8
Average operating capital	1,354	1,354	1,332	1,339	1,345	1,307	1,307	1,295	1,274	1,226
Return on operating capital, % ^{*)}	48.9	48.9	49.8	49.2	48.4	50.3	50.3	51.4	53.5	57.5
Operating cash flow	442	22	-60	326	154	512	270	60	74	108
Carrying amount, development properties	1,669	1,669	1,526	1,439	1,441	1,451	1,451	1,530	1,532	1,461
Number of available building rights	9,900	9,900	10,300	10,400	10,300	9,900	9,900	10,200	10,500	10,500
Number of residential units sold ¹⁾	1,121	220	280	263	358	1,208	380	250	278	300
Number of housing starts ²⁾	1,177	300	238	362	277	1,072	250	285	276	261
Number of residential units in current production	2,154	2,154	2,226	2,178	2,063	8,201	2,172	2,138	1,961	1,930
¹⁾ Of which residential units to investors	-	-	-	-	-	69	-	-	69	-
²⁾ Of which residential units to investors	-	-	-	-	-	69	-	-	69	-

JM INTERNATIONAL	2021					2020				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	4,531	1,407	1,185	1,084	856	3,747	1,102	867	896	882
Operating profit ¹⁾	415	139	111	98	67	276	136	70	19	51
Operating margin, %	9.2	9.9	9.4	9.0	7.8	7.4	12.3	8.1	2.1	5.8
Average operating capital	3,405	3,405	3,309	3,336	3,335	3,400	3,400	3,440	3,395	3,368
Return on operating capital, % ^{*)}	12.2	12.2	12.5	11.1	8.8	8.1	8.1	7.4	7.7	9.1
Operating cash flow	323	-60	338	-111	156	326	106	-27	285	-38
Carrying amount, development properties	2,462	2,462	2,293	2,329	2,262	2,108	2,108	2,265	2,347	2,292
Carrying amount, project properties	17	17	39	111	90	33	33	25	25	4
Number of available building rights	12,900	12,900	13,300	14,000	13,900	14,200	14,200	13,900	14,200	11,600
Number of residential units sold ²⁾	1,501	393	267	295	546	1,060	351	407	144	158
Number of housing starts ³⁾	1,301	522	228	199	352	1,095	444	318	197	136
Number of residential units in current production	2,601	2,601	2,458	2,314	2,314	2,463	2,463	2,133	1,982	2,018
¹⁾ Of which property sales	4	4	-	-	1	-1	-2	1	-	-
²⁾ Of which residential units to investors	583	146	78	94	265	101	-	101	-	-
³⁾ Of which residential units to investors	505	146	-	94	265	101	-	101	-	-

JM PROPERTY DEVELOPMENT	2021					2020				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	262	80	65	65	52	169	57	42	35	35
Operating profit ¹⁾²⁾	407	238	12	153	4	178	178	3	-6	3
Average operating capital	1,242	1,242	1,407	1,460	1,513	1,513	1,513	1,507	1,523	1,545
Return on operating capital, % ^{*)}	32.7	32.7	24.7	23.1	11.8	11.8	11.8	0.2	11.8	12.4
Operating cash flow	801	664	-97	322	-88	284	660	-155	-120	-101
Carrying amount, development properties	10	10	10	10	10	10	10	10	10	10
Carrying amount, project properties	795	795	1,220	1,158	1,297	1,213	1,213	1,766	1,618	1,494
Number of available building rights ³⁾	1,100	1,100	1,600	1,400	1,200	1,200	1,200	1,200	1,100	900
Number of residential units sold ³⁾	320	-	-	320	-	418	418	-	-	-
Number of housing starts ³⁾	341	341	-	-	-	-	-	-	-	-
Number of residential units in current production ³⁾	484	484	335	335	335	463	463	463	463	600
¹⁾ Of which property sales	391	231	-	161	-	170	170	-	-	-
²⁾ Of which income from joint venture	40	8	16	6	10	4	4	-	-	-
³⁾ Refers to rental units and residential care units										

JM CONSTRUCTION	2021					2020				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue	951	295	200	226	230	1,253	307	330	320	296
Operating profit ¹⁾	20	10	3	3	3	31	8	3	-2	22
Operating margin, %	2.1	3.5	1.5	1.3	1.3	2.5	2.6	0.9	-0.6	7.4
Operating cash flow	36	8	4	14	10	-65	9	-55	-24	5
¹⁾ Of which property sales	-	-	-	-	-	18	-	-	-	18

JM OTHER	2021					2020				
	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
Revenue (elimination)	-442	-134	-95	-122	-92	-332	-96	-80	-85	-71
Operating profit (Group-wide expenses)	-50	-15	-7	-18	-10	-40	-13	-3	-15	-9

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

Definitions and glossary

Description of key financial figures in JM's annual report that are not included in the IFRS regulations

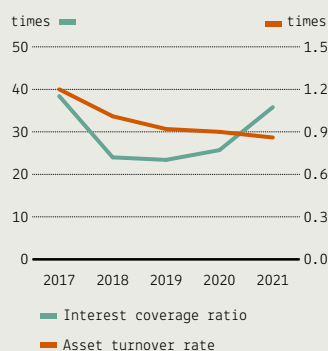
Segment reporting reflects the economic significance of JM's business. It also correlates well to the Group's internal governance, which is based on cash flow, risk profile and capital allocation. Use of key figures according to segment reporting helps investors and management analyze the trends in and performance of JM.

Amounts in SEK m unless otherwise stated.

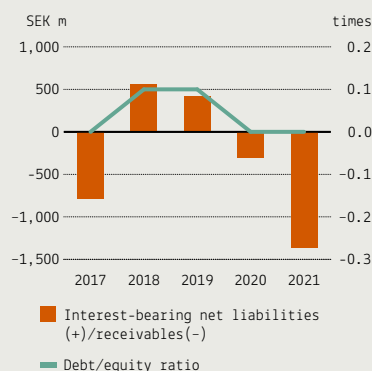
FIVE-YEAR OVERVIEW

Interest-bearing net liabilities (+)/receivables (-) according to segment reporting	2021	2020	2019	2018	2017	Definition
Interest-bearing liabilities (segment reporting)						Interest-bearing liabilities (segment reporting) less cash and cash equivalents and interest-bearing receivables
Pension provisions	1,761	1,804	1,702	1,388	1,251	
Non-current interest-bearing liabilities	190	354	425	146	203	
Current interest-bearing liabilities	667	579	690	694	332	
Cash and cash equivalents and interest-bearing receivables	-3,981	-3,037	-2,397	-1,682	-2,576	
Interest-bearing net liabilities (+)/receivables (-) according to segment reporting	-1,363	-300	420	546	-790	Reason to use the measure Measures external financing compared to own cash and cash equivalents
Operating margin (segment reporting)	2021	2020	2019	2018	2017	Definition
Operating profit (segment reporting)	2,216	2,028	2,008	1,886	2,369	Operating profit (segment reporting) divided by revenue (segment reporting)
Revenue (segment reporting)	14,608	15,388	15,692	16,161	17,008	
Operating margin (segment reporting), %	15.2	13.2	12.8	11.7	13.9	Reason to use the measure Measures profitability of the business given the current market conditions
Return on equity after tax	2021	2020	2019	2018	2017	Definition
Profit/loss for the period (segment reporting)	1,798	1,575	1,570	1,438	2,194	Profit/loss for the period (segment reporting) divided by average equity (segment reporting)
Average equity (segment reporting)	8,213	7,572	7,062	6,488	5,668	
Equity at beginning of the year	7,817	7,326	6,798	6,178	5,158	
Equity at end of the year	8,608	7,817	7,326	6,798	6,178	
Return on equity after tax, %	21.9	20.8	22.2	22.2	38.7	Reason to use the measure Measures profitability and financial position
Pre-tax return on capital employed	2021	2020	2019	2018	2017	Definition
Profit/loss before tax plus financial expenses	2,220	2,034	2,014	1,896	2,648	Profit/loss before tax (segment reporting) plus financial expenses divided by average capital employed (segment reporting)
Average capital employed	10,890	10,349	9,585	8,495	7,541	
Capital employed, at beginning of the year	10,555	10,143	9,026	7,964	7,117	
Capital employed, at end of the year	11,226	10,554	10,143	9,026	7,964	
Pre-tax return on capital employed, %	20.4	19.7	21.0	22.3	35.1	Reason to use the measure Measures profitability and capital efficiency
Capital employed	2021	2020	2019	2018	2017	Definition
Equity (segment reporting)	8,608	7,817	7,326	6,798	6,178	Equity (segment reporting) plus interest-bearing loans (segment reporting)
Interest-bearing loans (segment reporting)						
Transferred to pensions	1,761	1,804	1,702	1,388	1,251	
Non-current interest-bearing liabilities	190	354	425	146	203	
Current interest-bearing liabilities	667	579	690	694	332	
Capital employed	11,226	10,554	10,143	9,026	7,964	Reason to use the measure Measures capital utilization
Pre-tax return on total capital	2021	2020	2019	2018	2017	Definition
Profit/loss before tax plus financial expenses	2,220	2,034	2,014	1,896	2,648	Profit/loss before tax (segment reporting) plus financial expenses divided by average balance sheet total (segment reporting)
Average balance sheet total (segment reporting)	16,949	17,129	17,040	15,946	14,127	
Balance sheet total, at beginning of the year	16,665	17,593	16,487	15,405	12,848	
Balance sheet total, at end of the year	17,233	16,665	17,593	16,487	15,405	
Pre-tax return on total capital, %	13.1	11.9	11.8	11.9	18.7	Reason to use the measure Measures profitability and capital efficiency

INTEREST COVERAGE RATIO AND ASSET TURNOVER RATE



INTEREST-BEARING NET LIABILITIES/RECEIVABLES AND DEBT/EQUITY RATIO



Amounts in SEK m unless otherwise stated.

Equity/assets ratio (segment reporting)	2021	2020	2019	2018	2017	Definition
Equity (segment reporting)	8,608	7,817	7,326	6,798	6,178	Equity (segment reporting) divided by the balance sheet total (segment reporting)
Balance sheet total (segment reporting)	17,233	16,665	17,593	16,487	15,405	
Equity/assets ratio (segment reporting), %	50	47	42	41	40	Reason to use the measure Measures financial position
<hr/>						
Debt/equity ratio	2021	2020	2019	2018	2017	Definition
Interest-bearing net liabilities (segment reporting)	-1,363	-300	420	546	-790	Interest-bearing net liabilities (segment reporting) divided by equity (segment reporting)
Equity (segment reporting)	8,608	7,817	7,326	6,798	6,178	
Debt/equity ratio, multiple	-	-	0.1	0.1	-	Reason to use the measure Measures financial position
<hr/>						
Interest coverage ratio	2021	2020	2019	2018	2017	Definition
Profit/loss before tax (segment reporting)	2,158	1,955	1,928	1,817	2,579	Profit/loss before tax (segment reporting) plus financial expenses divided by financial expenses
Financial expenses	62	79	86	79	69	
Interest coverage ratio, multiple	35.8	25.7	23.4	24.0	38.4	Reason to use the measure Measures financial position
<hr/>						
Interest-bearing liabilities/balance sheet total	2021	2020	2019	2018	2017	Definition
Interest-bearing loans (segment reporting)	2,618	2,737	2,817	2,228	1,786	Interest-bearing loans (segment reporting) divided by balance sheet total (segment reporting)
Balance sheet total (segment reporting)	17,233	16,665	17,593	16,487	15,405	
Interest-bearing liabilities/total assets, %	15	16	16	14	12	Reason to use the measure Measures financial position
<hr/>						
Asset turnover rate	2021	2020	2019	2018	2017	Definition
Revenue (segment reporting)	14,608	15,388	15,692	16,161	17,008	Revenue (segment reporting) divided by average balance sheet total (segment reporting)
Average balance sheet total (segment reporting)	16,949	17,129	17,040	15,946	14,127	
Balance sheet total, at beginning of the year	16,665	17,593	16,487	15,405	12,848	
Balance sheet total, at end of the year	17,233	16,665	17,593	16,487	15,405	
Asset turnover rate, multiple	0.86	0.90	0.92	1.01	1.20	Reason to use the measure Measures financial position

Amounts in SEK m unless otherwise stated.

DEFINITIONS KEY FINANCIAL FIGURES — IFRS

Interest-bearing net liabilities (+)/receivables (-)	2021	2020	2019¹⁾	2018	2017²⁾	Definition
Interest-bearing liabilities						Interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables
Pension provisions	1,761	1,804	1,702	1,388	1,251	
Non-current interest-bearing liabilities	818	1,179	1,359	146	203	
Current interest-bearing liabilities	7,566	6,480	5,320	4,968	4,331	
Cash and cash equivalents and interest-bearing receivables	-3,981	-3,037	-2,397	-1,682	-2,576	Reason to use the measure Measures external financing compared to own cash and cash equivalents
	6,163	6,426	5,984	4,820	3,209	
<hr/>						
Equity/assets ratio	2021	2020	2019¹⁾	2018	2017²⁾	Definition
Equity	8,385	7,598	7,126	6,644	6,043	Shareholders' equity divided by balance sheet total
Balance sheet total	24,391	23,088	22,972	20,648	19,111	
Equity/assets ratio, %	34	33	31	32	32	Reason to use the measure Measures financial position
<hr/>						
Debt/equity ratio	2021	2020	2019¹⁾	2018	2017²⁾	Definition
Interest-bearing net liabilities	6,163	6,426	5,984	4,820	3,209	Interest-bearing net liabilities divided by equity
Equity	8,385	7,598	7,126	6,644	6,043	
Debt/equity ratio, multiple	0.7	0.8	0.8	0.7	0.5	Reason to use the measure Measures financial position
<hr/>						
Interest coverage ratio	2021	2020	2019¹⁾	2018	2017	Definition
Profit/loss before tax	2,147	1,917	1,882	1,807	2,666	Profit/loss before tax plus financial expenses divided by financial expenses
Financial expenses	85	107	106	79	69	
Interest coverage ratio, multiple	26.4	18.9	18.8	23.9	39.6	Reason to use the measure Measures financial position
<hr/>						
Earnings per share, diluted	2021	2020	2019¹⁾	2018	2017	Definition
Profit/loss for the period after dilution	1,807	1,543	1,529	1,427	2,261	Profit/loss for the year after dilution attributable to shareholders of the Parent Company divided by weighted average number of shares
Average number of shares	69,560,505	70,061,421	69,985,557	69,865,418	70,844,023	
Earnings per share, diluted, SEK	26.00	22.00	21.90	20.40	31.90	Reason to use the measure Measures profit per share

¹⁾ IFRS 16 Leasing affects the key figures for the current year. Comparative figures have not been restated.

²⁾ Comparative figures for 2017 have been restated due to reclassification of project financing in JM Residential Stockholm and JM Residential Sweden.

Amounts in SEK m unless otherwise stated.

JM SHARE

Total return¹⁾	2021	2020	2019	2018	2017	Definition
Change in share price, SEK	118.00	13.20	104.40	-13.90	-76.30	The sum of change in share price during the year and dividend paid divided by share price at beginning of the year
Dividend paid, SEK	12.75	12.50	12.00	11.00	9.50	
Share price, at beginning of the year, SEK	290.60	277.40	173.00	186.90	263.20	
Total return, %	45	9	67	-2	-25	Reason to use the measure Measures total return for the shareholder during a specific period
Dividend yield¹⁾	2021	2020	2019	2018	2017	Definition
Proposed dividend, SEK	13.50	12.75	12.50	12.00	11.00	Proposed dividend divided by share price as at end of the period
Share price, at end of the year, SEK	408.60	290.60	277.40	173.00	186.90	
Dividend yield, %	3.3	4.4	4.5	6.9	5.9	Reason to use the measure Measures return liquidity for the shareholder
Earnings per share, (diluted) segment reporting	2021	2020	2019	2018	2017	Definition
Profit/loss for the period after dilution	1,801	1,575	1,573	1,441	2,196	Profit/loss for the period according to income statement (segment reporting) attributable to shareholders of the Parent Company divided by weighted average number of shares
Average number of shares	69,560,505	70,061,421	69,985,557	69,865,418	70,844,023	
Earnings per share, (diluted) segment reporting, SEK	25.90	22.50	22.50	20.60	31.00	Reason to use the measure Measures profit per share
Development properties per share, market value¹⁾	2021	2020	2019	2018	2017	Definition
Development properties, market value	15,400	14,300	15,600	15,300	14,700	Development properties' market value at the end of the period divided by number of shares at end of the period
Number of shares at end of period	68,648,746	69,583,262	69,583,262	69,583,262	69,583,262	
Development properties per share, market value, SEK	224	206	224	220	212	Reason to use the measure Measures market value of development properties per share disregarding financing
Development properties per share, carrying amount¹⁾	2021	2020	2019	2018	2017	Definition
Development properties, carrying amount	8,205	7,831	8,938	8,306	7,543	Development properties' carrying amount at end of the period divided by number of shares at end of the period
Number of shares at end of period	68,648,746	69,583,262	69,583,262	69,583,262	69,583,262	
Development properties per share, carrying amount, SEK	120	113	128	119	108	Reason to use the measure Measures carrying amount of development properties per share disregarding financing
Project properties per share, market value¹⁾	2021	2020	2019	2018	2017	Definition
Project properties, market value	1,088	1,651	1,769	2,002	1,343	Project properties' market value at the end of the period in relation to the number of shares at the end of the period
Number of shares at end of period	68,648,746	69,583,262	69,583,262	69,583,262	69,583,262	
Project properties per share, market value, SEK	16	24	25	29	19	Reason to use the measure Measures the market value of project properties per share disregarding financing
Project properties per share, carrying amount¹⁾	2021	2020	2019	2018	2017	Definition
Project properties, carrying amount	813	1,246	1,399	1,635	1,074	Project properties' carrying amount at the end of the period in relation to the number of shares at the end of the period
Number of shares at end of period	68,648,746	69,583,262	69,583,262	69,583,262	69,583,262	
Project properties per share, carrying amount, SEK	12	18	20	23	15	Reason to use the measure Measures the carrying amount of project properties per share disregarding financing
Equity per share	2020	2020	2019	2018	2017	Definition
Equity (segment reporting)	8,608	7,817	7,326	6,798	6,178	Equity (segment reporting) at the end of the period divided by number of shares at end of the period
Number of shares at end of period	68,648,746	69,583,262	69,583,262	69,583,262	69,583,262	
Equity per share, SEK	125	112	105	98	89	Reason to use the measure Measures the value of equity per share, net worth
Interest-bearing net liabilities per share	2021	2020	2019	2018	2017	Definition
Interest-bearing net liabilities (segment reporting)	-1,363	-300	420	546	-790	Interest-bearing net liabilities (segment reporting) at end of the period divided by number of shares at end of the period
Number of shares at end of period	68,648,746	69,583,262	69,583,262	69,583,262	69,583,262	
Interest-bearing net liabilities per share	-20	-4	6	8	-11	Reason to use the measure Measures the value of interest-bearing net liabilities per share

¹⁾ The key figure is the same according to both segment reporting and IFRS reporting.

Other definitions

	Definition	Reason to use the measure
Revenue (segment reporting)	Revenue and profit in the projects are reported period-by-period, in pace with recognition of sales, providing a direct link between financial reporting and operations conducted during the period.	Measures revenue given completion and current market conditions
Operating profit (segment reporting)	Revenue (segment reporting) less production and operating expenses less selling and administrative expenses plus gains from property sales and joint venture and impairment.	Measures profit/loss given completion and current market conditions
Equity (balance sheet, segment reporting)	Equity (IFRS) adjusted for historic profit recognition according to percentage of completion method for JM International and adjusted for leases.	Measures equity (segment reporting)
Liabilities (segment reporting)	Liabilities (IFRS) adjusted with recognized revenue according to percentage of completion method for ongoing projects JM International reported net to project financing and adjusted for leases. Projects under liabilities exceed project financing recognized revenue.	Measures liabilities (segment reporting)
Assets (segment reporting)	Assets (IFRS) adjusted with recognized revenue according to percentage of completion method for ongoing projects JM International instead of capitalized cost (work in progress) reported net to project financing and adjusted for leases. Projects under assets exceed project financing recognized revenue.	Measures assets (segment reporting)
Development properties	Refers mainly to land that can be developed for future projects; classified as current assets. <ul style="list-style-type: none"> • Land with residential building rights • Land with commercial building rights • Land developed for residential projects or further development for project properties. 	Measures assets that may be reclassified to project expense in the future
Project properties	Classified as current assets and comprise large property portfolios for further development and commercial properties. <ul style="list-style-type: none"> • Properties under development • Completed rental and residential care units • Completed commercial properties. 	Measures assets that are for sale or can be exchanged for development properties
Operating cash flow (only business segment)	Change in operating capital plus profit for the period adjusted for non-cash items.	Measures cash flow per business segment
Return on operating capital	Operating profit (segment reporting) divided by average (five measurement points in the past five quarters) operating capital.	Measures profitability and capital efficiency by business segment
Operating capital	Total goodwill, project properties, development properties, participations in tenant-owners associations and joint venture etc., receivables from property sales, receivables from sold participations in tenant-owners associations, and accounts receivable and revenue less progress billings minus accounts payable, liabilities to tenant-owners associations and progress billings in excess of recognized revenue.	Measures capital utilization per business segment

Definitions according to the EU Taxonomy

	Definition
Net sales	Net sales include revenue as reported in accordance with IAS 1.82a.
CAPEX	Total capital expenses include acquisitions of tangible and intangible fixed assets made during the 2021 financial year and the right-of-use assets for the year.
OPEX	Total operating expenses (OPEX) consist of expenses for research and development (R&D) expensed during the period, renovation of buildings (owned or rented), expenses for repairs on and maintenance of tangible fixed assets (owned or rented), other direct expenses such as service for ongoing maintenance of tangible fixed assets required to secure the ongoing function of these assets, and expensed lease fees for short-term leases.
Eligible	The activity is subject to the EU Taxonomy Regulation.
Aligned	The activity complies with the requirements of the EU Taxonomy.

Board of Directors' Report

The Board of Directors and the President of JM AB (publ), CIN 556045-2103, hereby submit the Annual Accounts and Consolidated Financial Statements for 2021.

Market, sales and housing starts

Continued high demand on the housing market in Stockholm during the year with rising prices and good demand for JM's residential units in current production. The total supply of residential units and the supply of newly produced residential units decreased during the year. Profitability continued to be good, and housing starts in Stockholm were supported by a normal level of reservations. Revenue and operating profit continued to be negatively impacted by the lower housing starts during the years 2018–2020 and the lower price levels from 2017 through the first half of 2020.

Demand for residential units in the rest of Sweden was high during the year with rising prices. The supply of newly produced residential units continued to decrease during the year. The housing business in the rest of Sweden reported good sales and good profitability with a high level of housing starts.

In Norway and Finland, the activity on the housing market continued to develop favorably during the year with stable or slightly increasing prices on the existing home market.

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

The number of residential units sold in the form of signed contracts increased to 4,248 (4,026)^{1) 2)}. The percentage of sold and reserved homes in relation to current production amounts to 76 percent (74), with an interval of 60–65 percent considered normal. JM Residential Stockholm sold 1,306 residential units (1,340), JM Residential Sweden sold 1,121 (1,208), JM International sold 1,501 (1,060), and JM Property Development sold 320 (418).

The number of housing starts was 3,972 (3,199)^{3) 4)}. JM Residential Stockholm started production on 1,153 residential units (1,032), JM Residential Sweden on 1,177 (1,072), JM International on 1,301 (1,095), and JM Property Development on 341 (0).

In addition to demand, planning processes continue to be an important factor for the rate of housing starts. The high level of housing starts at the end of the year enabled JM to exceed its target of 3,800 housing starts in 2021. An increased level of housing starts is a priority to continue to meet the high demand.

The number of residential units in current production amounted to 8,094 (7,976), of which 484 are rental units (463) in JM Property Development.

Revenue

Consolidated revenue according to segment reporting for the year decreased to SEK 14,608m (15,388). The lower revenue refers primarily to JM Residential Stockholm and is attributable to a lower

level of current production for a while but where the level increased at end of the year. Revenue restated according to IFRS decreased to SEK 15,650m (16,291).

Operating profit

Operating profit according to segment reporting increased to SEK 2,216m (2,028), and the operating margin increased to 15.2 percent (13.2). Gains from sales of properties of SEK 396m (187) and from joint venture of SEK 40m (4) are included in the operating profit. Operating profit restated according to IFRS increased to SEK 2,277m (2,018). The restatement is related to JM International, with a negative effect on earnings of SEK –10m (–37), and leases according to IFRS 16, with a positive effect on earnings of SEK 22m (27).

Operating profit for the JM Residential Stockholm business segment decreased to SEK 763m (926), and the operating margin increased to 15.3 percent (14.6). Operating profit for JM Residential Sweden amounted to SEK 662m (657), and the operating margin amounted to 15.3 percent (15.7). Operating profit for JM International increased to SEK 415m (276), and the operating margin increased to 9.2 percent (7.4).

Operating profit for JM Construction amounted to SEK 20m (31), of which gains from property sales were SEK 0m (18).

Rental income from JM's project properties was SEK 41m (80). Net operating income was SEK 18m (57).

JM has not received any state support in 2021 attributable to COVID-19.

BUSINESS SEGMENTS	Revenue		Operating profit		Operating margin, %	
	2021	2020	2021	2020	2021	2020
SEK m						
JM Residential Stockholm	4,990	6,358	763	926	15.3	14.6
JM Residential Sweden	4,317	4,193	662	657	15.3	15.7
JM International	4,531	3,747	415	276	9.2	7.4
JM Property Development	262	169	407	178		
JM Construction	951	1,253	20	31	2.1	2.5
Elimination	-442	-332				
Group-wide expenses			-50	-40		
Total (segment reporting)	14,608	15,388	2,216	2,028	15.2	13.2
Restatement JM International	-240	-137	-10	-37		
Restatement IFRS 16			22	27		
Reclassification property sale	1,281	1,040				
Total (IFRS)	15,650	16,291	2,227	2,018	15.2	13.2

¹⁾ Of which 320 rental units (418) in JM Property Development

²⁾ Of which 583 residential units (170) in JM International and JM Residential Sweden to investors

³⁾ Of which 341 rental units (0) in JM Property Development

⁴⁾ Of which 505 residential units (170) in JM International and JM Residential Sweden to investors

RESIDENTIAL UNITS IN CURRENT PRODUCTION

	12/31/2021	12/31/2020
Number of residential units in current production ^{1) 2)}	8,094	7,976
Sold residential units in current production, % ³⁾	64	60
Reserved residential units in current production, %	13	14
Sold/reserved residential units in current production, %	76	74
¹⁾ Of which rental units and residential care units in current production in JM Property Development — not included in the percentage of sold and reserved residential units in current production	484	463
Including residential units in projects where costs incurred are only reported as project properties under construction	341	320

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

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

UNSOLD UNITS

	12/31/2021	12/31/2020
Completed production, number of unsold units ¹⁾	91	143
The number of unsold residential units in the balance sheet reported as "Participations in tenant-owners associations, etc"	67	85

¹⁾ After final occupancy according to plan.

Financial income and expenses

Net financial items, excluding interest rate expenses and leasing, improved somewhat compared to the previous year primarily due to somewhat lower average interest-bearing liabilities.

SEK m	12/31/2021	12/31/2020
Financial income	4	6
Financial expenses ¹⁾	-85	-107
Financial income and expenses	-80	-101
¹⁾ Of which interest expenses, leasing	-23	-28

Profit/loss before tax

Profit before tax according to segment reporting increased to SEK 2,158m (1,955). Profit restated according to IFRS increased to SEK 2,147m (1,917).

Tax and profit for the year

Profit for the year according to segment reporting increased to SEK 1,798m (1,575). Profit for the year restated according to IFRS increased to SEK 1,804m (1,539). Total tax expense was SEK -360m (-380) and according to IFRS SEK -343m (-378), including current tax of SEK -383m and deferred tax of SEK 40m according to IFRS.

The lower tax expense for 2021 compared to the nominal tax rate is primarily due to non-taxable revenue for the sale of completed rental properties.

A charge of SEK 39m (45) was taken against earnings for the property tax, which is treated as an operating expense.

Development and project properties*Residential building rights*

The number of available building rights at the end of the year amounted to 35,600 (37,800), of which 20,000 (20,400) are recognized in the balance sheet. Capital tied up in building rights (development properties in the balance sheet) for residential units increased to SEK 8,192m (7,815).

TOTAL NUMBER OF RESIDENTIAL BUILDING RIGHTS
(Including rights carried in the balance sheet as development properties)

	2021		2020	
JM Residential Stockholm	11,700	(6,500)	12,500	(7,300)
JM Residential Sweden	9,900	(6,200)	9,900	(6,300)
JM International	12,900	(7,100)	14,200	(6,500)
JM Property Development	1,100	(200)	1,200	(300)
Total	35,600	(20,000)	37,800	(20,400)

The valuation of JM's total development properties with a carrying amount of SEK 8.2bn (7.8) shows a surplus value of SEK 7.2bn (6.5). This valuation was carried out in cooperation with an independent appraisal company. This large surplus value confirms JM's geographic acquisition strategy.

During 2021, JM purchased development properties for residential units for SEK 1,754m (1,022), of which SEK 534m relates to JM Residential Stockholm, SEK 495m to JM Residential Sweden and SEK 726m to JM International. Net investments in development properties during the year totaled SEK 361m (-899). The building rights portfolio then amounts to SEK 8,205m (7,831). These holdings are essential for JM's residential development projects.

DEVELOPMENT PROPERTIES (HOUSING)

SEK bn	12/31/2021		12/31/2020	
	Market value	Carrying amount	Market value	Carrying amount
JM Residential Stockholm	8.8	4.1	8.8	4.2
JM Residential Sweden	3.0	1.7	2.6	1.5
JM International	3.5	2.5	2.9	2.1
Total	15.4	8.2	14.3	7.8

Project properties

Rental income from JM's project properties was SEK 41m (80). Net operating income was SEK 18m (57). Investments in project properties during the year totaled SEK 447m (691). Properties were sold for SEK 1,307m (1,040) with gains of SEK 395m (170). The externally appraised market value of JM's project properties was estimated at SEK 1,088m (1,651) with a carrying amount of SEK 813m (1,246), which means a surplus value of SEK 275m (405).

PROJECT PROPERTIES 12/31/2021	Market value, SEK m	Carrying amount, SEK m	Area (000) m ²	Occupancy rate annual rent, %
Properties under development	1,050	789	22	76
Completed rental unit properties	-	-	-	-
Completed commercial properties	38	23	1	89
Total	1,088	813	23	76

Financial items*Interest-bearing liabilities and average interest rates*

As at December 31, 2021, interest-bearing net receivables according to segment reporting totaled SEK 1,363m (300). Non-interest-bearing liabilities for completed property acquisitions amounted to SEK 651m (435). Of these liabilities, SEK 278m (64) were current. According to IFRS, interest-bearing net liability amounted to SEK 6,163m (6,426) after the addition of project financing within JM International of SEK 3,121m (2,609) and part of the project financing within JM Residential Stockholm and JM Residential Sweden of SEK 3,692m (3,400), as well as liabilities from leases according to

IFRS 16 of SEK 714m (717). Total interest-bearing loans according to segment reporting on December 31, 2021, amounted to SEK 2,618m (2,737), of which the provision for pensions comprised SEK 1,761m (1,804). According to IFRS, total interest-bearing liabilities amounted to SEK 10,144m (9,463). A revaluation of the pension liability as a result of changed assumptions regarding the discount rate and inflation decreased the liability by SEK –101m (42).

At the end of the year, the average interest rate for total interest-bearing loans according to segment reporting and including the pension liability was 2.0 percent (1.5). The average term for fixed-rate loans excluding the pension liability was 0.4 years (0.5). Since the volume of long-term borrowing is relatively limited, the Group works mainly with short term credit facilities.

Cash flow

Cash flow during the year from operating activities according to segment reporting was SEK 2,287m (1,715). Net investments in development properties resulted in a cash flow of SEK –189m (481). The reduced holdings of repurchased residential units resulted in a cash flow of SEK 107m (–77). Consolidated cash flow attributable to project properties (sales minus investment) during the year was SEK 893m (369), including payment received for property sales of SEK 1,340m.

Cash flow from operating activities according to IFRS was SEK –961m (–710). The difference in comparison to segment reporting is due to reclassified project financing within JM International, JM Residential Stockholm and JM Residential Sweden and reporting of leases according to IFRS 16. Also see comments to the cash flow statement on page 71.

Liquidity

Consolidated available liquidity increased to SEK 6,781m (5,837). Aside from cash and cash equivalents of SEK 3,981m (3,037), 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 2.9 years (3.1).

Shareholders' equity

As at December 31, 2021, consolidated equity according to segment reporting amounted to SEK 8,608m (7,817) and translated according to IFRS to SEK 8,385m (7,598). Undistributed earnings according to IFRS amounted to SEK 7,468m (6,827). In 2021 the dividend to shareholders was SEK 12.75 per share (12.50), for a total of SEK 887m (870). The equity ratio according to segment reporting was 50 percent (47). The equity ratio according to IFRS was 34 percent (33).

Risks and risk management

A description of significant risks and uncertainty factors that JM faces is presented on page 87. Aside from the uncertainty related to COVID-19, uncertainty has arisen regarding the supply of Swedish cement.

COVID-19 and its effects have created uncertainty and risks for some time. However, JM stands strong in terms of both its business model and its finances. The percentage of reserved and sold residential units in current production is at a high level. This, together with very limited disruptions in terms of staffing and supplier chains, presents possibilities for keeping the business reasonably stable

even during a weaker market where the risks are judged to have decreased in 2021.

Cement supply and local cement production through the operation of a limestone quarry is exposed to risk in Sweden due to an uncertain licensing process between a market-leading producer and related authorities. An amendment to the law has been adopted to enable the continuation of local cement production through the government review of a time-limited license to operate a limestone quarry. The amendment to the law went into effect on October 15, 2021, which made it possible to extend the licenses in question.

Exposure to commodity prices

The price of steel and wood increased during the year. Long-term agreements with JM's suppliers mean this is having a limited impact on the income statement. Cement prices have been stable during the year for JM, where price increases were announced for 2022. 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.

Human Resources

The number of employees decreased during 2021 by 3 percent and amounted to 2,453 (2,530) at the end of the year. Current staffing is dimensioned to the current project volume, and adjustments are made on a regular basis. Demand on the labor market for qualified project development skills continues to be high. The number of wage-earners was 884 (966), and the number of salaried employees was 1,569 (1,564). The average number of employees during the year was 2,461 (2,600), including 533 (543) in JM's foreign companies. Wages, salaries, and social security expenses totaled SEK 2,182m (2,198), of which social security expenses comprised SEK 704m (724).

Environmental program

How JM treats the environment today will leave its mark long into the future. Environment initiatives require a businesslike approach both in the short term and in the long term. This provides long-term value growth for owners as well as added value for customers through, for example, lower operating costs, improved quality and greater sustainability in the home. JM continuously develops its environmental work using our Operations System, improvement work, measurable targets and environmental training programs. Follow-up occurs via non-conformity and key figure reports as well as internal audits. Prioritized environmental issues include energy consumption, choice of building materials, building waste, transports and machinery, and contaminated soil.

Sustainability Report

The Sustainability Report in accordance with the Annual Accounts Act is reported in About the Sustainability Report on page 141.

Corporate governance report

The Corporate Governance Report is on pages 126–135.

Work of the Board in 2021

The 2021 Annual General Meeting elected seven members. The employee organizations appointed two members and two deputies. The Board of Directors held eleven meetings. In addition, the Audit Committee held five meetings, the Compensation Committee five meetings and the Investment Committee nine meetings. The most important issues for the Board in 2021 were decisions on the start of production of major housing projects, major acquisitions of development properties, the strategic plan, the sale of one rental project, a proposal to the Annual General Meeting on the acquisition of own shares, and short-term and long-term variable remuneration programs. The Board members' participation in meetings can be seen in the chart on pages 130–131. The performance of the Board of Directors is evaluated every fall. The results of the evaluation were discussed and presented to the Board and the Nomination Committee. A description of each committee and member is presented in the Corporate Governance Report on pages 128–129.

Dividend

Unrestricted equity in the Parent Company amounts to SEK 4,347m. For 2021, the Board of Directors proposes a dividend of SEK 13.50 (12.75) per share, for a total of SEK 927m (887). Remaining unrestricted equity of SEK 3,421m is proposed for carry-forward. The proposed record date for the dividend is Monday, April 4, 2022. If the Annual General Meeting resolves to adopt the proposal, the dividend will be sent on Thursday, April 7, 2022.

Elimination of treasury shares

The Board of Directors intends to propose to the Annual General Meeting that all holdings of treasury 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 on March 2, 2022 at the latest, in conjunction with the notice of the Annual General Meeting.

Repurchase and holdings of own shares

Following the Annual General Meeting on March 24, 2021, 1,101,550 shares were repurchased for SEK 375m. Holdings of treasury shares subsequently total 1,101,550.

The number of outstanding shares, excluding holdings of own shares, amounts to 68,648,746 as at December 31, 2021.

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. The acquisition must take place on Nasdaq Stockholm at a price within the current spread.

Outstanding shares

The number of outstanding shares, excluding holdings of treasury shares, at December 31, 2021, totals 68,648,746. One shareholder, Samhällsbyggnadsbolaget i Norden AB (SBB), has a shareholding in

the Company representing at least one-tenth of the voting rights for all shares in the Company. SBB's holdings of the Company's shares amount to 27.6 percent on January 31, 2022.

Share capital

JM's share capital on December 31, 2021, amounted to SEK 70m (70) represented by 69,750,296 shares. All shares carry equal voting rights and equal rights to a share of the Company's equity and have a par value of SEK 1. The issued shares are freely transferable with no restrictions imposed by law or JM's Articles of Association. JM knows of no agreements involving shareholders that may restrict the right to transfer shares.

In the event major changes occur to the ownership structure of JM AB, i.e. more than 30 percent or significant changes to the voting rights in JM AB are transferred to another owner or that JM AB is delisted from Nasdaq Stockholm, the credit line of SEK 2,800m can be terminated by the lenders.

The Board's proposal on guidelines for remuneration to senior executives

The Board of Directors proposes that the Annual General Meeting 2022 resolve that the following guidelines for remuneration to the senior executives should apply until the Annual General Meeting 2026 unless circumstances arise that require an earlier revision.

These guidelines cover the CEO and other members of Group management. The guidelines should apply to contractual remuneration and changes made to already agreed remuneration. The guidelines do not apply to remuneration decided by the General Meeting.

Guidelines' promotion of the Company's business strategy, long-term interests and sustainability

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. For more information about the business strategy, long-term interests and sustainability, see www.jm.se.

A successful implementation of the Company's business strategy and the protection of the Company's long-term interests, including its sustainability, requires that the Company can recruit and keep qualified employees. This in turn requires that the Company offer competitive remuneration. These guidelines make it possible to offer senior executives competitive total remuneration.

The basis for remuneration to senior executives is the fulfillment of financial targets, customer satisfaction, and individual performance. A prerequisite for the payment of remuneration is compliance with policies, guidelines and JM's Code of Conduct.

Remuneration covered by these guidelines should aim to promote the Company's business strategy and long-term interests, including its sustainability.

The Company has offered for a number of years the possibility for all employees in Sweden, including Group management, to subscribe to convertible debentures. The General Meeting resolves on the programs, and they are thus not covered by these guidelines. In 2021, no offer has been issued to subscribe to convertibles.

Forms of remuneration, etc.

Remuneration should be competitive and may consist of the following components: fixed cash salary, short- and long-term variable cash remuneration, pension benefits, and other benefits. Within the framework for the maximum possible long-term variable cash remuneration as described below, senior executives will be offered participation in the performance share program that the Company intends to introduce in the spring of 2022. In brief, participants in the program receive a cash subsidy that together with an own investment are to be invested in JM shares. The program runs over a three-year period. One-third of the cash subsidy is paid each year during the term of the program.

The fulfillment of criteria for payment of short-term variable cash remuneration must be measurable during a period of one year and may amount to at the most 50 percent of the total fixed cash salary during the measurement period. The long-term variable remuneration program must be measurable during a period of three years and may amount to at the most 50 percent of the total fixed cash salary during the year the program started.

For the CEO, pension benefits, including health insurance, must be defined-contribution. Variable cash remuneration may not be pensionable. The pension premiums for defined-contribution may amount at the most to 35 percent of the fixed cash monthly salary. Other senior executives are currently subject to an enhanced ITP plan and a premium-based pension reinforcement of a maximum of SEK 120,000 per year or 30 percent of the fixed cash annual salary exceeding 30 income base amounts. In the event another solution is selected, the pension benefits must be defined contribution — with pension premiums amounting to at the most 35 percent of the fixed cash salary — unless the executive is subject to a defined-benefit pension in accordance with the provisions of a collective agreement. Variable cash remuneration must be pensionable to the extent this applies under compulsory collective agreement provisions that are appropriate for the executive. The Board of Directors, based on a proposal from the CEO, may approve that retirement pension is offered to senior executives who have turned 62.

Other benefits may include life insurance, health insurance and a company car. Premiums and other costs related to such benefits may together total at the most 5 percent for the CEO and at the most 10 percent for the fixed average cash salary for other senior executives.

Additional cash variable remuneration may be paid under extraordinary circumstances, assuming that such extraordinary arrangements only are made at the individual level either with the aim of recruiting or keeping senior executives or as compensation for extraordinary tasks performed in addition to regular tasks. This remuneration, for the person in question, may together with the outcome of a short-term variable salary scheme, not exceed an amount corresponding to the maximum possible payout for the short-term variable salary scheme for the payment year in question. Decisions on such remuneration must be made by the Board of Directors following a recommendation by the Compensation Committee.

Regarding employment conditions that are subject to rules other than those that apply in Sweden, for pension benefits and other benefits, reasonable adjustments may be made to comply with such mandatory rules or established local practice, in which

case the overarching objective of these guidelines should be fulfilled to the greatest extent possible.

In exceptional cases, Group management may temporarily be supplemented with a non-regular member who is engaged on a consultancy basis. If this occurs, the member will only receive contractual consultant fees. The size of the consultant fee may correspond to at the most the CEO's fixed cash salary for the same period, adjusted upward for an amount corresponding to social security expenses.

Termination of employment

For the termination of employment, the notice period may be at the most twelve months. Fixed cash salary during the notice period and severance pay may together not exceed an amount corresponding to the fixed cash salary for two years for the CEO and one year for other senior executives. If notice of termination is given by the senior executive, the notice period may be at the most six months with no right to severance pay. In the event of an agreement between the Company and the executive on the termination of employment, the above wording means that the severance pay can be paid and/or the termination salary can be paid longer than when the notice of termination is given by the senior executive.

Criteria for distribution of variable cash remuneration, etc.

In addition to the financial performance of the operations, which carries the greatest weight, the short-term variable cash remuneration should also be based on earnings per share and the outcome of customer surveys (Customer Satisfaction Index).

The long-term variable salary scheme is and will be based on the Group's performance targets three years forward in time and, where applicable, the performance of an individual unit.

The criteria that according to the above determine the outcome create incentives for employees to contribute to the realization of the Company's business strategy and thus long-term value creation. If the Board of Directors later were to assess that the business strategy and the Company's long-term interests, including its sustainability, would be better served if the criteria were amended or the targets otherwise modified, these guidelines allow for such changes.

When the measurement period to fulfill the criteria for the payment of variable cash remuneration has closed, the extent to which the criteria have been fulfilled must be determined. The Compensation Committee is responsible for the assessment of variable cash remuneration to the CEO. The CEO is responsible for the assessment of variable cash remuneration to other senior executives. For financial targets, the assessment should be based on the financial information the Company most recently made public.

Salaries and terms of employment for employees

When preparing the Board's proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees were considered in that information about employees' total remuneration, the remuneration components, the increase in the remuneration and the rate of the increase over time formed a part of the Compensation Committee's and the Board's decision basis for the evaluation of the reasonableness of the guidelines and the limitations resulting from them. The remuneration report that

is prepared for paid and outstanding remuneration covered by the guidelines reports on the change in the gap between the senior executives' remuneration and other employees' remuneration.

Decision process to determine, review and implement the guidelines

The Board of Directors has established a Compensation Committee. The committee's tasks including preparing the Board's decisions on proposed guidelines for remuneration to senior executives. The Board must prepare a proposal for new guidelines at least every four years and present the proposal for resolution by the Annual General Meeting. The guidelines should apply until new guidelines are adopted by the General Meeting. The Compensation Committee should also monitor and evaluate the program for variable remuneration to senior executives, the application of guidelines for remuneration to senior executives and the applicable remuneration structures and levels in the Company. The members of the Compensation Committee are independent in relation to the Company and senior executives. When the Board of Directors discusses and decides on remuneration-related matters, the CEO and other members of executive management do not attend the meetings to the extent they are affected by the matters.

Deviations from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines in full or in part if there are grounds for such a decision on a case-by-case basis and a deviation is necessary to ensure the Company's long-term interests, including its sustainability, or to ensure the Company's economic viability. As specified above, the Compensation Committee is tasked with preparing the Board's decisions on remuneration matters, which includes deviations from the guidelines.

Description of significant changes to the guidelines

The Board of Director's proposed guidelines for remuneration for the Annual General Meeting 2022 agree with the guidelines resolved upon at Annual General Meeting 2020, but with supplementary information about the share performance program the Company intends to introduce in the spring of 2022. See "Forms of remuneration, etc."

More information

For more information about remuneration in JM, including, where relevant, decided remuneration that has not fallen due for payment, see Note 3 on pages 100–101.

Parent Company

The Parent Company's core business is project development of residential properties and is conducted in the following business segments: JM Residential Stockholm, JM Residential Sweden and JM Property Development. Net sales for the Parent Company in 2021

were SEK 9,710m (10,790). The Parent Company's profit before appropriations and tax was SEK 1,412m (1,834). Investments in properties totaled SEK 477m (962). The average number of employees was 1,628 (1,752), including 1,205 men (1,311) and 423 women (441). Wages, salaries, and social security expenses totaled SEK 1,399m (1,458). An account of the number of employees and payroll expenses is provided in the Parent Company's notes, Note 2 on page 117.

Accounting for housing development in Sweden

The annual reports for 2018 and 2019 have presented the housing development in Sweden. The report for the first six months of 2020 included a description of the ongoing investigation and Finansinspektionen's (FI) decision on May 20, 2020, according to which the tenant-owner associations that JM develops may not be considered independent from an IFRS perspective and therefore for accounting purposes must be consolidated in JM's consolidated financial statements.

JM does not share FI's assessment, and even if a change in the accounting will not affect JM's segment reporting, project governance or risk profile, JM considers it to be of principle importance for the matter to be further assessed by a court of law. JM therefore appealed FI's decision to the Administrative Court at the beginning of June 2020. JM's appeal was decided with a ruling by the court in JM's favor on October 26, 2021. The Administrative Court reached a different assessment than FI and therefore overturned Finansinspektionen's previous decision. FI has appealed the ruling by the Administrative Court to the Administrative Court of Appeal and received notification that the appeal will be considered. JM has submitted a plea to the Stockholm Administrative Court of Appeal in response to FI's appeal. The process to reach a final ruling is judged to potentially take several years. In the annual reports for 2018, 2019 and 2020, JM provided disclosures regarding effects on earnings, equity and the tenant-owners associations' liabilities in the event that the tenant-owners associations would be consolidated. Corresponding disclosures are also provided in the 2021 Annual Report on page 94. JM intends to continue to provide such disclosures in the annual report.

IFRS is a principle-based framework that often requires assessments. In complex matters like this, it is possible for different parties to make different assessments. An accounting revision in line with FI's preliminary assessment does not affect JM's segment reporting, project governance or business risk profile. JM considers segment reporting to most accurately reflect the economic implications of JM's business at the same time as it correlates well with the Group's internal governance, which is based on the Group's cash flows, risk profile and capital allocation.

Risks and risk management

Significant risks and uncertainty factors are listed below. JM's largest risks are attributable to changes in macroeconomic conditions.

Risk	Description of risk	Management	Comments/outcome 2021
MACROECONOMIC RISKS			
Economic growth	Demand for housing is influenced by economic growth and consumer buying power, as well as development in housing prices.	Requirement of well-balanced level of sold/reserved residential units before housing start. Efficiency measures in order to reduce production costs.	GDP increase with rising housing market in all JM markets during the year. A well-balanced risk level has been maintained in current production.
Demographics	Population growth and migration flows influence demand for housing.	JM's strategy is to operate in cities and areas with the best demographic and economic prerequisites.	Fundamental demographic trends are stable in our main markets.
Competition scenario	The number of competitors impacts offering and pricing, and thus profitability.	The local competitive situation is continuously monitored. JM works to distinguish itself via its corporate culture, flexibility and acquisition expertise, and to distinguish its offer via customer focus, quality profile and marketing.	Increased competition for project development in our main segments but low supply of unsold newly produced residential units.
Political risks	Political decisions such as conditions for different forms of tenure, investments in infrastructure and municipal planning, etc., can change the prerequisites.	Flexible local plans and decisions on form of tenure as late as possible.	Unchanged political risks, some uncertainty regarding regulatory issues.
Acute macro-economic changes	Severe shocks with widespread global impact. Potential impact on demand, supply and flows of goods and services within and between countries (for example: terrorism, conflicts, financial crisis, pandemic, natural catastrophe).	Ability to adapt quickly, follow guidelines from the government and authorities, crisis preparedness and ongoing scenario analyses.	Pandemic. Digital solutions for customer interaction and remote working, safeguarded cash flows and production capacity, few shocks in the supply chain, and absence due to illness in line with previous years.
OPERATIONAL RISKS			
Risks related to building rights portfolio	The risk of there being too few or too many building rights, or that they are in the wrong areas. Risk of planning being delayed or local plans not being approved.	Ongoing market and customer surveys and close cooperation with potential home buyers to ensure understanding of customer needs. Reduce risks by acquisitions being on condition that the local plan gains final approval.	Continued risk has been identified for allocating resources to manage planning processes in some municipalities in the long term.
Implementation risk	Lack of planning or analysis leads to delays, excessively high costs and insufficient customization.	Efficiency measures in order to reduce production costs. Required level of sold/reserved residential units before housing start. Stricter procedures for monitoring, oversight and control. Structured Project Development.	Favorable development of efficiency measures in the Group's processes. Increased prices for building material but where JM's long-term purchasing agreements have minimized the impact on implementation.
Unsold units	Unsold residential units result in lower profitability for the project and undesired tied-up capital in the balance sheet.	Starting the project in phases, at the same rate that residential units are sold/reserved, means the risk of unsold residential units can be controlled. The goal is for all residential units to be sold by final inspection.	At the end of the year, JM had purchased 67 (unsold) units with a carrying amount of SEK 377m in the balance sheet.
Price development during production	A drop in housing prices during the project means the residential units will be difficult to sell or the project will be unprofitable.	Phased starts mean that JM can better match price to demand.	An improved market resulted in higher price levels for residential units. Unchanged size in project phases.
FINANCIAL RISKS (see note 25, Financial risk management on pages 109–110)			
Interest rate risk	Changes in market interest rates can negatively impact earnings and cash flow.	The Board has adopted guidelines for fixed interest and maturities. Rules for managing interest rate risk in building loans.	Expectation of fairly stable to slightly increasing interest rates in the financial and housing markets. Inflation is creating greater uncertainty.
Financing risk	Risk that loans that fall due could become more difficult and more expensive to refinance.	JM is attractive to lenders due to its good equity/assets ratio. JM's finance policy.	Possibilities to finance housing production have been good at stable margins.
Liquidity risk	Risk of being unable to fulfill payment obligations.	Good control over cash and cash equivalents, and surplus is only invested in local currency and with low credit risk. Payment readiness via overdraft facilities and committed credit lines.	Strong liquidity situation.
Currency risk	Fluctuations in exchange rates have a negative impact on the cash flow, income statement and balance sheet.	Limited transaction volumes and selective hedging of balance sheet exposure.	Unchanged low currency exposure.
SUSTAINABILITY RISKS			
Climate	Increasing requirements on decreased environment footprint and energy consumption. Elevated water levels, recurring pelting rain and more humid climate.	JM builds low energy buildings. Local plans are adapted to higher water levels. Materials and technical solutions are selected for greater resistance to moisture. Description of moisture protection prepared in all projects.	JM's residential units use significantly less energy than what is required by the government authorities. In 2021, we continued to follow the recommendations of the TCFD framework, Task Force on Climate-related Financial Disclosures, which is described in more detail on pages 39–40.
Human Resources	Difficulties attracting, recruiting and keeping competent employees.	Strong value-driven company culture, clear and committed leadership and an important contributor to sustainable urban development of the future.	New framework for leadership, management training in situation-specific leadership, employer branding.
Social conditions	Risks for accidents, physical and psychological occupational injuries and discrimination in the workplace.	Systematic environment work, wellness work, core values, Code of Conduct and incident reporting system.	Implementation of Safety Week, review of the Code of Conduct at yearly performance reviews. New procedures and training requirements for crane lifting.
Human rights	Deficiencies in social responsibility and compliance with human rights, work environment, labor law, environmental consideration and work to combat corruption in supply chains.	JM performs sustainability assessments, sustainability analyses and audits of its supply chains. Code of Conduct for suppliers and contractors.	104 conducted sustainability assessments of suppliers, of which about 20 were selected to respond to an in-depth survey about their sustainability work, which in turn resulted in three on-site sustainability audits.
Anti-corruption	Risk of improper behavior during business deals.	Clear governance, decision-making, transparency and follow-up of business arrangements. Code of Conduct and ethical guidelines.	Review of the Code of Conduct during recruiting and yearly performance reviews. Regular exercises for employees in handling ethical dilemmas.

Consolidated income statement — IFRS

SEK m	NOTE	2021	2020
Revenue	1, 2	15,650	16,291
Production and operating costs	3, 4, 6	-12,435	-13,337
Gross profit		3,215	2,954
Selling and administrative expenses	3, 4, 5, 6	-1,032	-957
Gains/losses on the sale of property, etc. ¹⁾	7	45	21
Operating profit		2,227	2,018
Financial income	8	4	6
Financial expenses	8	-85	-107
Profit/loss before tax		2,147	1,917
Taxes	9	-343	-378
Profit for the year		1,804	1,539
Other comprehensive income			
<i>Items that will be reclassified as income</i>			
Translation differences from the translation of foreign operations		108	-157
<i>Items that will not be reclassified as income</i>			
Restatement of defined-benefit pensions		126	-52
Tax attributable to other comprehensive income		-26	11
Total comprehensive income for the year		2,012	1,341
Net profit for the year attributable to shareholders of the Parent Company		1,804	1,539
Comprehensive income for the year attributable to shareholders of the Parent Company		2,012	1,341
Earnings per share, basic, attributable to shareholders of the Parent Company, SEK	10	26.10	22.10
Earnings per share, diluted, attributable to shareholders of the Parent Company, SEK	10	26.00	22.00
Proposed dividend per share (SEK)	10	13.50	12.75
¹⁾ Of which income from joint venture		40	4

Consolidated balance sheet — IFRS

SEK m	NOTE	12/31/2021	12/31/2020
ASSETS	2		
Non-current assets			
Goodwill	11	180	168
Machinery and equipment	12	8	8
Rights-of-use offices and cars	13	255	157
Participations in joint operations and joint venture	14, 15	118	78
Deferred tax assets	28	1	7
Financial assets	16, 25	23	17
Total non-current assets		584	435
Current assets			
Project properties	17	813	1,246
Development properties	17	8,205	7,831
Rights-of-use leasehold rights	13	456	558
Participations in tenant-owners associations, etc.	18	377	445
Work in progress	19	4,073	3,577
Accounts receivable	25	636	802
Other current receivables	20	419	521
Prepaid expenses and accrued income		49	35
Recognized revenue less progress billings	21	4,798	4,601
Cash and cash equivalents	22, 23	3,981	3,037
Total current assets		23,807	22,653
TOTAL ASSETS		24,391	23,088
EQUITY AND LIABILITIES	2		
Equity attributable to shareholders of the Parent Company			
Share capital		70	70
Other capital contributions		935	898
Reserves		-89	-197
Undistributed earnings (including net profit for the year)		7,468	6,827
Total share-holders' equity		8,385	7,598
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	23, 24, 25	818	1,180
Other non-current liabilities	23, 24, 25	373	372
Provisions for pensions and similar obligations	23, 26	1,761	1,804
Other non-current provisions	27	678	848
Deferred tax liabilities	28	584	603
Total non-current liabilities		4,214	4,807
Current liabilities			
Accounts payable	24, 25	780	819
Current interest-bearing liabilities	23, 24, 25	7,566	6,480
Other current liabilities	24, 25	844	687
Current tax liabilities		60	137
Progress billings in excess of recognized revenue	29	967	1,008
Accrued expenses and deferred income	30	1,430	1,419
Current provisions	27	145	133
Total current liabilities		11,793	10,683
Total liabilities		16,007	15,490
TOTAL EQUITY AND LIABILITIES		24,391	23,088

Consolidated statement of changes in equity — IFRS

SEK m	Attributable to shareholders of the Parent Company				Total shareholders' equity
	Share capital	Other capital contributions	Translation reserves	Undistributed earnings	
Opening balance, January 1, 2020	70	897	-40	6,199	7,126
Total comprehensive income for the year			-157	1,498	1,341
Dividend to Parent Company shareholders, SEK 12.50 per share				-870	-870
Equity component of convertible debentures		1			1
Closing balance, December 31, 2020	70	898	-197	6,827	7,598
Opening balance, January 1, 2021	70	898	-197	6,827	7,598
Total comprehensive income for the year			108	1,904	2,012
Dividend to Parent Company shareholders, SEK 12.75 per share				-887	-887
Repurchase of shares				-375	-375
Conversion of convertible loan	-	38			38
Closing balance, December 31, 2021	70	935	-89	7,468	8,385

Consolidated cash flow statement — IFRS

SEK m	NOTE	2021	2020
	1, 23		
OPERATING ACTIVITIES			
Operating profit		2,227	2,018
Depreciation and amortization		113	105
Increase/decrease in residential units in the balance sheet ¹⁾		107	-77
Other non-cash items ²⁾		-3,318	-1,859
Sub-total, cash flow from operating activities		-871	187
Interest received		3	5
Interest paid and other financial expenses		-59	-76
Paid tax		-549	-484
Cash flow from operating activities before change in working capital		-1,475	-368
Investment in development properties		-1,539	-1,529
Payment on account for development properties ²⁾		485	433
Increase/decrease in accounts receivable		706	954
Increase/decrease in other current receivables, etc.		-198	13
Increase/decrease in accounts payable		-51	-174
Increase/decrease in other current operating liabilities		217	-408
Cash flow before investments and sales of project properties		-1,854	-1,079
Investment in project properties		-447	-691
Sale of project properties		1,340	1,060
Cash flow from operating activities ²⁾		-961	-710
INVESTING ACTIVITIES			
Investment in property, plant, and equipment		-5	-1
Investment in joint venture		-	-78
Change in financial assets		-13	-
Cash flow from investing activities		-17	-79
FINANCING ACTIVITIES			
Loans raised		664	453
Amortization of debt		-738	-571
Amortization of debt, leasing		-108	-98
Loans raised, project financing ²⁾		5,308	4,486
Amortization of debt, project financing ²⁾		-1,951	-1,963
Repurchase of shares		-375	-
Dividend		-887	-870
Cash flow from financing activities		1,911	1,437
Cash flow for the year		933	648
Cash and cash equivalents, at beginning of the year		3,037	2,397
Exchange rate difference in cash and cash equivalents		11	-8
Cash and cash equivalents, December 31		3,981	3,037

¹⁾ The increase/decrease in residential units in the balance sheet creates a cash flow and is included in the operations' net profit/loss.

²⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

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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.

note 1 Accounting and valuation principles

Amounts in SEK m unless otherwise stated.

COMPANY INFORMATION

These annual accounts and consolidated accounts for JM AB were approved by the Board and the President on February 28, 2022, and will be presented for adoption at the 2022 Annual General Meeting. JM AB is a Swedish public limited company listed on Nasdaq Stockholm, Large Cap segment. The Company has its registered office in Stockholm, Sweden. The address of the head office is Gustav III:s boulevard 64 Solna, Sweden.

STATEMENT OF COMPLIANCE WITH APPLICABLE RULES

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. In addition, the consolidated accounts are prepared in compliance with Swedish law through the application of the Swedish Financial Reporting Board recommendation RFR 1 (Supplementary Accounting Regulations for Groups). The Parent Company's annual accounts have been prepared in compliance with Swedish law and with application of the Swedish Financial Reporting Board's recommendation RFR 2 (Reporting for Legal Entities). This means that the Group's accounting principles are applied with the deviations that can be seen in the section about the Parent Company's accounting policies.

Basis for preparation of the accounts

The consolidated accounts are based on historical cost, with the exception of certain financial instruments. Unless stated otherwise, amounts are specified in millions of Swedish kronor (SEK m).

BASIS FOR CONSOLIDATION

The consolidated accounts include the Parent Company and its subsidiaries. The financial statements for the Parent Company and the subsidiaries that are included in the consolidated accounts relate to the same period and have been prepared according to the accounting policies that apply for the Group. A subsidiary is included in the consolidated accounts from the date of acquisition, which is the date on which the Parent Company acquires a controlling influence over the company, normally when the Parent Company owns more than 50 percent of the votes, and is included in the consolidated accounts until the date on which the controlling influence in the company ceases. Internal balances and profits and losses from internal transactions are eliminated.

CHANGES IN ACCOUNTING PRINCIPLES AND METHODS OF CALCULATION

The accounting principles and methods of calculation for the Group are the same as those applied to the previous year.

NEW STANDARDS AS OF 2021

The standards that entered into force have not had any effect on the consolidated financial statements.

NEW STANDARDS ENTERING INTO EFFECT AS OF 2022

The changes to IFRS which will be applied in 2022 are expected to have no or very little impact on JM's financial reporting.

IMPORTANT ESTIMATES AND ASSESSMENTS

The preparation of financial statements requires JM to make assessments, estimates and assumptions which affect the reported amounts of assets and liabilities, the reported amounts of revenue and expenses and other information disclosed. These estimates and assessment reflect what JM considers to be reasonable and legitimate at the time the annual report is presented. Other assessments, assumptions or estimates could lead to other results, and assessments made at a later point in time and/or the actual outcome

may differ from the assessments made now, i.e. given events that occurred later or modified global factors. JM must also make assessments regarding the application of the Group's accounting principles.

Important assessments when applying accounting principles

In Sweden, JM enters into agreements with tenant-owners associations to construct turn-key residential properties. JM does not consider itself to have control of these tenant-owners associations in accordance with IFRS 10 Consolidated Financial Statements, and they are therefore not consolidated. The associations are thus viewed as customers of JM.

The activities of a tenant-owners association can be divided into two different phases. The first, the production phase, consists of the phase during which the association is formed and purchases the property in which individual buyers acquire residential units made available as tenant-owned apartments. When the property is completed, the activity transitions into a management phase. During the production phase, relevant activities include signing an agreement with a firm for the production and provision of a turn-key residential property.

The tenant-owners associations are formed by JM-independent professionals within the property and tenant-owned apartment sector, and according to the association's statutes the majority of the board members must be appointed by a JM-independent party during the entire production phase. JM has no right to appoint the associations' boards of directors, and JM never has any representation on these boards.

The boards of the tenant-owners associations evaluate JM's offer and make the decision that is relevant and important for the activities of the production phase to enter into an agreement with JM for the production and provision of a turn-key residential property. The associations also enter into agreements with independent real estate agents, who sell the association's tenant-owned units.

Through the agreement, JM and the tenant-owners associations agree on what will be delivered by JM and when. In other words, JM is hired to deliver a turn-key residential property in exchange for compensation at market rates and cannot influence the relevant activities in the tenant-owners associations during the production phase.

JM also considered other contract terms that could be of significance for the assessment. For example, during the production phase, JM provides surety for the portion of the tenant-owners associations' building loans that exceed the value of the mortgage deed in the property the association pledges as collateral, and JM is obligated to acquire units that are not sold as tenant-owned apartments from the associations after a certain period of time following the final inspection, thus bearing the non-impactable risk that prices may fall (see Note 31). JM also undertakes according to the agreement, in exchange for compensation at market rates, economic management as well as other management during the production phase and compensate the associations for their day-to-day costs. The surety commitment is a temporary, partial credit enhancement that largely is pledged to reduce the cost of issuing the mortgage deed, which is advantageous for both parties. The commitments to acquire unsold apartments occur in several other industries, and the same applies to agreements where transaction prices vary depending on the market price on any given day. JM considers this commitment to have an impact on the assessment of revenue recognition and not the assessment of whether there is any control¹⁾. The described additional services have been agreed purely for administrative reasons and are judged to be unimportant for the order placed with JM by the association for the total undertaking of providing a turn-key residential property.

Given an overall assessment of all the facts and circumstances, JM does not consider the above conditions, which are reported in accordance with IFRS¹⁾, to change JM's conclusion. JM cannot direct the relevant activities of the tenant-owners associations during the production phase, but rather is hired to deliver a turn-key residential property in exchange for compensation at market rates. JM therefore does not consider itself to have power over the associations in accordance with IFRS 10, and thus JM does not have control over the associations.

If JM instead had assessed that it has control, the tenant-owners associations would have been consolidated. JM's customers would then constitute individual buyers of tenant-owned apartments, which means that the revenue would not be reported over time (gradually) but rather at the point in time the buyers of the tenant-owned apartments take occupancy. Based on what JM considers to be reasonable assumptions, under such a scenario JM estimates that revenue and operating profit/loss for 2021 would have amounted to approximately SEK 16.1bn (compared to reported revenue of SEK 15.7bn) and approximately SEK 2.1bn (compared to reported operating profit/loss of SEK 2.2bn), respectively, and equity on December 31, 2021, would have amounted to approximately SEK 7.7bn (compared to reported equity of SEK 8.4bn).

JM has no contractual or legal basis for taking part of the financial statements for the tenant-owners association with which JM has an ongoing construction agreement. However, JM has compiled data about these associations' utilized construction loans, which, as at December 31, 2021, amounted to approximately SEK 6.7bn (6.9).

¹⁾ The commitment to acquire unsold apartments is considered when determining the transaction price within the framework of IFRS 15 rules regarding variable remuneration. JM discloses the surety commitment in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, while, according to the same standard, the reporting of the income statement and balance sheet is first relevant in a situation where it is judged to be probable that the commitment will be met.

IMPORTANT SOURCES OF UNCERTAINTY IN ESTIMATES

Revenue recognition over time (percentage of completion method) in current residential and contracting projects

JM applies the percentage of completion method, where revenue and profit/loss are reported gradually over the term of the project based on the forecast completion and the project's actual rate of completion. This requires that income and expenses, and thus the margin, can be reliably estimated. This estimate is based on JM's system for calculations, reporting, follow-up and forecasts. It requires input data in the form of estimates and assessments that are dependent on the knowledge and experience of JM and its employees. However, the final project outcome can deviate from assessments made earlier. See Note 21 and Note 29 for more information.

Provisions for pension commitments

The carrying amount of JM's commitments for defined-benefit pension plans are affected by actuarial assumptions such as the discount rate, inflation, mortality, future wage increases and staff turnover, and where the assumed discount rate normally has the greatest impact. See Note 26 and Note 27 for more information, and Note 26 also provides information about assumptions made and a sensitivity analysis for changes to the chosen discount rate.

Provisions for warranty commitments

Most of JM's contracts with customers, in terms both of project development of residential units as well as contracting agreements in JM Construction, contain provisions for warranty commitments for JM from the obligation to rectify faults and deficiencies within a set period of time (in some cases up to ten years) after the completion of the project. The warranty commitments may also be stipulated by law or in some other way. The calculation of the warranty provisions is normally based on the estimated costs for the project concerned or for a group of similar projects and is determined according to a ratio that has historically provided a reliable estimate of these costs. The ratio can be, for example, a proportion of revenue or estimated cost per completed residential unit. The size of the provision is assessed regularly during the warranty period and adjusted as needed based on experience data in general and, where available, specific damages. Actual outcome may deviate from the provisions based on estimates made. See Note 27 for more information.

Disputes, etc.

Within the framework of its ongoing business, JM is occasionally involved in disputes and legal proceedings. In these cases, JM's assumptions must be

evaluated and the probability for various outcomes assessed. Actual outcomes in the future may deviate from the estimates made today. See Note 25 and Note 31 for more information.

CURRENT AND NON-CURRENT LIABILITIES, CURRENT AND NON-CURRENT ASSETS

Liabilities and provisions are reported as either current or non-current. Current liabilities refer to liabilities that are expected to be settled within twelve months of the balance sheet date or when JM does not have an unconditional right to pay later than within twelve months. Current assets include assets that are expected to be realized during JM's normal business cycle or, in terms of claims, within twelve months.

BUSINESS COMBINATIONS

The fair value of identifiable assets and liabilities of acquired operations is determined at the time of acquisition (and also includes, where relevant, assets, liabilities and provisions, including commitments and claims from outside parties, which are not recognized in the balance sheet of the acquired business). The difference between the cost of the acquisition and the acquired share of identifiable net assets in the acquired business constitutes goodwill and is recognized as an intangible asset in the balance sheet. Transaction costs are expensed directly in the profit/loss for the period.

ASSOCIATED COMPANIES AND JOINT VENTURE

Holdings in associated companies are reported using the equity method and include companies in which the Group has a significant influence, which normally is assumed to be the case when the holding amounts to at least 20 percent but not exceeding 50 percent of the voting rights and the ownership is part of a long-term commitment. According to the equity method, holdings in associated companies and joint ventures are reported initially in the consolidated balance sheet at cost. The carrying amount is increased or decreased to take into account the Group's share of profit/loss and other comprehensive income from its associated companies and joint ventures after the date of acquisition. The Group's share of profit/loss is included in consolidated profit/loss, and the Group's share of other comprehensive income in other consolidated comprehensive income. Dividends from associated companies and joint ventures are reported as a decrease in the investment's carrying amount. When the Group's share of losses in an associated company or joint venture is as large as or exceeds the holding in this associated company or joint venture (including all non-current receivables that in reality constitute a part of the Group's net investment in this associated company or joint venture), the Group does not report any further losses unless it has taken on obligations or made payments on behalf of the associated company or the joint venture. Unrealized profits on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's holdings in associated companies and joint ventures. Unrealized losses are also eliminated if the transaction does not constitute an indication of an impairment of the asset that is being transferred.

JOINT ARRANGEMENTS

Joint arrangements are operations for which the Group, through cooperation agreements with one or more partners, shares the controlling influence. If the arrangements are joint operations, by which the partners are entitled to the assets and obliged by the liabilities of the arrangements, the partners report their assets, liabilities, income and expenses and their participations in joint assets, liabilities, income and expenses. If the partners are entitled to the arrangement's net assets, this is reported according to the equity method.

TRANSLATION OF FOREIGN OPERATIONS

All foreign Group companies conduct their business activities in the local currency of each country, which is the functional currency of each company. Balance sheets and income statements are translated into the Group's reporting currency (SEK) using the current method. According to the

current method, all assets, provisions, and other liabilities are restated at the closing rate of exchange and all items in the income statement are restated using the exchange rate on the date of the transaction (approximated through the translation to the average exchange rate for the period). The translation difference thus arising is reported, as are any translation differences in the financial instruments held to hedge these net assets, in Other comprehensive income and accumulated in the translation reserve within Equity. In the event of a divestment of foreign operations, the accumulated translation difference is returned to the period's profit/loss.

Exchange rates used in the consolidated accounts are specified in the following table.

Exchange rates Country	Currency	Average exchange rate		Exchange rate, December 31	
		2021	2020	2021	2020
Finland	EUR	10.1449	10.4867	10.2269	10.0375
Norway	NOK	0.9980	0.9786	1.0254	0.9546

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Transactions in foreign currencies (currency other than each company's functional currency) are reported at the translation rate on the transaction date. Monetary receivables and liabilities in foreign currencies are translated at the exchange rate applied on the balance sheet date. Exchange rate differences are reported in profit/loss for the period.

SEGMENT REPORTING

JM's segment reporting differs from IFRS in three aspects. In its segment reporting, revenue for JM International is recognized using the percentage of completion method. In addition, recognized project financing within JM International and parts of the project financing in JM Residential Stockholm and JM Residential Sweden 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 internal governance, which is based on consolidated cash flows, risk profile and capital allocation.

REVENUE RECOGNITION

Revenue and profit/loss from residential project development

JM's residential project development in Sweden is primarily conducted by JM entering a contract with a tenant-owners association as the orderer of a total commitment consisting of the transfer of land and the construction of a residential property. The contracts with the tenant-owners association are entered into simultaneously, priced as a single unit and assessed to constitute a performance obligation. Since JM is contractually obligated to deliver a specific property and during the course of the project is entitled to payment, the revenue is recognized over time, i.e. applying the percentage of completion method. Revenue and profit/loss in the projects are reported in pace with their recognition and sale, providing a direct link between financial reporting and the performance commitment met by JM during the period. Revenue and profit/loss are based on the stage of completion and calculated using the stage of completion taking into consideration the sales rate. The degree of completion is mainly determined by project costs incurred (including land and interest rate expenses) in relation to the total estimated project costs. The sales rate reflects JM's commitment to acquire from the association the residential units that were not sold as tenant-owned apartments within a certain period of time following the final inspection. This commitment introduces an element of variable remuneration which is based on experience data and considered when setting the transaction price. "Sales" refers to the number of residential units sold in the form of binding contracts between the

tenant-owners association and the buyers of the residential unit. Revaluations (changes in forecasts) of anticipated project revenue lead to adjustment of previously recognized revenue in the projects concerned and are included in the period's reported profit/loss. If, and thus up until such is no longer the case, a reliable estimate of the profit/loss of the projects cannot be made, revenue is recognized in level with costs incurred. Anticipated losses are expensed immediately and in their entirety against profit/loss for the period.

The difference between recognized revenue and amounts not yet invoiced is reported in the balance sheet as "Revenue less progress billings" (contract asset) or "Progress billing in excess of recognized revenue" (contract liability). Costs for warranty commitments are included in the project costs, and the estimated total warranty cost is included in the project's total expected costs.

In Norway and Finland there is no right to receive payment during the course of the project, which is why income (and cost) is reported at a single point in time, i.e. when the residential unit is completed and turned over to the customer. Until this point, costs incurred in the project are reported in the balance sheet as "Work in progress".

Revenue and profit/loss in JM Construction

JM Construction's revenue is generated primarily from work carried out under construction contracts with customers (orderers). Since the contracting work is carried out on land controlled by the customer, revenue is recognized over time, i.e. applying the percentage of completion method as the contracting project is completed. The stage of completion is mainly determined using project costs incurred in relation to total estimated project costs. Project revenue is recognized as the contractual original contract total and any additional work, claims for specific compensation and incentives to the extent these have been approved by the orderer. If the outcome of a project cannot be reliably estimated, revenue is recognized in level with costs incurred until the point in time this can occur. Anticipated losses are expensed immediately.

The difference between recognized revenue and amounts not yet invoiced is reported in the balance sheet as "Revenue less progress billings" or "Progress billing in excess of recognized revenue." Costs for warranty commitments are included in the project costs, and the estimated total warranty cost is included in the project's total expected costs.

Gains/losses on the sale of property/commercial property development

Sales of project properties and development properties in existing conditions (normally only land) and that are thus not the object of project development are recognized in the income statement at the point in time when the customer receives control of the property.

During agreements for commercial property development, JM is invariably bound to deliver a specific property and thus never has an alternative use for the property. If JM is entitled to payment during the course of the project, the revenue is recognized over time (gradually). If this is not the case, the revenue is recognized at a single point in time, i.e. at completion. Whether JM is entitled to payment is dependent on the terms of the agreement and/or applicable legislation, and an assessment is made on an agreement-by-agreement basis.

INCOME TAX

The income statement item, Taxes, includes current and deferred income tax. The companies in the Group are liable for tax according to existing legislation in each country. The state income tax rate in Sweden was 20.6 percent (21.4) during the year, 22.0 percent (22.0) in Norway, and 20.0 percent (20.0) in Finland. Current tax is based on reported profit/loss adjusted for permanent differences such as additions for non-deductible items and deductions for non-taxable income and other deductions. Any tax adjustments for previous years are reported as current tax. The balance sheet method is applied to accounting for deferred tax. According to this method, recognition occurs for deferred tax liabilities and assets attributable to temporary

differences between carrying amounts and fiscal values of assets and liabilities and, in terms of deferred tax assets, attributable to fiscal deductions. Deferred tax assets are recognized net against deferred tax liabilities to the extent they can be used against deferred tax liabilities. Deferred tax liabilities and tax assets are calculated on the basis of the applicable tax rate for the years during which the items are expected to be realized. The effects of changes in applicable tax rates are taken against income in the period the change becomes law. Deferred tax assets attributable to loss carry-forwards are reduced to the extent that it is not probable they will be realized.

Tax attributable to items reported as Other comprehensive income is also reported in Other comprehensive income.

GOODWILL

Goodwill is the difference between the consideration for a business combination and the fair value of the acquired operations' net assets (see Business Combinations above). Goodwill is not subject to annual write-down but undergoes an impairment test when grounds for such arise or at least once a year. Goodwill is tested for impairment as follows: the goodwill at the time of acquisition is allocated to cash-generating units that correspond to the lowest level within the Group at which goodwill is monitored in JM's internal governance but that is not a larger unit than a reported segment. JM tests carrying amounts by comparing the estimated recoverable amount, normally by discounting estimated future cash flows, to the carrying amount. If the recoverable amount is less than the carrying amount, a write-down is reported within profit/loss for the period.

PLANT, PROPERTY, AND EQUIPMENT

Property, plant and equipment are recognized at cost after deduction for accumulated depreciation and impairment losses, if any. Depreciation according to plan is applied on a straight-line basis and based on the cost and assessed useful life of the assets.

PROJECT PROPERTIES AND DEVELOPMENT PROPERTIES, ETC.

Properties, undeveloped or developed, that are intended for production of tenant-owned apartments/freehold apartments or freehold single-family homes and land for project properties are classified as development properties. Project properties are other properties that are classified as neither development properties nor operational/management properties. Project properties and development properties as well as ongoing projects in JM International constitute current assets from an accounting perspective and are valued in accordance with IAS 2 Inventory, which means they are reported at the lowest of cost and net realizable value (see more under "Impairment Losses" below). The cost of JM's project properties and work in progress include both direct costs and a reasonable share of indirect costs. Interest rate expenses for production of project properties and work in progress are included as a part of cost (see more under "Borrowing Costs" below).

Project and development properties are usually recognized as assets from the time the parties enter into a binding acquisition agreement.

BORROWING COSTS

Borrowing costs are included in the consolidated accounts in cost of build-ings in progress (project properties) and work in progress (JM International). Interest expenses are included in the cost until the time that the building is complete. If special borrowing arrangements were made for the project, actual average borrowing cost is used. In other cases, borrowing cost is calculated based on the Group's actual average borrowing cost.

Interest rate expenses for project financing of residential projects are included under the project's other production costs.

IMPAIRMENT LOSSES

If there is any indication of impairment of the value of property, plant and equipment or an intangible asset on the balance sheet date, a calculation is performed of the recoverable amount of the asset. The recoverable amount

is the greater of net realizable value and value in use. If the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized to the asset's recoverable amount. With the exception of goodwill, an impairment loss is reversed when the basis for the impairment, wholly or partly, no longer exists.

The term impairment loss is also used in conjunction with revaluation of properties reported as current assets. Valuation of these properties is performed item by item (property by property) according to the lowest value principle; i.e. the lower of cost and net realizable value.

Net realizable value is the estimated sales price in the ordinary course of business, less estimated costs for completion and executing a sale. Potential impairment of development properties is tested based on JM's annual market valuation, or if there is any indication of impairment, and where necessary, supplemented with internal project assessments that contain assumptions about the project's anticipated income and expenses. The future cash flow of the project is discounted by a discount rate. Projects (development properties) having a discounted present value lower than their carrying amount, are subject to impairment. See also "Goodwill" above.

LEASES

The new standard IFRS 16 entered into force on 1/1/2019. This standard replaced IAS 17 Leases and all related interpretation. Under the new standard, all significant leases are reported as assets (rights-of-use) and liabilities, with the exception of contracts that are shorter than 12 months or of low value. The leases consist primarily of properties in which JM conducts its operations, the rental of vehicles used in operations, and the rental of land (so-called site leasehold rights).

The asset and the liability are initially recognized at the present value of the discounted present value of the future lease payments. Any variable fees are not considered in the lease payments if they are not based on an index or interest rate. The latter are considered at the time they enter into force. The interest rate applied to the present value calculation is the implicit rate in the contract. If it is not known, the marginal borrowing rate is used.

The standard entails that JM reports depreciation (linear) and interest rates related to leases in the income statement, which also subsequently means that lease expenses attributable to Production and operating costs (cars, site leasehold fees) are moved to Selling and administrative expenses (cars) and Interest expenses (site leasehold fees). In the cash flow, payments are split into interest and amortization.

In the balance sheet, the assets are distributed between rights-of-use, while the liabilities are broken down into long-term and short-term.

The value of the rights-of-use for offices and vehicles is calculated using the present value method over the term of the contract, with deductions for linear depreciation. The liability is also calculated in accordance with the present value method and is reported net after deductions for paid amortization. The value of site leasehold rights is calculated up to the date when the payment obligation is expected to transfer to the customer. In the cases where JM acquired a site leasehold right without having agreed on a date the transfer to the customer, the value of the site leasehold right is calculated for infinity. Rights-of-use for site leasehold rights are not subject to depreciation and the debt is not amortized. All present value calculations are based on regular rental costs, the number of periods, and agreed/decided interest rates. Site leasehold fees are reported as an interest rate expense in the income statement.

According to active contracts, JM is entitled to end prematurely or extend rental periods for offices and cars and to sell acquired site leasehold rights. Changes in the contract give rise to changes in the measurement of assets/liabilities and variation in reported earnings from quarter to quarter.

IFRS 16 is not applied in the segment reporting.

EMPLOYEE BENEFITS/PENSIONS

A distinction is made between defined-contribution pension plans and defined-benefit pension plans relating to post-employment benefits. Defined-contribution pension plans are defined as plans where the company

pays contractual, fixed fees (premiums) to a separate legal entity and does not have any obligation to pay additional fees. Other pension plans are defined-benefit. Obligations and costs relating to defined-benefit pension plans are calculated according to the Projected Unit Credit Method. The intention is that anticipated future pension payments should be expensed evenly over the employee's period of service. The calculation is based on a number of actuarial assumptions, including expected future wage increases, staff turnover, expected inflation and mortality. The present value of the obligations is discounted primarily based on a market return on first-class corporate bonds on the reporting date. In Sweden, the market return on mortgage bonds is used and a premium for a longer maturity is added based on the duration of the pension obligations.

Independent actuaries conduct annual calculations relating to the defined-benefit plans found at JM. Costs for service during the current or earlier periods and gains and losses from any settlements of pension plans are reported in profit/loss for the period. The effects of deviations in actuarial assumptions are reported under Other comprehensive income.

Taxes payable on pension costs, in JM's case the Swedish payroll tax on pension costs, are taken into account as the difference between a pension commitment calculated according to definition above and the pension commitment calculated in accordance with the Swedish Safeguarding of Pension Commitments Act. In the balance sheet, special payroll tax is reported under Other non-current provisions.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognized in the balance sheet when the instrument's contractual terms flow to the company. A financial asset should be removed from the balance sheet when the rights specified in the contract are either realized or past due. The same applies for parts of a financial asset. A financial liability is removed from the balance sheet when the obligation in the contract has been discharged or in some other way extinguished. Assets and liabilities are reported net when there is a legally enforceable right to offset and there is a right and intention to settle on a net basis.

Classification

JM's financial assets are usually classified in the following measurement categories:

- those measured at amortized cost, which normally applies to JM's assets
- those measured at fair value (normally via the income statement, which applies to the derivatives that JM may occasionally enter into).

JM's financial liabilities are usually classified in the following measurement categories:

- those measured at amortized cost, which normally applies to JM's assets
- those measured at fair value (normally via the income statement, which applies to the derivatives that JM may occasionally enter into).

Impairment loss

JM estimates the expected credit losses from financial assets and contractual assets that are reported at amortized cost and reports loss risk reserves for loss events that may occur within 12 months. If the credit risk of an asset has increased significantly since it was initially reported, a loss risk reserve is reported for the entire life of the asset. A loss risk reserve is always reported for the entire life of the asset for accounts receivable and contract assets with and without significant financing arrangements.

Hedge accounting

JM does not apply hedge accounting.

CONVERTIBLE DEBENTURES

Convertible debentures are reported as a compound financial instrument comprising a liability component and an equity component. The fair value of the liability at issuance is calculated by discounting future cash flows using the current market interest rate for an equivalent liability. The value of the equity

instrument is calculated as the difference between the issue proceeds and the fair value of the financial liability. The equity instrument comprises an embedded option to convert the liability into shares.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are reported when JM has a commitment as a result of events that have occurred, where it is likely that payments will be required in order to meet the commitment, and it is possible to reliably estimate the amount that will be paid. Estimated future expenditure for warranty commitments are reported as provisions. Most of JM's contracts with customers, in terms of both project development of residential units and contracting agreements in JM Construction, contain provisions for warranty commitments to rectify faults and deficiencies within a set period of time (in some cases up to ten years) after the completion of the project. The warranty commitments may also be stipulated by law or in some other way. This calculation is normally based on the estimated costs for the project concerned or for a group of similar projects, calculated according to a ratio that has historically provided a reliable estimate of these costs. The ratio can be, for example, a proportion of revenue or estimated cost per completed residential unit. The size of the warranty provision is tested regularly during the warranty period and adjusted when necessary. In the event of damages, and JM can estimate the size of the expense and the time of the rectification with reasonable assurance, the commitment can be classified as an accrued expense.

Contingent liabilities are possible commitments originating from events that have occurred and whose existence will be confirmed only by the occurrence or lack thereof of one or more uncertain future events, which are not completely in the company's control. Obligations that originate from events that have occurred, but that are not recognized as liabilities or provisions, because it is not probable that an outflow of resources will be required to settle the obligation and/or because the size of the obligations cannot be reliably estimated, are also recognized as contingent liabilities.

CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. The analysis has been adapted to JM's operations. Since the buying and selling of project and development properties within the framework of JM's development business are included in JM's ongoing operations, these are reported under the corresponding sections of the analysis. Payment on account for development properties refers, for example, to payment received for the part of the cost of a residential project that constitutes development property (land).

Buying and selling of plant, property and equipment are reported under "Investing activities, other". Cash and cash equivalents include cash and bank balances as well as current financial investments that mature less than three months from the due date and are in part traded on the open market at known amounts and in part associated with only marginal risk for value fluctuations. Taxes and interest paid for the year are reported in full under operating activities.

PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company's accounting policies deviate from the Group's policies as follows: Defined-benefit pension plans are reported in accordance with the provisions of the Swedish Safeguarding of Pension Commitments Act. Untaxed reserves are reported in full, i.e. they are not broken down into equity and deferred tax. Participations in subsidiaries, associated companies and joint ventures are recognized at cost of acquisition less any impairment losses. Financial instruments reported in the consolidated financial statements at fair value are reported in the Parent Company using the lowest value principle. In the Parent Company, mergers of wholly owned Group companies are reported according to the consolidated value method. Group contributions both paid and received are reported as appropriations.

note 2 Segment information

Amounts in SEK m unless otherwise stated.

The JM Group's business is managed and reported per business segment in accordance with the following:

- The JM Residential Stockholm business segment develops residential projects in Greater Stockholm
- The JM Residential Sweden business segment develops residential projects in growth areas in Sweden, excluding Greater Stockholm
- The JM International business segment develops residential projects in Norway and Finland
- The JM Property Development business segment primarily develops rental units, residential care units and commercial properties in Greater Stockholm
- The JM Construction business segment carries out construction work for external and internal customers in the Greater Stockholm area.

No segments have been aggregated to form the above reportable business segments.

Identification of reportable segments is based on internal reporting to the chief operating decision maker, which in the JM Group is the President of the Parent Company (who is also the CEO). The reporting format for segment reporting is based on geographical segment and business concept.

The chief operating decision-maker primarily uses the business segments' income, operating profit and operating margin, as well as operating capital and operational cash flow, as a basis for resource allocation and assessment of the segment's profit or loss. The performance of the business segments is assessed and evaluated based on the indicators mentioned above.

Financial expenses, financial income and income tax are mainly handled at the Group level and not allocated to the segments.

Transactions between business segments are based on market conditions.

CONSOLIDATED INCOME STATEMENT BY BUSINESS SEGMENT

Group 2021	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	Other and elimination	Total according to segment reporting	Restatement JM International ³⁾	Reclassification property sale ⁴⁾	Leases IFRS 16	Total Group, IFRS
Revenue — external	4,990	4,317	4,531	262	509	—	14,608	-240	1,281	—	15,650
Revenue — internal	—	—	—	—	442	-442	—	—	—	—	—
Total revenue	4,990	4,317	4,531	262	951	-442	14,608	-240	1,281	—	15,650
Production and operating costs ¹⁾	-3,834	-3,377	-3,911	-252	-882	442	-11,814	230	-890	38	-12,435
Gross profit	1,155	940	621	10	69	—	2,795	-10	391	38	3,215
Selling and administrative expenses ¹⁾	-392	-278	-210	-35	-50	-50	-1,015	—	—	-17	-1,032
Gains/losses on the sale of property, etc. ²⁾	—	—	4	431	—	—	436	—	-391	—	45
Revenue	763	662	415	407	20	-50	2,216	-10	—	22	2,227
Financial income and expenses	—	—	—	—	—	-58	-58	—	—	-23	-80
Profit/loss before tax	—	—	—	—	—	-108	2,158	-10	—	-1	2,147
Taxes	—	—	—	—	—	-360	-360	17	—	—	-343
Profit for the year	—	—	—	—	—	-468	1,798	7	—	-1	1,804
Operating margin, %	15.3	15.3	9.2	—	2.1	—	15.2	—	—	—	—
¹⁾ Of which depreciation of machinery, equipment and rights-of-use	—	—	-3	—	—	-2	-5	—	—	-107	-112
²⁾ Of which income from joint venture	—	—	—	40	—	—	40	—	—	—	40
Group 2020											
Revenue — external	6,358	4,193	3,747	169	921	—	15,388	-137	1,040	—	16,291
Revenue — internal	—	—	—	—	332	-332	—	—	—	—	—
Total revenue	6,358	4,193	3,747	169	1,253	-332	15,388	-137	1,040	—	16,291
Production and operating costs ¹⁾	-5,063	-3,277	-3,282	-132	-1,185	332	-12,607	100	-870	40	-13,337
Gross profit	1,295	916	465	37	68	—	2,781	-37	170	40	2,954
Selling and administrative expenses ¹⁾	-369	-259	-188	-33	-55	-40	-944	—	—	-13	-957
Gains/losses on the sale of property, etc. ²⁾	—	—	-1	174	18	—	191	—	-170	—	21
Revenue	926	657	276	178	31	-40	2,028	-37	—	27	2,018
Financial income and expenses	—	—	—	—	—	-73	-73	—	—	-28	-101
Profit/loss before tax	—	—	—	—	—	-113	1,955	-37	—	-1	1,917
Taxes	—	—	—	—	—	-380	-380	2	—	—	-378
Profit for the year	—	—	—	—	—	-494	1,575	-35	—	-1	1,539
Operating margin, %	14.6	15.7	7.4	—	2.5	—	13.2	—	—	—	—
¹⁾ Of which depreciation of machinery, equipment and rights-of-use	—	—	-4	—	—	-3	-7	—	—	-98	-105
²⁾ Of which income from joint venture	—	—	—	4	—	—	4	—	—	—	4

³⁾ Effect of restatement on revenue and profit and loss according to the completed contract method (IFRS) in relation to segment reporting.

⁴⁾ Reclassification of gains/loss on sale of property (project properties) to income and expenses according to IFRS in relation to segment reporting.

REVENUE

Revenue by country (segment reporting)	Sweden	Norway	Finland	Belgium	Total		
2021	10,077	3,030	1,501	—	14,608		
2020	11,641	2,716	1,031	—	15,388		
Revenue 2021	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	JM Eliminations	Total Group
Revenue according to IFRS	4,990	4,317	4,291	1,543	951	-442	15,650
Revenue (segment reporting)	4,990	4,317	4,531	262	951	-442	14,608
Revenue 2020							
Revenue according to IFRS	6,358	4,193	3,610	1,209	1,253	-332	16,291
Revenue (segment reporting)	6,358	4,193	3,747	169	1,253	-332	15,388

Point in time for revenue recognition (IFRS)

Over time	•	•	•	•
At a specific point in time			•	•

Revenue in JM Residential Stockholm, JM Residential Sweden and JM Construction are reported over time (gradually), which is reflected when the customer payments are made. They normally occur in the form of advance payment during the term of the agreement. JM International's revenue is reported at a specific point in time (at completion), which normally also coincides with the point in time for the primary payment from the customer.

On December 31, 2021, JM had entered into customer agreements where the performance commitment of approximately SEK 18bn had not yet been met. JM expects these performance commitments to be materially met, and revenue is thus recognized primarily in 2022 and 2023 with a smaller portion in 2024. Corresponding amount for the previous year was SEK 17bn for the period 2021–2023.

CONSOLIDATED OPERATING CASH FLOW BY BUSINESS SEGMENT	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	Other and elimination	Total, segment reporting	Reclassification, project financing ¹⁾	Leases IFRS 16	Total Group, IFRS
Group 2021										
From operating activities	1,214	442	323	801	36	-528	2,287	-3,357	108	-961
From investing activities						-17	-17			-17
From financing activities						-1,338	-1,338	3,357	-108	1,911
Total cash flow for the year	1,214	442	323	801	36	-1,882	933	-	-	933
Cash and cash equivalents, at end of the year							3,981			3,981
Group 2020										
From operating activities	1,064	512	326	284	-65	-406	1,715	-2,523	98	-710
From investing activities	-	-	-	-	-	-79	-79	-	-	-79
From financing activities	-	-	-	-	-	-988	-988	2,523	-98	1,437
Total cash flow for the year	1,064	512	326	284	-65	-1,473	648	-	-	648
Cash and cash equivalents, at end of the year							3,037			3,037

CONSOLIDATED BALANCE SHEET BY BUSINESS SEGMENT

Group 12/31/2021	JM Residential Stockholm	JM Residential Sweden	JM International	JM Property Development	JM Construction	Unallocated items, Group ^{2) 3)}	Total according to segment reporting	Reclassification project financing ¹⁾	Restatement JM International ⁴⁾	Leases IFRS 16	Total Group, IFRS
ASSETS											
Non-current assets	-	-	180	118	-	32	330	-	-	255	584
Project properties	-	-	17	795	-	-	813	-	-	-	813
Development properties	4,051	1,669	2,462	10	13	-	8,205	-	-	456	8,205
Rights-of-use leasehold rights	-	-	-	-	-	-	-	-	-	-	456
Participations in tenant-owners associations, etc.	219	93	65	-	-	-	377	-	-	-	377
Work in progress	-	-	-	-	-	-	-	3,123	951	-	4,073
Current receivables	566	633	1,468	31	442	388	3,528	3,628	-1,254	-	5,902
Cash and cash equivalents	-	-	-	-	-	3,981	3,981	-	-	-	3,981
Total current assets	4,836	2,395	4,012	836	455	4,369	16,903	6,751	-303	456	23,807
TOTAL ASSETS	4,836	2,395	4,192	954	455	4,401	17,233	6,751	-303	711	24,391
EQUITY AND LIABILITIES											
Shareholders' equity	-	-	-	-	-	8,608	8,608	-	-221	-3	8,385
Non-current liabilities	-	-	-	-	-	3,641	3,641	-	-54	628	4,214
Current liabilities	469	882	411	14	330	2,878	4,984	6,751	-28	86	11,793
TOTAL EQUITY AND LIABILITIES	469	882	411	14	330	15,127	17,233	6,751	-303	711	24,391
Total operating capital by business segment	4,367	1,512	3,782	940	125						
Investment in machinery and equipment						4	4				4
Group 12/31/2020											
ASSETS											
Non-current assets	-	-	78	168	-	32	278	-	-	157	435
Project properties	-	-	33	1,213	-	-	1,246	-	-	-	1,246
Development properties	4,246	1,451	2,108	10	16	-	7,831	-	-	-	7,831
Rights-of-use leasehold rights	-	-	-	-	-	-	-	-	-	558	558
Participations in tenant-owners associations, etc.	265	102	78	-	-	-	445	-	-	-	445
Work in progress	-	-	-	-	-	-	-	2,913	663	-	3,577
Current receivables	1,080	633	1,178	25	524	388	3,828	3,064	-933	-	5,959
Cash and cash equivalents	-	-	-	-	-	3,037	3,037	-	-	-	3,037
Total current assets	5,591	2,186	3,397	1,248	540	3,425	16,387	5,978	-270	558	22,653
TOTAL ASSETS	5,591	2,186	3,475	1,416	540	3,457	16,665	5,978	-270	715	23,088
EQUITY AND LIABILITIES											
Shareholders' equity	-	-	-	-	-	7,817	7,817	-	-218	-2	7,598
Non-current liabilities	-	-	-	-	-	4,016	4,016	159	-34	667	4,807
Current liabilities	636	864	307	25	399	2,601	4,832	5,819	-18	50	10,683
TOTAL EQUITY AND LIABILITIES	636	864	307	25	399	14,434	16,665	5,978	-270	715	23,088
Total operating capital by business segment	4,955	1,322	3,168	1,223	141						
Investment in machinery and equipment						2	2				2

¹⁾ Reclassification of project financing within JM Residential Stockholm, JM Residential Sweden and JM International according to IFRS in relation to segment reporting.

²⁾ The assets and liabilities and equity that are not included in JM's definition of operating capital are not allocated by business segment.

³⁾ Property, plant and equipment are not included in JM's definition of operating capital and these investments are therefore reported as an unallocated item.

⁴⁾ Effect of restatement of current projects according to the completed contract method (IFRS) in relation to segment reporting.

note 3 Employees and personnel costs

Average number of employees, by country	2021	Of which men, %	Of which women, %	2020	Of which men, %	Of which women, %
Sweden	1,928	75	25	2,057	76	24
Norway	387	74	26	417	73	27
Finland	146	65	35	126	60	40
Total	2,461	75	25	2,600	75	25

Wages, salaries, other remuneration and social security expenses	2021			2020		
	Wages, salaries and remunerations	Social security expenses	Total	Wages, salaries and remunerations	Social security expenses	Total
Group	1,478	704	2,182	1,474	724	2,198
<i>(of which pension costs)</i>		<i>(261)</i>			<i>(264)</i>	

Wages, salaries and other remuneration by country and distribution between the Board and President and other employees	2021			2020		
	Board of Directors and President	Other employees	Total	Board of Directors and President	Other employees	Total
Sweden	18	1,090	1,108	15	1,110	1,125
<i>(of which variable remuneration)</i>	<i>(4)</i>	<i>(51)</i>	<i>(55)</i>	<i>(2)</i>	<i>(45)</i>	<i>(47)</i>
Norway	3	260	263	4	261	265
<i>(of which variable remuneration)</i>	<i>(-)</i>	<i>(18)</i>	<i>(18)</i>	<i>(1)</i>	<i>(17)</i>	<i>(18)</i>
Finland	3	104	107	5	79	84
<i>(of which variable remuneration)</i>	<i>(1)</i>	<i>(5)</i>	<i>(6)</i>	<i>(3)</i>	<i>(6)</i>	<i>(9)</i>
Total, Group	24	1,454	1,478	24	1,450	1,474
<i>(of which variable remuneration)</i>	<i>(5)</i>	<i>(74)</i>	<i>(79)</i>	<i>(6)</i>	<i>(68)</i>	<i>(74)</i>

Remuneration to the Board of Directors

JM's Board of Directors consists of seven members elected by the Annual General Meeting. SEK 1,030,000 (1,000,000) was paid to the Chair of the Board of Directors for Board and Committee fees. The other AGM-elected Board members were paid SEK 2,870,000 (2,778,000). The employee organizations appointed two members and two deputies. No fees are paid to these members.

Compensation to the President and Executive Management

Remuneration to the President and other members of Executive Management comprises basic salary, variable remuneration, other benefits and pension provisions. Compensation to the President is drafted by the Compensation Committee and adopted by the Board. Remuneration for other members of Executive Management is decided by the Compensation Committee. Remuneration to the President and other members of Executive Management is based on the Annual General Meeting resolution on guidelines for salaries and other remuneration to senior executives. The combined remuneration must be competitive in the labor market in which the executive is active.

The short-term variable remuneration for the President for the 2021 financial year is built as follows: 60 percent on the financial result for the Group, 30 percent on earnings per share and 10 percent on JM's Customer Satisfaction Index (CSI). The short-term variable compensation for the President for 2022 may amount to a maximum of SEK 3,000,000. The outcome of the short-term variable remuneration for the 2021 financial year is SEK 2,875,000 (2,708,000) to be paid during the spring of 2022.

Short-term variable remuneration for other members of Executive Management is based, depending on position, on the financial performance of the Group and the business units, earnings per share and the CSI. Short-term variable remuneration varies between three and five monthly salaries, depending on position. The short-term variable compensation for other members of Executive Management for 2022 may amount to a maximum of SEK 8.4m. The outcome of the short-term variable remuneration for other members of Executive Management for the 2021 financial year totals SEK 6.2m (4.2), to be paid during the spring of 2022.

In addition, long-term variable salary programs have been offered to Executive Management (including the President).

The long-term variable salary program launched in 2018 amounted to a maximum of 42 percent of fixed salary and was based on the Group's financial performance in 2020. The outcome was 36 percent of the maximum

amount. Payment was made in the spring of 2021 and amounted to SEK 928,000 to the President and SEK 2.1m to the other members of Executive Management.

The long-term variable salary program launched in 2019 amounts to a maximum of 42 percent of fixed salary and is based on the Group's financial performance in 2021. Payment will be made in the spring of 2022 and amounts to SEK 1,808,000 to the President and SEK 3.4m to the other members of Executive Management.

The long-term variable salary program launched in 2020 amounts to a maximum of 42 percent of fixed salary and is based on the Group's financial performance in 2022. Eventual payment will be made in the spring of 2023, amounting to a maximum of SEK 2,797,000 to the President and SEK 6.3m to the other members of Executive Management.

The long-term variable salary program launched in 2021 amounts to a maximum of 42 percent of fixed salary and is based on the Group's financial performance in 2023. Eventual payment will be made in the spring of 2024, amounting to a maximum of SEK 2,898,000 to the President and SEK 6.8m to the other members of Executive Management.

Pensions

The President is entitled to an annual premium provision of 35 percent of basic salary. In addition, the Company pays for part of the President's health insurance premiums, with a salary ceiling of 50 times the income base amount. The Company has also pledged, as a possible supplement, to pay survivor's pension to the extent that survivor's pensions do not total 50 percent of basic salary. The Company would pay this supplement until such time that the President would have reached the age of 65. The outstanding pension obligations to the President amount to SEK 1,622,000 (1,641,000).

The members of Executive Management, excluding the President, are covered by the ITP plan and, within its framework, by the company's offer of an alternative ITP plan and even an enhanced ITP plan. Executive Management is also covered by a premium-based supplementary plan with an annual premium provision of SEK 50,000–210,000. Retirement age is 65. Outstanding pension obligations to other members of Executive Management amount to SEK 19.2m (25.8).

Notice periods/Severance pay

The period of notice for the President is 12 months in the event of termination by the Company. If no other employment has been secured by the end of the notice period, remuneration shall be paid for an additional twelve

months. In the event of termination by the President, the notice period is six months. No additional remuneration will be paid after the six months.

For the other members of Executive Management, the following applies: A number of members are covered by the Employment Protection Act.

All members have, where relevant within the framework of the Employment Protection Act, six to twelve months' termination period if

the termination is initiated by JM and six to twelve months' termination period if the termination is initiated by the member. In addition, two members are entitled to six months' severance pay and one member is entitled to twelve months' severance pay if the termination is initiated by the company.

Summary of basic and variable remuneration and pensions to the Board and Executive Management in 2021 and 2020

SEK 000s	2021					Total	SEK 000s	2020					Total
	Basic salary/ Board fees ²⁾	Short-term variable remuneration ³⁾	Long-term variable remuneration ⁴⁾	Other benefits	Pension expense			Basic salary/ Board fees ²⁾	Short-term variable remuneration ³⁾	Long-term variable remuneration ⁴⁾	Other benefits	Pension expense	
<i>Chair of the Board¹⁾</i>							<i>Chair of the Board¹⁾</i>						
Fredrik Persson	1,030					1,030	Fredrik Persson	1,000				1,000	
<i>Other Board members¹⁾</i>							<i>Other Board members¹⁾</i>						
Kaj-Gustaf Bergh	450					450	Kaj-Gustaf Bergh	400				400	
Thomas Thuresson	490					490	Kerstin Gillsbro	410				410	
Olav Line	448					448	Camilla Krogh	168				168	
Annica Ånäs	443					443	Olav Line	435				435	
Kerstin Gillsbro	422					422	Eva Nygren	475				475	
Camilla Krogh	380					380	Thomas Thuresson	460				460	
Eva Nygren	237					237	Annica Ånäs	430				430	
President	7,200	2,708	928	156	2,440	13,432	President	6,791	1,268	663	140	2,330	11,192
Other Executive Management ⁵⁾	20,744	4,190	2,113	773	9,785	37,605	Other Executive Management ⁵⁾	20,515 ⁶⁾	2,418	1,400	675	9,274	34,282
Total	31,844	6,898	3,041	929	12,225	54,937	Total	31,084	3,686	2,063	815	11,604	49,252

¹⁾ The amounts refer to fees paid including committee work. The fee is paid on a semi-annual basis in arrears.

²⁾ The amounts presented in the table do not include the change in the vacation pay liability. At the end of the year, the vacation pay liability for the President amounted to SEK 1,231,000 and in aggregate for the other members of Executive Management to SEK 4,109,000.

³⁾ The short-term variable remuneration reported in the table refers to amounts paid in 2021. All payments in 2021 are attributable to the 2020 financial year. Amounts attributable to 2021 are presented on page 100 and will be paid in 2022.

⁴⁾ The long-term variable remuneration reported in the table refers to amounts paid in 2021. All payments in 2021 are attributable to the 2018–2020 financial years. Amounts attributable to 2019–2021 are presented on page 100 and will be paid in 2022. Page 100 also contains information about the programs for the financial years 2020–2022 and 2021–2023.

⁵⁾ JM's Executive Management, excluding the President, comprised a total of nine people, six men and three women.

¹⁾ The amounts refer to fees paid including committee work. The fee is paid on a semi-annual basis in arrears.

²⁾ The amounts presented in the table do not include the change in the vacation pay liability. At the end of the year, the vacation pay liability for the President amounted to SEK 1,361,000 and in aggregate for the other members of Executive Management to SEK 5,124,000.

³⁾ The short-term variable remuneration reported in the table refers to amounts paid in 2020. All payments in 2020 are attributable to the 2019 financial year. Amounts attributable to 2020 are presented on page 100 and were paid in 2021.

⁴⁾ The long-term variable remuneration reported in the table refers to amounts paid in 2020. All payments in 2020 are attributable to the 2017–2019 financial years. Amounts attributable to 2018–2020 are presented on page 100 and were paid in 2021. Page 100 also contains information about the programs for the financial years 2019–2021 and 2020–2022.

⁵⁾ JM's Executive Management, excluding the President, comprised a total of nine people, six men and three women.

⁶⁾ The amount includes fees for a member of Executive Management hired as a consultant during part of the year. The fees include amounts that should cover the consultant's payroll expenses.

Convertible debentures for personnel

No new convertible program was adopted in 2021. In the outstanding convertible programs, the employees paid market price for the convertibles received and the programs are not subject to any terms

concerning continued employment or performance on the part of employees. They were offered external bank financing for the convertible debentures without any guarantees or undertakings on the part of JM.

Convertibles

Year	Number of convertibles	Number of redeemed convertibles	Number of convertibles due	Total	Strike price	Conversion period
2017	35,520	–	35,520	–	409	6/1/2020–5/18/2021
2018	195,930	167,034	–	28,896	229	6/1/2021–5/18/2022
2019	153,778	–	–	153,778	212	6/1/2022–4/21/2023
2020	157,067	–	–	157,067	217	6/1/2023–4/24/2024

note 4 Depreciation according to plan

	2021	2020
Machinery and equipment	-5	-7
Total	-5	-7

The following depreciation rates are applied:
 Construction machinery 10 percent.
 Computers and other equipment 20–33 percent.
 Depreciation rights-of-use see Note 13.

note 5 Fees and remuneration to auditors

PwC	2021	2020
Auditing services ¹⁾	5.5	5.5
Tax services	0.2	0.1
Other services ²⁾	0.5	2.4
Total	6.2	8.0

¹⁾ Auditing services include audits in addition to the assignment regarding review of interim report of SEK 0.2m (0.2).

²⁾ Of these services, SEK 0.3m (2.3) were provided by PricewaterhouseCoopers AB, of which SEK 0.1m (0.1) pertains to statutory add-on services. This includes, for example, consulting services and financial reporting.

note 6 Operating costs by cost type

IFRS	2021	2020
Production costs	11,022	11,841
Personnel costs	2,182	2,198
Depreciation ¹⁾	112	105
Other operating costs (operating expenses)	151	150
Total	13,467	14,294

¹⁾ Effects of new IFRS 16, Leases SEK 107m (98).

note 7 Gains/losses on the sale of property, etc.

	IFRS		Segment reporting	
	2021	2020	2021	2020
Sales values				
Project properties	25	–	1,307	1,040
Development properties	1	38	1	38
Total	26	38	1,308	1,078
Carrying amounts				
Project properties	-22	–	-912	-870
Development properties	–	-21	–	-21
Total	-22	-21	-912	-891
Results				
Project properties	4	–	395	170
Development properties	1	17	1	17
Total	5	17	396	187
Profit/loss from joint venture				
Profit/loss from joint venture	40	4	40	4
Total	45	21	436	191

note 8 Financial income and expenses

	Financial income	
	2021	2020
Interest income	3	5
Change in value revaluation of debt receivables and liabilities	1	1
Total	4	6

	Financial expenses	
	2021	2020
IFRS		
Interest expenses attributable to loans, etc.	-40	-53
Interest expenses, leasing	-23	-28
Interest portion in this year's pension costs	-23	-26
Total	-85	-107

	Financial expenses	
	2021	2020
Segment reporting		
Interest expenses attributable to loans, etc.	-40	-53
Interest portion in this year's pension costs	-23	-26
Total	-62	-79

note 9 Taxes

IFRS	2021	2020
<i>Profit/loss before tax</i>		
Sweden	1,780	1,704
International	367	213
Total	2,147	1,917
<i>Current tax</i>		
Sweden	-315	-370
International	-68	-46
Total	-383	-416
<i>Deferred tax</i>		
Sweden	41	32
International	-1	6
Total	40	38
<i>Total tax</i>		
Sweden	-274	-337
International	-69	-40
Total	-343	-377

Difference between reported tax and nominal tax rate (20.6 %)

	2021	2020
Profit before tax x 20.6 % (21.4)	-442	-410
Adjustment of tax from previous years	1	-1
Difference foreign tax	-2	–
Non-taxable revenue	93	36
Non-deductible expenses	-1	-1
Tax allocation reserve	-3	-5
Revaluation of deferred tax attributable to reduced income tax in Sweden 2021	–	-2
Revaluation deferred tax	11	5
Total	-343	-378

Non-taxable revenue in 2021 and 2020 consists primarily of the sales of completed rental properties in Stockholm.

The effective tax rate according to IFRS is 16.0 percent (19.7). The effective tax rate according to segment reporting is 16.7 percent (19.4). The difference between the effective tax rate according to segment reporting and the nominal tax rate of 20.6 percent is primarily explained by the table above.

note 10 Earnings and dividend per share

	Basic		Diluted	
	2021	2020	2021	2020
Earnings per share, SEK	26.10	22.10	26.00	22.00

Earnings per share was calculated as net profit for the year divided by the weighted average number of outstanding shares during the year.

Basic earnings per share

The calculation of basic earnings per share before dilution for 2021 was based on the net profit for the year of SEK 1,804m (1,539) and on a weighted average of the number of outstanding ordinary shares during 2021 to 69,220,764 (69,583,262).

Number of shares	2021	2020
Total number of outstanding shares, January 1	69,583,262	69,583,262
Conversion	55,386	–
Repurchase of shares	–417,884	–
Weighted average number of shares during the year, basic	69,220,764	69,583,262

Diluted earnings per share

The calculation of diluted earnings per share for 2021 was based on the net profit for the year, adjusted for the interest expense for convertible debentures after tax of SEK 1,807m (1,543), how to on a weighted average of the number of outstanding ordinary shares adjusted for dilution effects of all outstanding potential ordinary shares in 2021 totaling 69,560,505 (70,061,421). Profit for the year is attributable in its entirety to Parent Company shareholders.

Profit for the year	2021	2020
Profit for the year attributable to shareholders of the Parent Company	1,804	1,539
Adjustment of interest on convertible debentures (after tax)	3	4
Profit for the year attributable to shareholders of the Parent Company, diluted	1,807	1,543

Number of shares	2021	2020
Weighted average number of shares during the year, basic	69,220,764	69,583,262
Estimated number of potential shares for the convertible debenture program	339,741	478,159
Weighted average of the number of shares during the year, diluted	69,560,505	70,061,421

Outstanding number of shares and instruments with potential dilutive effects

At the end of 2021 JM had 68,648,746 outstanding shares (69,583,262). JM holds a total of 1,101,550 repurchased shares (0). Instruments that may have a potentially dilutive effect in 2021 include JM's three convertible programs (2018, 2019 and 2020), where dilution may occur during the years 2022–2024. When calculating earnings per share, JM's convertible programs dilute the number of shares. However, the effect is limited. For the 2018 convertible program, the conversion rate is SEK 229, for the 2019 program, SEK 212, and for the 2020 program, SEK 217. For more information about JM's convertible debenture program, see Note 1, Accounting and valuation principles, and Note 3, Employees and personnel costs.

Cash dividend (proposed by the Board for 2021)	2021	2020
– per share, SEK	13.50	12.75
– total, SEK m	927	887

Differences between IFRS and segment reporting occur in the following items:

Segment reporting	Basic		Diluted	
	2021	2020	2021	2020
Earnings per share, SEK	26.00	22.60	25.90	22.50
Profit for the year	1,798	1,575	1,801	1,579

note 11 Goodwill

	2021	2020
<i>Accumulated acquisition value</i>		
Opening balance, January 1	168	186
Translation differences	12	-18
On December 31	180	168

Reported goodwill refers to JM's operations in Norway.

Goodwill will be tested for impairment according to IAS 36. JM does this at least annually, or more often if there is any indication of a need for impairment.

On Friday, December 31, 2021, the carrying amount of the JM Norway Group was tested. The recoverable amount was found to exceed the carrying amount. Therefore, no impairment loss for goodwill was necessary.

The recoverable amount was determined by calculating the value in use of the cash-generating unit. Value in use for goodwill attributable to the JM Norway Group was calculated using discounted cash flows. Cash flow for the first two years, after 2021, is based on the strategic plan adopted by the management.

Cash flow beyond the strategic two-year period is extrapolated based on the following assumptions:

- Estimated operating profit or loss based on the previous year's results and expectations of future market developments on the housing market
- Growth rate of 2 percent (2) in order to extrapolate cash flow beyond the strategic period. The growth rate is a conservative assumption of the operation's long-term growth, not exceeding growth for the industry as a whole
- Discount rate before tax is 8 percent (8), which is based on the JM Group's average cost of capital before tax, while taking operation-specific data into account.

Sensitivity analysis

If the estimated operating profit after the end of the strategy period had been 5 percent lower than the management's assessment, the recoverable amount would decrease by 4 percent.

If the estimated growth rate used to extrapolate cash flows beyond the strategy period had been 50 percent lower than the basic assumption, the recoverable amount would decrease by 13 percent.

If the estimated average cost of capital applied for the discounted cash flow had been 3 percentage points greater than the basic assumption, the recoverable amount would decrease by 33 percent.

A sensitivity analysis of the discount rate shows that the discount rate would have to exceed about 24 percent (23) before the need for impairment would arise.

In all cases, the sensitivity analysis above shows a surplus (i.e. that the recoverable amount is higher than the carrying amount). None of the hypothetical cases above should lead to impairment of goodwill for the Norwegian business.

note 12 Machinery and equipment

	2021	2020
<i>Accumulated acquisition value</i>		
Opening balance, January 1	119	122
New purchases	4	2
Translation differences	3	-5
On December 31	126	119
<i>Accumulated depreciation according to plan</i>		
Opening balance, January 1	-111	-108
Depreciation for the year	-5	-7
Translation differences	-3	4
On December 31	-119	-111
Closing residual value, at end of year	8	8

note 13 Rights-of-use

IFRS		
Rights-of-use	12/31/2021	12/31/2020
Offices	222	110
Cars	32	47
Site leasehold rights	456	558
On December 31	711	715

Additional rights-of-use in the 2021 financial year amounts to SEK 95m.

Depreciation rights-of-use	2021	2020
Offices	-73	-65
Cars	-35	-33
Total	-107	-98
Interest expenses (including financial expenses) for lease liabilities.	23	28
Costs for leases for short-term agreements and leases where the asset has a low value.	304	325

Total cash flow for leases in the financial year amounts to SEK 433m.

See Notes 23 and 24 regarding the lease's influence on liabilities.

note 14 Participations in joint venture

	2021	2020
Opening balance, January 1	78	1
New purchases	-	74
Profit/loss from joint venture	40	4
Reclassification	-	-1
On December 31 ¹⁾	118	78

¹⁾ At the end of the year, ownership consists of the participations in the company JMJV Hyresbostäder Holding AB, JM's holding amounts to 20 percent. The company will own and manage rental housing units.

JMJV Hyresbostäder Holding AB (559269-4318)	2021	2020
Net sales	54	8
Operating expenses	-16	-3
Change in value properties	224	208
Financial expenses	-9	-1
Tax	-52	-50
Profit for the period	201	162
Non-current assets ¹⁾	1,396	1,172
Current receivables	4	6
Cash and bank balances	40	21
Total assets	1,440	1,199
Shareholders' equity	590	389
Interest-bearing liabilities and provisions	842	790
Current liabilities	9	20
Total equity and liabilities	1,440	1,199

¹⁾ Refers to rental properties reported at market value.

note 15 Participations in joint operations

Specification of Parent Company's shares and participations in joint operations

Company	CIN	Domicile	Number of shares and participations	% of capital	Carrying amount, SEK 000's	
					2021	2020
Dockan Exploatering AB ¹⁾	556594–2645	Malmö	50,000	33	16,834	16,834
Kvarnholmen Utveckling AB ¹⁾	556710–5514	Stockholm	50,000	50	165,886	165,886
Målarstrandens Utvecklings AB ¹⁾	556695–5414	Västerås	44	44	2,200	2,200
Södra Centrum Krokslätt HB ¹⁾	969777–2144	Stockholm	5,200	65	5,200	5,200
Carrying amount, December 31					190,120	190,120

¹⁾ Joint operations

Specification of the Group's other holdings of shares and participations in joint operations

Company	CIN	Domicile	Number of shares and participations	% of capital	Carrying amount, SEK 000's	
					2021	2020
Fastighets AB Kranlyftet	556829–3251	Lidingö	250	50	135,226	135,226
Täby Park Exploatering AB	556833–6555	Stockholm	500	50	291,473	251,473
Grefsen Utvikling AS, Norway	982913209	Oslo	500	50	25,635	23,865
Grefsen Utvikling Næring 1 AS	928160300	Oslo	300	50	15	–
Grefsen Utvikling Næring 2 AS	828160672	Oslo	300	50	15	–
Hans Nielsen Haugesgate 50 AS, Norway	987719427	Oslo	60,000	50	51,398	10,606
Husebyplataet AS, Norway	913864948	Oslo	5,000	50	513	477
Larvik Saneringssselskap AS, Norway	918044051	Larvik	100	50	248	231
Lillestrøm Kvarter 37 AS, Norway	935267269	Lillestrøm	75	50	7,691	7,160
Merbraine, Belgium	450160865	Brussels	625	50	317	311
Noreveien 26 AS, Norway	990351465	Oslo	10	50	45	84
Son Utvikling AS, Norway	990341419	Oslo	23,050	50	12,592	11,722
Torstvet Utvikling AS, Norway	959639159	Larvik	5,000	50	11,835	11,017
Carrying amount, December 31					537,003	452,172
Reclassification in the Group					–537,003	–452,172
The participations' carrying amount in the Group, at end of the year					–	–

The joint operations contain primarily properties for residential development.

Participations in joint operations

The Group's financial statements include the following items that comprise the Group's holdings in the joint operations — the company's revenue, expenses, assets and liabilities. The amounts include intra-Group transactions.

	2021	2020
Revenue	350	359
Expenses	–327	–289
Profit for the period	23	70
Development properties ¹⁾	619	610
Other assets	456	554
Cash and cash equivalents	77	88
Total assets	1,152	1,252
Non-current liabilities	157	211
Current liabilities	122	154
Total liabilities	279	365
Net assets	873	887

¹⁾ Includes Group surplus values.

note 16 Financial assets

	2021	2020
<i>Accumulated acquisition value</i>		
Opening balance, January 1	17	18
Additional receivables	14	1
Settled receivables	-1	-1
Reclassification	-7	-
Translation difference	1	-1
On December 31	23	17

Financial assets mainly relate to promissory notes.

note 17 Project properties and development properties

IFRS	Project properties		Development properties	
	2021	2020	2021	2020
<i>Accumulated acquisition value</i>				
Opening balance, January 1	1,246	1,399	7,842	8,961
New purchases	447	691	1,754	1,022
Reclassifications	-	27	-111	-30
Translation differences	2	-1	119	-190
Transferred to production	-84	-	-1,393	-1,900
Sales	-798 ¹⁾	-870 ¹⁾	-	-21
On December 31	813	1,246	8,211	7,842
<i>Accumulated impairment losses</i>				
Opening balance, January 1	-	-	-10	-23
Transferred to production	-	-	5	12
On December 31	-	-	-6	-11
Closing residual value, at end of year	813	1,246	8,205	7,831
Market value at end of the year	1,088	1,651	15,400	14,300

¹⁾ Sales for the year include two (three) completed rental properties that according to IFRS are included in consolidated revenue and production and operating costs. In the segment reporting they are reported on separate lines in the income state as gains from the sale of property. See also Group Note 7.

Segment reporting	Project properties		Development properties	
	2021	2020	2021	2020
<i>Accumulated acquisition value</i>				
Opening balance, January 1	1,246	1,399	7,842	8,961
New purchases	447	691	1,754	1,022
Reclassifications	114	27	-111	-30
Translation differences	2	-1	119	-190
Transferred to production	-84	-	-1,393	-1,900
Sales	-912	-870	-	-21
On December 31	813	1,246	8,211	7,842
<i>Accumulated impairment losses</i>				
Opening balance, January 1	-	-	-10	-23
Transferred to production	-	-	5	12
On December 31	-	-	-6	-11
Closing residual value, at end of year	813	1,246	8,205	7,831
Market value at end of the year	1,088	1,651	15,400	14,300

Reported residual value for the part of project properties recognized at net realizable value amounts to SEK 0m (0) and for development properties SEK 84m (78). The market value for all properties was determined in cooperation with an external appraisal company. The appraisals for development properties are based on the location, attractiveness, scope and type of building planned, the stage in the planning process, extraordinary circumstances and the time remaining until production starts. The appraisals for project properties are based to a greater extent on a cash flow analysis from simulated future income and expenses based on common appraisal practice.

note 18 Participations in tenant-owners associations, etc.

	2021	2020
<i>Accumulated acquisition value</i>		
Opening balance, January 1	445	366
New purchases	664	1,114
Reclassification	-1	-2
Translation difference	4	-10
Sales	-735	-1,023
On December 31	377	445

There are 67 (85) unsold residential units in the balance sheet. The item includes show apartments for coming residential phases reported at acquisition value.

note 19 Work in progress

	2021	2020
Work in progress	4,073	3,577
Total	4,073	3,577

Work in progress only relates to projects within JM International.

note 20 Other current receivables

	2021	2020
Receivables from property sales	14	1
Receivables from participations sold in tenant-owners associations	66	167
Deposit investment development properties	175	179
Other	164	174
Total	419	521

note 21 Recognized revenue less progress billings

IFRS	2021	2020
Recognized revenue in work in progress	10,200	11,344
Accumulated billing on account for work in progress	-5,402	-6,743
Total	4,798	4,601
Segment reporting	2021	2020
Recognized revenue in work in progress	12,471	13,648
Accumulated billing on account for work in progress	-10,047	-11,178
Total	2,424	2,470

For additional disclosures on JM's revenue, see Note 29.

note 22 Cash and cash equivalents

	2021	2020
Cash and bank balances	3,981	3,037
Total	3,981	3,037

note 23 Cash flow and interest-bearing net liabilities

IFRS	Cash and cash equivalents/ Bank overdraft facility	Current loans	Non-current loans ¹⁾	Current liabilities, project financing ²⁾	Current lease liabilities	Non-current lease liabilities	Total
Net liabilities, Thursday, December 31, 2020	3,037	-580	-512	-5,850	-50	-667	-4,622
Cash flow	933	31	44	-3,356	43	65	-2,240
Currency differences	11	-24	-11	-163	-	-8	-195
Other non-cash items	-	-94	289	2,556	-79	-18	2,654
Net liabilities, Friday, December 31, 2021	3,981	-667	-190	-6,813	-86	-628	-4,403
Net liabilities, Tuesday, December 31, 2019	2,397	-690	-538	-4,599	-31	-821	-4,282
Cash flow	648	218	-151	-2,477	21	76	-1,665
Currency differences	-8	40	29	240	-	18	319
Other non-cash items	-	-148	148	986	-40	60	1,006
Net liabilities, Thursday, December 31, 2020	3,037	-580	-512	-5,850	-50	-667	-4,622

¹⁾ Of which SEK 0m (-4) refers to promissory notes and is reported as Investment in development properties, etc.

²⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement in the financing activities.

Interest-bearing net liabilities/receivables	2021	2020
Cash and cash equivalents and short-term investments	3,981	3,037
Gross liabilities, fixed interest rate	-54	-54
Gross liabilities, variable interest rate	-8,329	-7,605
Liability/receivable	-4,402	-4,622
Cash and cash equivalents	3,981	3,037
Current interest-bearing liabilities	-7,480	-6,430
Non-current interest-bearing liabilities	-190	-512
Current lease liabilities	-86	-50
Non-current lease liabilities	-628	-667
Liability/receivable	-4,402	-4,622
Transferred to pensions	-1,761	-1,804
Interest-bearing net liabilities (-)/receivables (+)	-6,163	-6,426

Accounting of IFRS 16 Leases

According to IFRS, SEK m	2021	2020
Production and operating costs	38	40
Selling and administrative expenses	-17	-13
Operating profit	22	27
Financial expenses	-23	-28
Profit/loss before tax	-1	-1
Taxes	-	-
Profit for the year	-1	-1

According to IFRS, SEK m	12/31/2021	12/31/2020
Rights-of-use non-current assets	255	157
Rights-of-use current assets	456	558
Total assets	711	715
Shareholders' equity	-3	-2
Non-current interest-bearing liabilities	628	667
Current interest-bearing liabilities	86	50
Total equity and liabilities	711	715

Cash flow according to IFRS page 91 of specification

Increase/decrease in residential units in the balance sheet	NOTE	2021	2020
Acquisition of participations in tenant-owners associations	18	-664	-1,114
Sale of participations in tenant-owners associations	18	735	1,023
Change in promissory notes		36	14
Total		107	-77

Other non-cash items	NOTE	2021	2020
Gains/losses on the sale of property	7	-5	-17
Changes in pension liability		-43	102
Project financing within JM Residential Stockholm and JM Residential Sweden ¹⁾		-2,673	-1,664
Other provisions, etc.		-598	-280
Total		-3,318	-1,859

Investment in development properties	NOTE	2021	2020
Investment in development properties	17	-1,754	-1,022
Change in promissory notes		216	-507
Total		-1,539	-1,529

Payment on account for development properties	NOTE	2021	2020
Payment on account for development properties	17	497	320
Sale of development properties	7	1	40
Change in receivables, development properties sold		-13	73
Total		485	433

Investment in project properties	NOTE	2021	2020
Investment in project properties	17	-447	-691
Total		-447	-691

Sale of project properties	NOTE	2021	2020
Sale of project properties	7	1,340	1,060
Total		1,340	1,060

¹⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

note 24 Financial liabilities

IFRS

Non-current interest-bearing liabilities	2021	2020
Liabilities to credit institutions maturity date 1–5 years from closing day	100	380
Non-current promissory notes, development properties 1–5 years	24	24
Convertible loans 1–5 years ¹⁾	66	109
Non-current lease liabilities	628	667
Total	818	1,180

Current interest-bearing liabilities	2021	2020
Liabilities to credit institutions, interest-bearing –1 year	7,473	6,416
Convertible loans –1 year ¹⁾	7	14
Current lease liabilities	86	50
Total	7,566	6,480

Interest-bearing net liabilities/receivables	2021	Change	2020
Non-current interest-bearing liabilities	190	–323	512
Current interest-bearing liabilities	7,480	1,050	6,430
Non-current lease liabilities	628	–40	667
Current lease liabilities	86	36	50
Transferred to pensions	1,761	–43	1,804
Less cash and cash equivalents and interest-bearing receivables	–3,981	–944	–3,037
Interest-bearing net liabilities (+)/receivables (–), December 31	6,163	–263	6,426

Other financial liabilities	2021	2020
Other non-current liabilities 1–5 years from closing day ²⁾	373	372
Accounts payable	780	819
Short-term promissory notes, development properties	278	64
Other current liabilities	566	623
Total	1,998	1,878

Maturity financial liabilities 2021	2022	2023	2024	2025–	Total
Financial liabilities	9,246	454	61	56	9,818
Lease liabilities	20	28	117	549	714
Total	9,266	482	178	605	10,532

2020	2021	2022	2023	2024–	Total
Financial liabilities	8,056	699	87	114	8,956
Lease liabilities	50	34	44	589	717
Total	8,106	733	131	703	9,673

¹⁾ Refer to Note 3, Employees and personnel costs, for more information about the convertible loans.

²⁾ Refer primarily to promissory notes for completed property acquisitions.

Segment reporting

Non-current interest-bearing notes payable	2021	2020
Liabilities to credit institutions maturity date 1–5 years from closing day	100	221
Non-current promissory notes, development properties 1–5 years	24	24
Convertible loans 1–5 years ¹⁾	66	109
Total	190	354

Current interest-bearing liabilities	2021	2020
Liabilities to credit institutions, interest-bearing –1 year	660	565
Convertible loans –1 year ¹⁾	7	14
Total	667	579

Interest-bearing net liabilities/receivables	2021	Change	2020
Non-current interest-bearing liabilities	190	–164	354
Current interest-bearing liabilities	667	87	579
Transferred to pensions	1,761	–43	1,804
Less cash and cash equivalents and interest-bearing receivables	–3,981	–944	–3,037
Interest-bearing net liabilities (+)/receivables (–), December 31	–1,363	–1,063	–300

Maturity financial liabilities	2021	2020
2021	–	1,801
2022	2,017	539
2023	454	87
2024	61	114
2025 >	56	–
Total	2,589	2,541

¹⁾ Refer to Note 3, Employees and personnel costs, for more information about the convertible loans.

The information in the above tables shows financial liabilities as they are presented in the balance sheet prepared in accordance with segment reporting.

Financial liabilities are divided into non-current and current liabilities, where current liabilities are due in 1 year. Other non-current liabilities relate to notes payable for property acquisitions that become payable when various terms and conditions are met. See Note 25, Financial risk management and financial derivative instruments.

note 25 Financial risk management and financial derivative instruments

The JM Group is exposed to different types of financial risks which may influence profit, cash flow and equity. These risks mainly comprise:

- Interest risks for borrowing and cash and cash equivalents
- Financing and liquidity risks pertaining to the Group's capital requirements
- Currency risks pertaining to profit and net investments in foreign subsidiaries
- Credit risks attributable to financial and commercial activities.

JM's Board of Directors has adopted a policy for how to handle and control these risks within the Group. Financial risk management is largely concentrated to Finance and Treasury, which is also mandated to support operational activities. At the same time, the international companies are responsible for local activities in accordance with financial policy guidelines.

The accounting principles are described in Note 1. The Risks and risk management section on pages 35–40 and 87 describes the Group's risk management and financial policy.

Interest rate risk

Interest risk refers to the risk that changes in the market rate would have a negative effect on the Group's net interest and cash flow. One of the biggest risk factors involves choosing the interest rate period for the Group's loan portfolio. JM chooses its fixed-interest period based on the tied up capital and cash flows of ongoing projects, the volume of long-term borrowing, as well as the current market situation for interest rates with different maturities. To achieve the desired fixed-interest period, the Group primarily works with interest rate derivatives, mainly interest rate swaps, if the volume of long-term financing is judged to be significant.

Since the volume of long-term borrowing in 2021 was relatively limited, the Group mainly worked with short time to maturity. The average term for fixed-rate loans excluding pension liabilities on December 31, 2021, was 0.3 (0.3) according to IFRS and 0.4 (0.5) according to segment reporting.

Fair value on interest-bearing loans, excluding lease liabilities, was SEK 7,670m (6,942) according to IFRS and SEK 857m (933) according to segment reporting. The fair value of interest-bearing liabilities to credit institutions is assumed to correspond to the carrying amount since they mainly have a short, fixed term of less than three months. The JM Group has no outstanding interest rate derivatives as of 12/31/2021.

Interest risk exposure, including derivatives

IFRS	2021		2020	
	Loan amount, SEK m	Average interest rate, %	Loan amount, SEK m	Average interest rate, %
Year for interest conversion				
2021	–	–	6,888	1.9
2022	7,615	1.9	–	–
2025	54	2.9	54	2.9
Pension liability ¹⁾	1,761	1.9	1,804	1.2
Total	9,430	1.9	8,746	1.7

¹⁾ The discount rate for pension obligations is adjusted annually.

Segment reporting

Segment reporting	2021		2020	
	Loan amount, SEK m	Average interest rate, %	Loan amount, SEK m	Average interest rate, %
Year for interest conversion				
2021	–	–	879	2.1
2022	802	2.1	–	–
2025	54	2.9	54	2.9
Pension liability ¹⁾	1,761	1.9	1,804	1.2
Total	2,617	2.0	2,737	1.5

¹⁾ The discount rate for pension obligations is adjusted annually.

The average interest rate on interest-bearing liabilities as at 12/31/2021 including pension liabilities and excluding lease liabilities is 1.9 percent (1.7) according to IFRS and 2.0 percent (1.5) according to segment reporting. A one percent change in the market rate corresponds to an effect on earnings of about SEK 55m according to IFRS and approximately SEK 6m according to segment reporting for the part of the loan portfolio traded in 2022. The calculation is an approximation and is based on the assumption of a simultaneous change in all interest rate curves.

Cash and cash equivalents

Cash and cash equivalents, where applicable, consist of cash and short-term investments. According to JM's financial policy, the company may only invest excess liquidity in liquid instruments issued by issuers with a credit rating of at least A- according to Stan-

dard & Poor's or a similar credit rating agency. The investments are short-term with a term of between one day and three months. See Note 22, Cash and cash equivalents.

Financing and liquidity risk

Financing and liquidity risk refers to the risk that loans could become more difficult and more expensive to refinance and that the Group cannot fulfill its current payment obligations due to inadequate liquidity. The Group manages its financing risk by signing long-term binding credit agreements with different maturities with several different institutions. According to the policy, the average term of framework agreements should be 1.5 to 2.5 years.

Binding loan commitments

IFRS	Year due	Total	Over-draft facilities				
			2022	2023	2024	2025	2026
Loan commitments, SEK m	14,728	487	4,393	6,551	1,916	831	550

Binding loan commitments excluding project financing

IFRS	Year due	Total	Over-draft facilities				
			2022	2023	2024	2025	2026
Loan commitments, SEK m	2,800	400	–	1,200	150	500	550

The Group has unutilized approved credit lines according to IFRS of SEK 7,155m. The average maturity for these credit lines excluding the overdraft facility is 1.5 years. Unutilized credit lines, excluding project financing, amount to SEK 2,800m, where credit agreements for SEK 2,400m had an average maturity of 2.9 years.

The Group should maintain cash and cash equivalents, together with approved, unutilized credit lines, of at least 15 percent of JM's revenue according to segment reporting in order for the Group to handle investments and current payments. The outcome in 2021 is 46 percent (38).

Currency risk

Because of extremely limited transaction volumes in foreign currency, the Group has not engaged in hedging activities for these volumes.

All loans are reported in the functional value of each respective country.

Credit risk

Credit risk associated with financial operations

Credit risk exposure in the form of counterparty risk arises with investment of cash and cash equivalents and during derivative trading. In order to limit credit risks the Group has prepared a counterparty list that sets a maximum exposure in relation to each approved party. ISDA agreements (International Swaps and Derivatives Association) or equivalent Swedish bank agreements have been prepared with those counterparties that are used for transactions with derivative instruments. No financial assets and liabilities have been offset.

Credit risks associated with accounts receivable

The JM Group's customers are mainly tenant-owners associations and future owners of private homes. The Group also works with contracting operations. Group also has tenants in both residential and commercial premises. Credit risk exposure relating to tenant-owners associations has historically been very limited since financing of production takes place through the association's bank loan. The JM Group works on an ongoing basis with the evaluation of its customers, who have excellent creditworthiness, which results in a low degree of credit risk in accounts receivable. A similar arrangement applies for customers who buy their own homes. To ensure the customer's ability to pay, a credit check is always carried out. Accounts receivable for the production of residential units amounts to SEK 347m (438). JM Group considers provisions for accounts receivable for the production of residential units to be negligible.

Credit risk exposure to customers in the contracting operations and for rentals of residential and commercial premises has a somewhat different nature. Accounts receivable for the contracting operations amount to SEK 279m (351).

Provisions for doubtful receivables amount to SEK 2.1m (3.2) and are primarily attributable to accounts receivable from the rental operations. During the year, the

Note 25 continued

Group utilized SEK 0.0m (0.1) of earlier provisions. Receivables older than 60 days amount to SEK 304m (414). As at 12/31/2021, receivables older than 90 days amounted to SEK 295m (345) and are primarily attributable to a few ongoing discussions/ disputes with customers and are not related to the orderer's creditworthiness. Like in previous years, the outstanding accounts receivables do not constitute a credit risk.

Provision and utilization of the provision for doubtful accounts receivable were recognized in the income statement. The accounting principles are described in Note 1, Financial instruments on page 97.

Aged accounts receivable

12/31/2021 SEK m	Nomi- nal	Not past due	≤ 30 days	31–60 days	61–90 days	> 90 days
Residential development	347	220	19	13	7	88
Contracting	279	48	10	12	2	207
Other	10	10				
Total	636	278	29	25	9	295
Number of invoices	952	521	97	46	35	253

12/31/2020 SEK m	Nomi- nal	Not past due	≤ 30 days	31–60 days	61–90 days	> 90 days
Residential development	438	212	64	10	52	100
Contracting	351	63	14	12	17	245
Other	13	13				
Total	802	288	78	22	69	345
Number of invoices	1,111	591	127	33	22	338

Credit risk analysis customers

12/31/2021 Interval	Number of customers	% of number	% of the portfolio
Exposure interval < SEK 1m	552	89	8
Exposure interval SEK 1–5m	34	6	13
Exposure interval > SEK 5m	29	5	79
Total	615	100	100

12/31/2020 Interval	Number of customers	% of number	% of the portfolio
Exposure interval < SEK 1m	672	90	7
Exposure interval SEK 1–5m	40	5	11
Exposure interval > SEK 5m	35	5	82
Total	747	100	100

Valuation of financial assets and liabilities

JM used generally accepted methods for calculating the fair value of the Group's financial instruments as of December 31, 2021 and 2020. The fair value of interest-bearing liabilities to credit institutions is assumed to correspond to the carrying amount since they mainly have a short, fixed term of less than three months. Notes payable for property acquisitions become payable in conjunction with fulfillment of various conditions, such as approval of local plans or when the project begins. The fair value of notes payable for property acquisitions is therefore assumed to be equal to the carrying amount since the liabilities are payable on demand. For all other financial assets and liabilities, such as cash and cash equivalents, accounts receivable, and accounts payable, the carrying amount is assumed to provide a good approximation of fair value/cost. The Group applies trade date accounting.

The table in the right column shows the carrying amount and information about the category which the JM Group's financial instruments belong in accordance with IFRS 9 Financial Instruments.

IFRS	Category according to IFRS 9 ²⁾	12/31/2021 Carrying amount ¹⁾	12/31/2020 Carrying amount ¹⁾
Financial Instruments			
Assets			
Financial assets	FAAC	23	17
Of which other non-current receivables	FAAC	18	12
Of which other non-current securities	FAAC	5	5
Accounts receivable	FAAC	636	802
Other current receivables	FAAC/n/a	419	521
Of which derivative instruments ³⁾	FAD	1	–
Of which receivables from property sales	FAAC	14	1
Of which other	n/a	403	520
Cash and cash equivalents	FAAC	3,981	3,037
Liabilities			
Non-current interest-bearing liabilities	FLAC	818	1,180
Of which convertible loan	FLAC	66	109
Of which lease liabilities	FLAC	628	667
Of which other non-current interest-bearing loans	FLAC	124	404
Other non-current liabilities	FLAC	373	372
Accounts payable	FLAC	780	819
Current interest-bearing liabilities	FLAC	7,566	6,480
Other current liabilities	FLAC	844	687
Of which derivative instruments ³⁾	FLvPL	–	–
Of which other current liabilities	FLAC	844	687

Segment reporting

Differences between IFRS and segment reporting occur in the following items.

Liabilities			
Non-current interest-bearing liabilities	FLAC	190	354
Current interest-bearing liabilities	FLAC	667	579
Other current liabilities	FLAC	552	382

¹⁾ JM considers there to be no significant difference between the carrying amount and fair value.

²⁾ Classification in accordance with IFRS 9, explanation of abbreviations:

FAAC	Financial assets measured at amortized cost
FAD	Derivative instruments at fair value through profit or loss
FLAC	Financial liabilities at amortized cost
FLvPL	Financial liabilities at fair value through profit or loss
n/a	IFRS 9 is not applicable

³⁾ Fair value for all assets and liabilities reported at fair value has been calculated based on directly or indirectly observed prices, which corresponds to Level 2 in IFRS 13.

Financial derivative instruments

JM uses financial derivative instruments to manage interest risks and on a selective basis, occasional currency risks. Derivative instruments may only be used to minimize risks. All gains and losses that arise in market valuations of instruments are recognized directly in profit and loss, since the JM Group does not apply hedge accounting for existing derivatives.

The JM Group has no outstanding interest rate derivatives as of December 31, 2021. Outstanding currency derivatives amount to SEK 1m (0) on December 31, 2021.

Asset Management

JM manages capital, which comprises the consolidated equity, with the purpose of providing JM shareholders with a higher total return than shareholders in companies with similar operations and risk profile.

JM's ambition is to maintain an optimal composition of assets and capital structure over time, suitable for the Company's project development activities. According to the stated objectives for capital structure, the equity ratio shall be at least 35 percent. The equity ratio target is a simplified consequence of a more extensive analysis where shareholders' equity has been allocated to the different asset classes and types of operations in the balance sheet, taking assessed operating risk into account.

note 26 Provisions for pensions and similar obligations

Defined-benefit plans

JM has a defined-benefit plan for pensions, the ITP 2 plan in Sweden, which is financed in-house. The plan encompasses 2,808 people, of which 576 are active.

Defined-contribution plans defined-benefit plans

These plans mainly comprise retirement pension and survivor's pension. Premiums are paid regularly during the year by the Group company concerned to separate legal entities. The pension cost for the period is recognized in the income statement.

Obligations regarding employee benefits, defined-benefit plans

The following provisions for pension obligations have been made in the balance sheet:

Group	2021	2020
Pension obligations, unfunded plans	1,761	1,804
Pension obligations and provisions for pension obligations as well as actuarial gains/losses for the defined-benefit pension plans have developed as follows:		
Total pension commitments	2021	2020
Opening balance, January 1	1,804	1,702
Benefits earned during the year	76	73
Interest expenses	22	26
Benefits paid	-40	-39
Actuarial gains (-)/losses (+)	-101	42
On December 31	1,761	1,804

The actuarial gain for JM in 2021 is primarily attributable to a change in the discount rate.

Actuarial gains (+)/losses (-)	2021	2020	2019	2018	2017
Total pension commitments	1,761	1,804	1,702	1,388	1,251
Experience adjustments of this year's actuarial gains (+) and losses (-):					
Pension obligations, SEK m	8	3	17	30	15
Proportion of total value of the pension commitments, %	0.5	0.2	1.0	2.2	1.1

Pension costs	2021	2020
Benefits earned during the year	76	73
Interest on obligations	23	26
Pension costs, defined-benefit plans	99	99
Pension costs, defined-contribution plans	132	138
Social security expenses, defined-benefit and defined-contribution plans	53	53
Total	284	290

Of the above pension costs, SEK 23m (26) is recognized as a financial cost, corresponding to the interest on the obligation.

Future assessment of cash flow for the pension provision	2022	2023	2024	2025	2026
Pension payouts	-41	-41	-43	-43	-44

Actuarial assumptions

The most important actuarial assumptions as per closing day can be seen in the following table.

%	Sweden	
	2021	2020
Discount rate	1.90	1.20
Expected salary increases	3.50	3.30
Inflation	2.00	1.50
Income base amount	3.00	2.80
Attrition rate	6.00	6.00

The determined discount rate takes into consideration the market return on mortgage bonds and swap interest rates and a premium of a longer maturity was added based on the duration of the pension obligations. The duration of the obligation is 21 years.

The anticipated salary increase factor corresponds to anticipated future salary increases as a composite effect of inflation, period of service, and promotion.

The inflation factor corresponds to the anticipated pension upward adjustment (or indexing). In this section, JM has opted to balance the inflation goal, which is set by Sveriges Riksbank, against the outcome of inflation in Sweden over the most recent 10-year period.

JM in Sweden has the DUS14 life expectancy table to calculate its pension liability, which in practical terms means that JM assumes that a man in Sweden who is currently 65 will live for 22 years after retirement and a woman for 24 years.

Pension obligation's sensitivity to a change in the discount rate	2021	2020
Pension obligations as of December 31, 2021	1,761	1,804
The discount rate increases by 0.25 %	1,677	1,714
The discount rate decreases by 0.25 %	1,851	1,900

note 27 Other provisions

	Warranty provisions		Special payroll tax on pension liability	
	2021	2020	2021	2020
Opening balance, January 1	755	770	226	210
Provisions	275	319	-18	16
Reclassification	-8	12	-	-
Utilized during the year	-372	-331	-	-
Reversed provisions	-40	-8	-	-
Translation difference	5	-7	-	-
On December 31 ¹⁾	616	755	208	226
¹⁾ Of which short-term part of warranty provisions	145	133	-	-

Provisions for guarantee commitments relate to costs that could arise during the guarantee period and that are reported as non-current and current liabilities in the balance sheet. The amount of the provision is primarily based on the number of residential units per project and is charged to the project upon conclusion. The majority of the warranty provisions have a duration of around two to three years after the project is completed.

Since the effect of when in time payment occurs is immaterial, expected future payments are not calculated at present value. Special payroll tax on the pension liability is calculated in full as 24.26 percent of the difference between the pension liability measured in accordance with IAS 19 and the reported pension liability in the legal person.

note 28 Deferred tax assets and tax liabilities

	2021	2020
Deferred tax liability on tax allocation reserves	516	526
Other deferred tax liabilities ¹⁾	345	370
Subtotal	861	896
Less deferred tax receivables	-277	-293
Net deferred tax liabilities	584	603
Deferred tax assets	1	7
¹⁾ Other deferred tax liabilities are allocated to:		
Development properties ²⁾	281	300
Provision for taxation not yet approved	28	28
Other current assets	36	42
Total	345	370

²⁾ Fiscal difference and carrying amount.

Deferred tax assets are attributable primarily to the pension liability, other personnel-related items and warranty risk reserves.

The difference between IFRS and segment reporting refers only to the item Other current assets and is attributable to the tax effect between the reported profit/loss for JM International according to segment reporting and IFRS, respectively.

note 29 Progress billings in excess of recognized revenue

IFRS	2021	2020
Accumulated billing on account for work in progress	18,290	19,458
Recognized revenue in work in progress	-17,322	-18,450
Total	967	1,008
Segment reporting	2021	2020
Accumulated billing on account for work in progress	20,749	21,337
Recognized revenue in work in progress	-19,399	-19,975
Total	1,350	1,362

The closing balance for full-year 2020 has been closed and recognized as revenue in 2021.

During 2021, JM recognized revenue of around SEK 1.2bn (1.0) attributable to performance commitments met during previous years.

note 30 Accrued expenses and deferred income

	2021	2020
Personnel-related items	528	495
Prepaid rental income	12	17
Other accruals ¹⁾	890	907
Total	1,430	1,419

¹⁾ Refers mainly to accrued project costs.

note 31 Pledged assets and contingent liabilities

	2021	2020
Assets pledged to secure own provisions and liabilities		
Corporate mortgages	100	100
Property mortgages	376	295
Total	476	395
Contingent liabilities		
Guarantee commitments, other	6,114	7,052
Guarantees in connection with assignments	1,626	1,627
Payment and rental guarantees	68	92
Other contingent liabilities	19	18
Total	7,827	8,789

The corporate mortgage relates to the pension liability that JM Sweden has with PRI. Property mortgages are only granted to a limited extent for financing with credit institutions.

During a tenant-owners association's production period, the JM Group provides guarantees for the part of the short-term financing in a bank that exceeds an association's future long-term loans. Guarantee commitments, other relates entirely to the short-term financing. The long-term loans are secured by the mortgage deeds taken out by the association.

The Group is obligated to acquire from tenant-owners associations in Sweden, with which JM has signed turnkey contracts, residential units that have not been sold as tenant-owned apartments at the end of the most recent quarter following an approved final inspection.

Guarantees in connection with assignments largely relate to performance guarantees for contract work with municipalities and municipality-owned companies. These guarantees are in effect during production and for 2–5 years after completion. The commitment normally amounts to 10 percent of the contract price until completion of the work, after which it drops to 5 percent of the contract sum. To the extent that it is considered likely that JM will be held accountable, the commitment is recognized as a liability in the statement of financial position.

In its ongoing business, JM occasionally is involved in disputes and legal proceedings. These disputes and legal proceedings are not expected, individually or as a whole, to have a significant negative effect on JM's financial performance or position.

note 32 Related party disclosures

Related party disclosures are presented in Note 3, Employees and personnel costs. The Group's related party transactions, in addition to that set out in Note 3, refers only to joint operations and joint venture. They are limited in scope and were subject to market conditions.

Parent Company Income Statement

SEK m	NOTE	2021	2020
Net sales	1	9,710	10,790
Production and operating costs	2	-7,609	-8,586
Gross profit		2,100	2,204
Selling and administrative expenses	2, 3, 4	-712	-650
Gains/losses on the sale of property	5	-	-
Operating profit		1,388	1,554
Profit/loss from financial items	6		
Profit/loss from Group companies		77	329
Profit/loss from other financial assets		1	1
Profit/loss from financial current assets		5	10
Interest expenses and similar income statement items		-59	-60
Profit before appropriations and tax		1,412	1,834
Appropriations	7	-16	-61
Profit/loss before tax		1,397	1,773
Taxes	8	-279	-319
Profit for the year		1,118	1,454
STATEMENT OF COMPREHENSIVE INCOME — PARENT COMPANY, SEK m		2021	2020
Profit for the year		1,118	1,454
Other comprehensive income		-	-
Total comprehensive income for the year		1,118	1,454

Parent Company Balance Sheet

SEK m	NOTE	12/31/2021	12/31/2020
	1		
ASSETS			
Non-current assets			
Plant, property, and equipment			
Equipment and other tools	9	2	2
Financial assets			
Participations in Group companies	10	1,997	1,559
Participations in joint operations and associated companies	10	190	190
Non-current receivables in associated companies		17	17
Other non-current receivables		8	8
Total non-current financial assets		2,212	1,774
Total non-current assets		2,214	1,776
Current assets			
Project properties	11	300	223
Development properties	11	3,925	4,256
Participations in tenant-owners associations, etc.	12	312	367
Accounts receivable		167	203
Other current receivables		204	340
Current interest-bearing receivables in Group companies		1,579	1,646
Recognized revenue less progress billings	13	3,870	3,956
Prepaid expenses and accrued income		25	21
Cash and cash equivalents	14	3,479	2,822
Total current assets		13,862	13,834
Total assets		16,076	15,610
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		70	70
Restricted equity		70	70
Share premium reserve		186	148
Undistributed earnings		3,043	2,829
Net profit for the year		1,118	1,454
Unrestricted equity	25	4,347	4,431
Total share-holders' equity		4,417	4,501
Untaxed reserves	15	2,390	2,410
Provisions			
Provisions for pensions and similar obligations	16	809	783
Deferred tax liabilities	8	2	3
Warranty provisions and other provisions	17	493	636
Total provisions		1,304	1,422
Liabilities			
Non-current interest-bearing liabilities	18	66	109
Other non-current liabilities		352	352
Total non-current liabilities		417	461
Current liabilities			
Accounts payable		425	519
Current interest-bearing liabilities	18	3,368	3,218
Other current liabilities	19	321	254
Current interest-bearing liabilities to Group companies	18	1,810	1,056
Current tax liabilities		-	94
Progress billings in excess of recognized revenue	20	557	592
Accrued expenses and deferred income	21	1,066	1,083
Total current liabilities		7,548	6,816
Total equity and liabilities		16,076	15,610

Parent Company Statement of Changes in Equity

SEK m	Share capital	Share premium reserve	Undistributed earnings	Total share-holders' equity
Opening balance, January 1, 2020	70	147	3,699	3,916
Total comprehensive income for the year			1,454	1,454
Dividend			-870	-870
Equity component of convertible debentures		1		1
Closing balance, December 31, 2020	70	148	4,283	4,501
Opening balance, January 1, 2021	70	148	4,283	4,501
Total comprehensive income for the year			1,118	1,118
Dividend			-887	-887
Conversion of convertible loan		38		38
Repurchase of shares			-375	-375
Merger Group companies			23	23
Closing balance, December 31, 2021	70	186	4,161	4,417

Number of shares (1 vote/share) as of December 31, 2021, amounts to 69,750,296 (69,583,262), of which JM AB repurchased 1,101,550 shares (0) that do not participate in dividends. Par value per share is SEK 1.

The proposed dividend for 2021 is SEK 13.50 per share (12.75).

Parent Company Cash Flow Statement

SEK m	NOTE	2021	2020
	1		
OPERATING ACTIVITIES			
Operating profit		1,388	1,554
Depreciation and amortization		2	3
Increase/decrease in residential units in the balance sheet		92	-93
Other non-cash items ¹⁾		-2,912	-1,739
Sub-total, cash flow from operating activities		-1,429	-275
Interest received		4	11
Dividends received		78	84
Interest paid and other financial expenses		-26	-27
Paid tax		-484	-426
Cash flow from operating activities before change in working capital		-1,857	-633
Investment in development properties		-527	-1,347
Payment on account for development properties ¹⁾		-	15
Increase/decrease in other current receivables, etc.		947	1,671
Increase/decrease in other current operating liabilities		1,003	-357
Cash flow before investments and sales of project properties		-434	-651
Investment in project properties		36	-117
Sale of project properties		-	27
Cash flow from operating activities¹⁾		-398	-741
INVESTING ACTIVITIES			
Change property, plant, and equipment		-1	-
Investment in Group companies and associated companies, etc.		-547	-100
Change in financial assets		7	-
Cash flow from investing activities		-541	-100
FINANCING ACTIVITIES			
Loans raised		-	34
Amortization of debt		-15	-22
Loans raised, project financing ¹⁾		3,288	3,158
Amortization of debt, project financing ¹⁾		-415	-863
Repurchase of shares		-375	-
Dividend		-887	-870
Cash flow from financing activities		1,596	1,437
Cash flow for the year		657	596
Cash and cash equivalents, at beginning of the year		2,822	2,226
Cash and cash equivalents at end of the period		3,479	2,822

¹⁾ JM sometimes recognizes initial project financing for Swedish residential projects where the financing in most cases is taken over by the customer at a later point in time. The take-over occurs without any incoming or outgoing payments, and when the debt is settled there is no impact on the cash flow statement; there is neither a negative item (amortization) in the financing activities nor a positive item in the operating activities.

note 1 Accounting and valuation principles

Amounts in SEK m unless otherwise stated.

For the Parent Company's accounting policies, please refer to the Group's accounting and valuation principles on pages 93–97.

note 2 Employees and personnel costs

	2021	2020
Average number of employees (all in Sweden)	1,628	1,752
(of which men, %)	(74)	(75)
Wages, salaries, other remuneration and social security expenses		
Board of Directors and President	14	12
(of which variable remuneration)	(4)	(2)
Other employees	931	958
(of which variable remuneration)	(48)	(42)
Total salaries and other remuneration	945	970
(of which variable remuneration)	(51)	(44)
Social security expenses	454	488
(of which pension costs) ¹⁾	(153)	(170)
Total Parent Company	1,399	1,458

¹⁾ Of the Parent Company's pension costs, SEK 3.0m (2.9) pertain to the President. The Company's outstanding pension obligations to the President amount to SEK 0.8m (0.8). The Company has no pension costs or pension commitments to the rest of the Board.

For information about benefits to JM AB senior executives, please see Group Note 3.

note 3 Accumulated depreciation according to plan

	2021	2020
Equipment and other tools	-2	-4
Total	-2	-4

The following depreciation rates are applied:
Computers and other equipment 20–33 percent.

note 6 Profit/loss from financial items

	Profit/loss from Group companies		Profit/loss from other financial assets		Profit/loss from financial current assets		Interest expenses and similar income statement items		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Dividend	78	321	-	-	-	-	-	-	78	321
Capital gains/losses	7	-	-	-	-	1	-	-	7	1
Share in profits	32	8	-	-	-	-	-	-	32	8
Impairment loss	-40	-	-	-	-	-	-	-	-40	-
Interest income	-	-	-	1	1	1	-	-	1	2
Interest income, Group companies	-	-	1	-	4	8	-	-	5	8
Interest expenses	-	-	-	-	-	-	-27	-29	-27	-29
Interest portion in this year's pension costs	-	-	-	-	-	-	-32	-31	-32	-31
Total	77	329	1	1	5	10	-59	-60	24	280

note 4 Fees and remuneration to auditors

PwC	2021	2020
Auditing services	3.5	3.7
Other services ¹⁾	0.3	2.3
Total	3.9	6.0

¹⁾ See Group Note 5.

note 5 Gains/losses on the sale of property

	2021	2020
Sales values		
Development properties	-	15
Project properties	-	27
Total	-	42
Carrying amounts		
Development properties	-	-15
Project properties	-	-27
Total	-	-42
Results		
Development properties	-	-
Project properties	-	-
Total	-	-

note 7 Appropriations

	2021	2020
Provision to tax allocation reserve	-360	-410
Reversal of previous years' provisions to tax allocation reserve	380	380
Group contribution received	8	11
Group contribution paid	-44	-42
Total	-16	-61

note 8 Taxes

	2021	2020
Profit/loss before tax	1,397	1,773
Current tax	-303	-359
Deferred tax	25	40
Total tax	-279	-319

Difference between reported tax and nominal tax rate of 20.6 percent (21.4)

Profit before tax x 20.6 % (21.4)	-288	-379
Adjustment of tax from previous years	1	-
Non-taxable revenue	25	70
Non-deductible expenses	-10	-3
Revaluation new corporate income tax rate	-	-2
Tax untaxed reserve (tax allocation reserve)	-7	-5
Total	-279	-319

Deferred tax assets and tax liabilities	2021	2020
Deferred taxes attributable to personnel-related provisions and warranty provisions	52	50
Deferred tax liability attributable to temporary differences in project properties and development properties	-54	-53
Net deferred tax liabilities	-2	-3

See Group Note 9.

note 10 Financial assets

	Participations in Group companies		Participations in joint operations		Non-current receivables in joint operations		Other non-current receivables		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<i>Accumulated acquisition value</i>										
Opening balance, January 1	1,559	1,459	190	190	17	17	8	8	1,774	1,674
New purchases	547	100	-	-	-	-	-	-	547	100
Additional receivables										
Merger	-69	-	-	-	-	-	-	-	-69	-
Sales	-	-	-	-	-	-	-	-	-	-
Impairment losses for the year	-40	-	-	-	-	-	-	-	-40	-
On December 31	1,997	1,559	190	190	17	17	8	8	2,212	1,774

For specification of the Parent Company's and the Group's participations in joint operations and associated companies, see Group Note 15.

note 9 Equipment and other tools

	2021	2020
<i>Accumulated acquisition value</i>		
Opening balance, January 1	50	50
New purchases	1	-
On December 31	51	50
<i>Accumulated depreciation according to plan</i>		
Opening balance, January 1	-48	-44
Depreciation for the year	-2	-4
On December 31	-49	-48
Closing residual value, at end of year	2	2

Note 10 continued

Specification of Parent Company's shares and participation in wholly owned Group companies, SEK 000s

Company	CIN	Domicile	Number of shares and participations	Carrying amount	
				2021	2020
AB Borätt	556257-9275	Stockholm	500	1,978	1,978
AB Garantibus	556073-0524	Stockholm	5,000	1,000	1,000
AB IG 1&3	559147-3698	Gothenburg	500	20,788	20,788
AB Konvertibelhus	559001-7025	Stockholm	500	50	50
Bergshamra Bro AB	559066-5666	Stockholm	50,000	61,425	61,425
BRO Haifa 1 AB	556821-1949	Stockholm	500	45,476	45,476
Bruket i Kallhäll Exploaterings AB	556561-0184	Stockholm	1,000	100	100
Bruket i Kallhäll Exploaterings KB	969653-9122	Stockholm	-	10	10
Fastighetsbolaget Metallfabriken i Örebro AB	559077-9582	Stockholm	500	27,562	27,562
Fastighetsbolaget Mossen 3 AB	559291-5655	Stockholm	500	33,440	-
Huddinge Fabriken AB ¹⁾	556694-7049	Stockholm	-	-	41,276
JM Bostad Stockholm Holding AB	559278-9449	Stockholm	2,000	200	200
JM Byrån Holding AB	556752-9630	Stockholm	1,000	100	100
JM Construction S. A., Belgium	413662141	Brussels	10,000	51,906	91,906
JM Entreprenad AB	556060-8837	Stockholm	200,000	107,750	107,750
JM Fastighetsutveckling Holding AB	556847-3259	Stockholm	500	50	50
JM Fastighetsutveckling 2 Holding AB	559034-9089	Stockholm	500	50	50
JM Fastighetsutveckling 3 Holding AB	559109-6960	Stockholm	500	300,050	50
JM Fastighetsutveckling 4 Holding AB	559315-1037	Stockholm	1,000	100	-
JM Hyresbostäder Holding AB	556977-0471	Stockholm	500	130	130
JM Hyresbost Holding AB	559213-7029	Stockholm	500	72,007	72,007
JM Kammarsadeln Holding AB	556853-8465	Stockholm	500	50	50
JM Norge AS, Norway	829350122	Oslo	20,000	120,243	120,243
JM Riks Holding AB	559327-9796	Stockholm	2,000	200	-
JM Suomi OY, Finland	1974161-8	Helsinki	1,000	783,585	570,375
JM Supply AB	559126-3644	Stockholm	500	50	50
JM Tegelbruket Ekerö Strand AB	559124-0147	Stockholm	500	52,432	52,432
JM Värmdöstrand AB	556001-6213	Värmdö	4,400	158,000	158,000
JM@Home AB	559091-8289	Stockholm	1,000	100	100
KB Silverfjädern ²⁾	969676-7525	Stockholm	-	-	-
Klippljuset Holding AB	556872-0527	Stockholm	500	50	50
Minimalen Bostad AB	556754-2138	Stockholm	1,000	11,550	11,550
Seniorgården AB	556359-9082	Stockholm	1,000	100	100
Stockholm Pundet 1 AB	556852-1297	Stockholm	500	74,722	74,722
Södra Ribersborg Fastighet 20 AB ¹⁾	559058-3877	Stockholm	1,000	-	27,873
Trollhagen Fastighets AB	559082-6235	Uppsala	1,000	71,982	71,982
Carrying amount, December 31				1,997,236	1,559,435

¹⁾ Group companies that have merged into JM AB.²⁾ Group companies that have been liquidated.

note 11 Project properties and development properties

	Project properties		Development properties	
	2021	2020	2021	2020
<i>Accumulated acquisition value</i>				
Opening balance, January 1	223	105	4,266	5,033
New purchases	-36	118	513	844
Merger	-	-	161	-
Reclassifications	114	27	-114	-29
Transferred to production	-	-	-896	-1,567
Sales	-	-27	-	-15
On December 31	300	223	3,931	4,266
<i>Accumulated impairment losses</i>				
Opening balance, January 1	-	-	-10	-22
Transferred to production	-	-	5	12
On December 31	-	-	-6	-10
Closing residual value, at end of year	300	223	3,925	4,256

Reported residual value for the part of project properties recognized at net realizable value amounts to SEK 0m (0) and for development properties SEK 84m (78).

note 12 Participations in tenant-owners associations, etc.

	2021	2020
<i>Accumulated acquisition value</i>		
Opening balance, January 1	367	262
New purchases	590	1,042
Sales	-645	-937
On December 31	312	367

note 13 Recognized revenue less progress billings

	2021	2020
Recognized revenue in work in progress	7,385	8,244
Accumulated billing on account for work in progress	-3,514	-4,288
Total	3,870	3,956

note 14 Cash and cash equivalents

	2021	2020
Cash and bank balances	3,479	2,822
Total	3,479	2,822

note 15 Untaxed reserves

	2021	2020
Tax allocation reserve for 2016 taxation	-	380
Tax allocation reserve for 2017 taxation	350	350
Tax allocation reserve for 2018 taxation	530	530
Tax allocation reserve for 2019 taxation	380	380
Tax allocation reserve for 2020 taxation	360	360
Tax allocation reserve for 2021 taxation	410	410
Tax allocation reserve for 2022 taxation	360	-
Total	2,390	2,410

note 16 Provisions for pensions and similar obligations

	2021	2020
Opening balance, January 1	783	753
Benefits earned during the period	28	29
Interest expenses	29	28
Pensions paid	-38	-37
Other	7	10
On December 31	809	783

In the Parent Company, the ITP plan is posted as a liability under pension provisions.

note 17 Warranty provisions and other provisions

	Provisions	
	2021	2020
Opening balance, January 1	636	660
Provisions	222	270
Reclassification	-8	11
Utilized during the year	-329	-305
Reversed provisions during the year	-29	-
On December 31	493	636

note 18 Interest-bearing liabilities

Non-current interest-bearing liabilities	2021	2020
Other liabilities 1–5 years from the closing date	-	-
Convertible loans 1–5 years	66	109
Total	66	109

Current interest-bearing liabilities	2021	2020
Convertible loans 1 year	6	14
Other liabilities 1 year	3,362	3,204
Liabilities to Group companies	1,810	1,056
Total	5,178	4,274

Liabilities to credit institutions, confirmed credits	2021	2020
Credit agreements	2021	2020
Bank overdraft facility	400	400
Granted credit agreement due date within one year	-	-
Granted credit agreement due date greater than one year	2,400	2,400
Unutilized portion	-2,800	-2,800
Utilized credit agreement	-	-

Credit agreements carry fixed interest. See Group Note 25 for comments.

note 19 Other current liabilities

	2021	2020
Short-term promissory notes, development properties	20	39
Other current liabilities	301	215
Total	321	254

note 20 Progress billings in excess of recognized revenue

	2021	2020
Accumulated billing on account for work in progress	15,388	16,446
Recognized revenue in work in progress	-14,831	-15,854
Total	557	592

note 21 Accrued expenses and deferred income

	2021	2020
Personnel-related items	354	344
Prepaid rental income	5	9
Other accruals ¹⁾	707	730
Total	1,066	1,083

¹⁾ Refers mainly to accrued project costs.

note 22 Pledged assets and contingent liabilities

	2021	2020
Assets pledged to secure own provisions and liabilities		
Corporate mortgages ¹⁾	100	100
Property mortgages	-	-
Total	100	100
Contingent liabilities		
Guarantee commitments, other ²⁾	6,114	7,051
Guarantees on behalf of Group companies ³⁾	3,217	2,234
Guarantees in connection with assignments	119	155
Payment and rental guarantees	3	1
Other contingent liabilities	19	18
Total	9,471	9,459

^{1,2)} See Group Note 31 for comments.

³⁾ Guarantees on behalf of Group companies mainly relate to commitments for the international companies and JM Entreprenad AB.

note 23 Related party disclosures

The Parent Company has a related party relationship with its subsidiaries and joint operations; see Group Note 15.

	2021	2020
Purchase of goods and services from Group companies	442	332
Interest income from Group companies	1	1
Dividend from Group companies	78	321
Share in profits from Group companies	32	8
Dividend from associated companies	-	-
Non-current receivables in associated companies	17	17
Current interest-bearing receivables in Group companies	1,579	1,646
Current interest-bearing liabilities to Group companies	1,810	1,056
Guarantees on behalf of Group companies	3,217	2,234

Transactions with key individuals in leading positions can be found in Note 2, Employees and personnel costs. All transactions with related parties and companies were conducted on market-based terms.

note 24 Events after the end of the reporting period

On October 11, PRI ideell förening announced that it had passed a decision on changes to the calculation basis for retirement pensions in the ITP2 plan. The changes apply from January 1, 2022. The three largest changes are:

1. Updated discount rate from 4 percent to 3 percent. PRI states that, for the average company, this will entail an increase in the pension liability of around 15 percent.
2. Updated life expectancy assumption PRI states a general increase of around 2 percent for all customers, but like the discount rate the impact will depend on the underlying portfolio in the pension plan.
3. The consolidation reserve is estimated as 2 percent of the capital value instead of 4 percent. This results in a decrease in the liability.

JM estimates the financial impact of the change in the calculation basis on the item Provisions for pensions and similar obligations in the Parent Company to be an increase of around SEK 140m on January 1, 2022, and an increase in personnel costs in the 2022 income statement by SEK 145m.

note 25 Proposed disposition of earnings

Unrestricted equity in the Parent Company is:	
Retained earnings and share premium reserve	SEK 3,229,329,526
Net profit for the year	SEK 1,118,071,839
Total	SEK 4,347,401,365

The Board of Directors and the CEO propose:	
that SEK 13.50 per share be paid to shareholders ¹⁾	SEK 926,818,457
and that the remaining amount be carried forward	SEK 3,420,582,909
Total	SEK 4,347,401,365

¹⁾ There are 69,754,769 registered shares in the Parent Company on January 31, 2022, of which the number of dividend-bearing shares amounts to 68,653,219.

Stockholm, February 28, 2022

The undersigned certify that the consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and generally accepted accounting principles and give a fair presentation of the Group's and the Company's position and financial performance, and that the Board of Director's Reports for the Group and the Company provide a fair presentation of the development of the Group's and the Company's operations, position and financial performance and describes the significant risks and uncertainty factors facing the companies that belong to the Group.

Fredrik Persson
Chair of Board

Kaj-Gustaf Bergh
Member

Kerstin Gillsbro
Member

Camilla Krogh
Member

Olav Line
Member

Thomas Thuresson
Member

Annica Ånäs
Member

Peter Olsson
Member, employee-appointed

Jan Strömberg
Member, employee-appointed

Johan Skoglund
President and Chief Executive Officer

Our Auditor's Report was submitted on March 7, 2022
PricewaterhouseCoopers AB

Ann-Christine Hägglund
*Authorized Public Accountant
Auditor-in-charge*

Fredrik Kroon
Authorized Public Accountant

Auditor's report

To the general meeting of shareholders of JM AB (publ), corporate identity number 556045-2103

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of JM AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 81–121 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and the balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and the consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risk of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and concerning future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented risk of material misstatement due to fraud.

We tailored our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the JM group, the accounting processes and controls, and the industry in which JM operates.

In a business such as JM's, our risk assessment is particularly influenced by the impact of the Board of Directors' and management's estimates and judgements on the financial statements. We have assessed the highest risk for misstatements in the financial statements to be the percentage-of-completion revenue recognition in the ongoing projects – in both the residential development business and the construction business. In addition, we have identified a number of other risks that also reflect components of estimates and judgements. Amongst those are warranty provisions, valuation of development and project properties and disputes. As in all of our audits, we also addressed the risk of the Board of Directors' and management overriding internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Based on the risk assessment the central audit team developed an audit strategy according to which the group audit has focused on the large components JM Residential Stockholm, JM Residential Sweden, JM Construction and the Norwegian operations within JM International which all have been subject to a so-called full audit. For the Finnish operation within JM International, specific procedures have been performed primarily for ongoing projects. With respect to JM Property Development and the building rights in Belgium, the examination has focused on the book values of project and development properties as well as property transactions during the year.

The central audit team performs the audit of the Swedish components and issues, based on the audit strategy, instructions to the Norwegian and Finnish audit teams. The central team also audits relevant aspects of and controls over the JM group's common information systems, including SAP ECC. The results of this examination are shared with local teams.

Materiality

The scope of our audit is influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and the consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and the consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Recognition of revenue and profits in Swedish residential development projects

JM's revenue in the Swedish residential development operations are recognised over time i.e. applying percentage-of-completion taking into account also so called sales ratio. This means that revenue and profits recognised in ongoing projects are dependent on assumptions and judgements of items included in the forecasts of total revenue and costs. Those forecasts include judgements of costs for, e.g., labour, material, subcontractors and warranty obligations. The latter may from time to time require updated assessments also for projects already completed. Revenue and profit recognition therefore requires sufficient processes for calculations, reporting, analysis and forecasts.

The amounts involved combined with the high impact of estimates and judgements make this a key audit matter. We have paid special attention to the methodology and the judgments forming the basis for determining the margin used in the percentage-of-completion profit recognition, as well as to the principles, methods and assumptions forming the basis for the assessment of warranty obligations recognised.

See e.g. the sections "Important sources of uncertainty in estimates", "Revenue and profit/loss from residential project development" and "Provisions for warranty commitments" in note 1 Accounting and valuation principles as well as note 21 "Recognized revenue less progress billings", note 27 "Other provisions" and note 29 "Progress billings in excess of recognized revenue".

How our audit addressed the key audit matter

We have evaluated and on a sample basis tested selected controls in JM's project development process, from land purchase to completion. We have also evaluated processes, routines and methodology for calculations and project forecasts.

We have performed analytical review procedures of revenue and margins reported, and examined management's routines for follow-up of the projects' financial results. For a selection of projects we have performed simulations of outcome based on different assumptions and we have discussed selected judgment with JM. On a sample basis, we have examined revenue, sales ratio and the recognised project costs forming the basis for the determination of completion ratio.

We have also tested the mathematical accuracy in the calculation of percentage-of-completion. We have also taken part in several project audits performed by JM's Operational audit.

We have evaluated principles, processes and routines for determining recognised warranty obligations and the assumption on which those are based. On a sample basis, we have examined calculations made and in one case made our own calculations based on data provided by JM.

We have discussed, with management and the audit committee, those methods, estimates and assumptions on which JM's judgments are based.

Accounting for the Swedish residential project development operations

During 2018 Nasdaq Stockholm AB (the Stock Exchange) asked JM about the basis for the assessment of the tenant-owners associations' independence from an IFRS perspective. The Stock Exchange's final decision stated that there are differences between various companies' business and contract structures that have bearing on the matter; and that there is room to reach different conclusions. The Stock Exchange noted that the basis for the assessment not to consolidate the tenant-owners associations were not clear enough and thus that there was no clear description of the facts and circumstances that formed the basis for that conclusion. The Stock Exchange therefore criticised JM and as from the 2018 Annual Report JM therefore provides expanded and clearer disclosures on these bases and on the effects on earnings, equity and liabilities in the event that the tenant-owners associations would be consolidated.

JM also communicated that in January 2019, Finansinspektionen ("FI") informed JM that FI will investigate the matter and an exchange of letters has subsequently taken place during 2019 and 2020 between JM and FI in this matter:

On 20 May 2020, JM received a decision from FI stating that the tenant owner associations cannot be considered to be independent and thus should be consolidated. As a consequence, revenue should not be recognised over time (percentage-of completion) but instead upon delivery to individual byer of a tenant-owned apartment. The decision from FI stated that JM was prescribed to make a correction in the financial reports.

JM continues to hold the view, as communicated in the response letter submitted to FI in 2019 and 2020, that JM's tenant-owners associations are independent and should not be consolidated. On 9 June 2020 JM appealed FI's decision of 20 May 2020 to the Aminsarative Cours. The process before a final decision can be multi-year. We consider this kind of communication to be, by its nature a key audit matter.

See the statutory administration report (page 86) and the section "Important assessments when applying accounting principles" in note 1 Accounting and valuation principles.

We have, e.g., read and evaluated the reasoning forming the basis for FI's preliminary view and thereafter decision, that the tenant-owners associations should be consolidated, as well as the response provided by JM. We have also examined the disclosure JM has provided in the statutory administration report as well as that in note 1 on the basis for its assessment that the tenant-owners associations are independent and therefore should not be consolidated. The latter has also been evaluated as to whether it is appropriate and in accordance with IAS 1 Presentation of financial statements. We have kept a dialogue with management and the audit committee and as a part of that communicated our observations, reflections and their implications. In connection therewith, we have discussed, e.g. the fact that IFRS is a principles-based framework that often requires judgment. As JM states in the Annual Report, in complex matters like this, it is possible for different parties to make different assessments. As IFRS is a principle based framework it is not remarkable that different, acceptable judgements can be made.

Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and the consolidated accounts and is found on pages 1–80 and pages 126–149. The other information also includes the remuneration report prepared by JM, which we obtained before the date of this audit report. The Board of Directors and the President are responsible for this other information. Our opinion on the annual accounts and the consolidated accounts does not cover this other information and we do not express any form of assurance conclusion on this other information.

In connection with our audit of the annual accounts and the consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and the consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the President

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The audit committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of JM AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts[and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for JM AB (publ) for the financial year 2021 .

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of JM AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director; but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of JM AB by the general meeting of shareholders on 24 March 2021 and has been the company's auditor since 27 April 2017.

Stockholm March 7, 2022
PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Auditor-in-charge

Fredrik Kroon
Authorized Public Accountant

Corporate governance report for the 2021 financial year

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Corporate governance principles

In addition to the rules laid down by law or regulation, JM applies the Swedish Code of Corporate Governance (the Code). JM complies with the Code without exception.

Through detailed and transparent accounting, JM will increase the knowledge of shareholders and other stakeholders about how the Board of Directors and the Executive Management operate in order to ensure that shareholders' demands for return on invested capital are met. Priority areas for long-term value creation include high ethical standards, JM's core values and code of conduct, professionalism, transparency and JM's contribution to social development.

JM has pursued for many years a long-term and systematic project to continuously develop its internal governance and control. This project has resulted in, for example, additional enhancements to the company's governance and control with regard to investment, selling and production decisions as well as governance and control during the project implementation phase. Internal governance and control are also exercised through the systematic committee work of the Board. In order to promote the development of the Board, an annual assessment of the Board's work is conducted.

Shareholders and Annual General Meeting

The General Meeting, which is the Company's highest decision-making body, gives all shareholders the possibility to participate and exercise their influence. The Annual General Meeting (the general meeting at which the Annual Report and the auditors' report on the consolidated accounts are presented) addresses the Company's development, and decisions are made on several key issues, such as adoption of the annual report, dividends, discharge of liability for the Board, election of auditors, remuneration for the Board and auditors, and election of new Board members for the period extending to the next Annual General Meeting.

The Company publishes notification of the Annual General Meeting no earlier than six weeks and no later than four weeks before the meeting. The Company announces the time and place of the Annual General Meeting in connection with the Q3 report, usually in late October. The possibility of foreign shareholders following or participating in the Annual General Meeting through simultaneous interpretation or translation of presented material into other languages has not been considered necessary since, to date, such shareholders have had Swedish representation.

Annual General Meeting

The 2021 Annual General Meeting was held on March 24 by absentee ballot. A total of 190 shareholders were represented, representing about 62 percent of the total votes. One of the resolutions made by the 2021 Annual General Meeting was to authorize the Board to make decisions on the acquisition of own shares. Minutes from the Annual General Meeting can be found on JM's website (jm.se). The 2022 Annual General Meeting will be held on March 31.

Major shareholders

One shareholder, Samhällsbyggnadsbolaget i Norden AB, has a shareholding in the Company representing at least one-tenth of the voting rights for all shares in the Company. Its holding amounts to 27.6 percent on January 31, 2022. JM's Articles of Association do not limit shareholders' voting rights for any owned or

Board Meetings in 2021

FEBRUARY (THREE MEETINGS)

Year-end Report, proposals on dividend and buy-back of shares, review session with auditors, remuneration system, adoption of the annual accounts, decisions on property acquisition and housing starts, and notification and other matters leading up to the Annual General Meeting

APRIL (ONE MEETING)

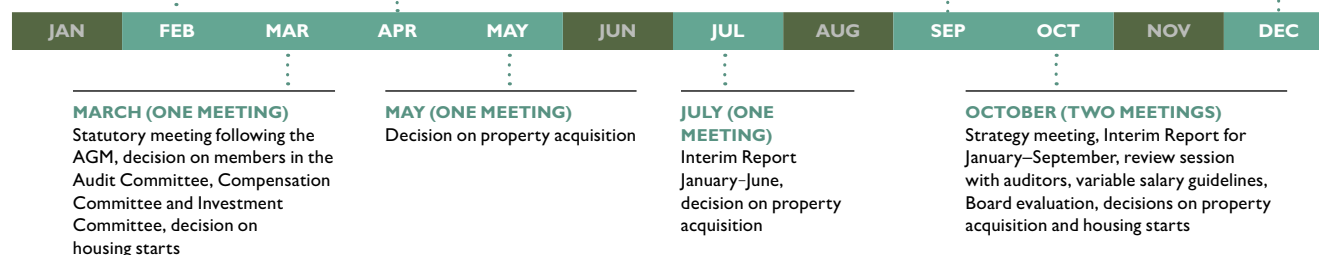
Interim Report January–March, decisions on work procedure, policies and guidelines, decision on acquisition of own shares, decisions on property acquisition and property sales

SEPTEMBER (ONE MEETING)

Decisions on property acquisition and housing starts

DECEMBER (ONE MEETING)

Decision on property acquisitions and evaluation of the President



Fixed items on the agenda of ordinary Board meetings include a status report from the President and updates from the Committees.

represented shares. The Articles of Association do not contain any provisions on the appointment and dismissal of Board members or on amendments to the articles.

JM does not apply any special arrangements relating to the function of the general meeting of shareholders, either due to provisions in the Articles of Association or, as far as is known to the Company, shareholder agreements.

Nomination Committee

The Nomination Committee is a body elected by the Company's Annual General Meeting that is tasked with nominating Board members, a Chair of the Board, and an auditing company as well as proposing fees for the Board, the committees of the Board, and auditors. The work of the Nomination Committee is governed by the instructions for the Nomination Committee as adopted by the Annual General Meeting. This committee consists of representatives for the four largest shareholders in the Company that wish to participate. The Chair of the Board is the fifth member and convenes the meeting.

The Chair of the Board convened the Nomination Committee for the 2022 Annual General Meeting in August 2021, and the Committee consists of the following people:

Ilija Batljan, Samhällsbyggnadsbolaget i Norden AB
Anders Oscarsson, AMF Försäkring & Fonder
Marianne Nilsson, Swedbank Robur Fonder
Johannes Wingborg, Länsförsäkringar Fondförvaltning AB
Fredrik Persson, Chair of the Board of JM.

The Nomination Committee represents approximately 48.1 percent of the total number of JM shares. Ilija Batljan is chair of the Nomination Committee. The Nomination Committee held five minuted meetings and also corresponded by email and telephone. Members of the Nomination Committee have not received any compensation from JM.

Auditors

Following a proposal by the Nomination Committee, the 2021 Annual General Meeting elected PricewaterhouseCoopers AB (PwC) to be the auditor. The election covers the period up until the end of the 2022 Annual General Meeting. Auditor-in-charge is Ann-Christine Häggglund, and the

auditor's report is also signed by Fredrik Kroon. They have no other assignments that affect their independence as an auditor for JM.

Fees and remuneration to PwC	2021	2020
Auditing services	5.5	5.5
Tax services	0.2	0.1
Other services	0.5	2.4
Total	6.2	8.0

Information about the auditing company's services to JM in addition to auditing is provided in Note 5 on page 98.

Board of Directors

Composition

According to the Articles of Association, JM's Board of Directors shall consist of a minimum of five and a maximum of nine members. No deputies shall be appointed. The members of the Board of Directors are elected by the Annual General Meeting for one year at a time. In addition, the employee organizations are legally entitled to appoint two ordinary members as well as two deputies.

The Nomination Committee has applied Code Rule 4.1 as its diversity policy for the Board. The Nomination Committee determined the following in its reasoned statement prior to the 2021 Annual General Meeting: The Nomination Committee considers JM to have a well-functioning Board of Directors and that the current composition of the Board, given the Company's operations, development stage and circumstances in general, is appropriate and features diversity and breadth with regard to the members' competence, experience and background. The Nomination Committee also considers it to be valuable to have a balance of both continuity and renewal within the Board. Three of the now proposed seven Members were elected at the past two Annual General Meetings. The Nomination Committee's proposal to the Board therefore does not include any new-elects despite Eva Nygren's decision to decline re-election. JM's Board of Directors has consisted of seven Board Members for several years. However, the number was expanded to eight at the 2020 Annual General Meeting. Since Eva Nygren has now declined re-election, it is desirable to return to seven Board Members.

The proposed Board has broad experience and skills, including for relevant sustainability aspects, within areas that are important for JM, such

as housing and property development, project development and construction activities, consumer markets, finance, and good knowledge of geographic markets that are relevant for the Company. The Nomination Committee has applied Code Rule 4.1 as its diversity policy. It can be noted that JM has had an even gender distribution in its Board of Directors for many years, and the Members proposed to the Annual General Meeting include three women and four men. The proposal thus fulfills the requirements of the Code for an even gender distribution. All of the proposed Members are considered to be independent in relation to the Company and its management as well as major shareholders in the Company.

The 2021 Annual General Meeting resolved to elect the seven members proposed by the Nomination Committee.

The employee organizations appointed two members and two deputies. The composition of the Board of Directors is presented on pages 126–127, as is participation by the members elected by the Annual General Meeting in committees (A = Audit Committee, C = Compensation Committee, I = Investment Committee).

Attendance during the 2021 calendar year is also presented.

The Board of Directors held eleven meetings. The Audit Committee held five meetings. The Compensation Committee held five meetings. The Investment Committee held nine meetings.

Independence

All Board members elected at the Annual General Meeting are considered independent in relation to the Company and all are independent in relation to the shareholders.

DUTIES/RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board's duties concern strategic issues such as JM's business concept, key policies, market, finance and financial position, internal control and risk management, personnel, leadership and decisions concerning housing starts of projects, acquisition and sale of development properties and project properties.

New-elects to the Board of Directors are introduced to the company's operations and the work of the Board as required and according to that below.

Duties/Responsibilities

The most important governing documents are:

- Strategic focus
- Articles of Association
- Rules of Procedure for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, and Instructions for Financial Reporting
- JM's policies (Sustainability Policy, Integrity Protection Policy, Information Security Policy, Employee Policy, Work Environment Policy, Communication Policy, Financial Policy, Tax Policy and Purchasing Policy)
- JM's ethical guidelines, JM's Code of Conduct, guidelines to prevent victimization, sexual harassment and discrimination, guidelines for communication, and guidelines for purchasing.

Duties of the Chair of the Board of Directors

The Chair of JM's Board of Directors has ultimate responsibility for the Company complying with the established strategic focus. In this context, the Chair has regular contact with the Company's President and serves as a discussion partner to the President. The work of the Chairperson otherwise complies with the requirements of the Code.

Secretary to the Board

The Company's General Counsel is the Secretary to the Board. The General Counsel is not a member of the Board of Directors.

Evaluation by the Board of its own work

The performance of the Board of Directors is evaluated every fall. In 2021, the evaluation consisted of a paper survey that was sent to all Board members. The results of the evaluation were discussed and presented to the Board and the Nomination Committee.

Board's evaluation of the President

The Board of Directors evaluates the President's performance annually. In 2021, the evaluation consisted of a paper survey that was sent to all Board members. The results of the evaluation of the President were discussed and presented to the Board.

Important matters during 2021

The Board of Directors made the following decisions and others in 2021:

- The Board of Directors held a separate strategy meeting at which it adopted the strategic plan for the Company
- The Board of Directors decided on housing starts for seven residential projects and one project property, which have an estimated total project expense exceeding the maximum level delegated to the President of either SEK 400m in the total project expense or SEK 400m in project expense per phase
- The Board of Directors decided on eight acquisitions of development properties, which have a purchase sum exceeding the maximum level delegated to the President of SEK 100m
- The Board of Directors decided on the sale of one rental project
- The Board of Directors decided to propose that the Annual General Meeting authorize the Board to decide on acquisition of own shares for the period up to the next Annual General Meeting. Following a resolution by the Annual General Meeting to grant the Board authorization, a decision was made to acquire own shares
- The Board of Directors decided on short-term and long-term variable remuneration programs
- The Board of Directors decided on JM's existing policies and guidelines.

Duties of the Committees

The committees usually meet in conjunction with Board meetings or when necessary. Minutes are kept and shared with the Board of Directors and the auditors. Verbal accounts are provided at Board meetings about the topics discussed at committee meetings. There is no delegated right of decision with the exception of:

- The Compensation Committee, which approves salaries and other terms and conditions for Executive Management, excluding the President
- The Audit Committee approves fees and compensation to the external auditors for auditing work as well as the external auditor's provision of services other than auditing. The Audit Committee starts more in-depth initiatives in selected areas or projects.

All Board members elected by the Annual General Meeting are also members in one or several committees. The Chairperson of the Board chairs the Compensation Committee. The Chairperson of the Audit Committee is Thomas Thuresson, and the Chairperson of the Investment Committee is Olav Line.

The Director of Human Resources reports for the Compensation Committee. Each business unit manager reports for the Investment Committee. The Chief Financial Officer reports for the Audit Committee. The President attends the meetings of the Compensation Committee and the Investment Committee.

Audit Committee

The Audit Committee has three members: Thomas Thuresson (Chairperson), Fredrik Persson and Annica Ånäs. The committee held five meetings during the calendar year.

The work of the Audit Committee during the year was primarily focused on:

- Review and analysis of financial statements, interim reports and Annual Report
- Quality assessment of internal control systems, control procedures, the Internal Audit and risk management
- Review of the audit plan of the external auditors and other internal planning for internal audits and risk management
- Preparation of the Corporate Governance Report
- Recommendation for the election of external auditors in consultation with Executive Management, the Board of Directors and the Nomination Committee prior to the Committee's recommendation for the Annual General Meeting
- Review and monitoring of the auditor's impartiality and independence regarding approval of fees and compensation to the auditors for auditing work as well as advance approval of the auditor's provision of services other than auditing
- Monitored the statutory audit
- Initiation of in-depth initiatives within select areas
- Progress reporting and review of areas or projects of special interest
- Reporting and presentation to the Board of Directors of observations noted during review sessions with auditors and management
- Otherwise completed the tasks placed on the Audit Committee according to applicable laws, ordinances and the Swedish Code of Corporate Governance.

Compensation Committee

The Compensation Committee has three members: Fredrik Persson (chair), Camilla Krogh and Kaj-Gustaf Bergh.

The Committee held five meetings during the calendar year.

The Compensation Committee's tasks during the year were to:

- Prepare recommendations for salary, pension benefits and other terms and conditions for the President of the Company
- Prepare recommendations relating to general principles for remuneration to all other employees, especially in terms of variable compensation
- Draft proposal on incentive programs
- Approve salary and other terms and conditions for the Executive Management (excluding the President), based on Board-approved general principles
- Evaluate current programs for variable compensation for Executive Management.
- Draft proposal on guidelines for remuneration to senior executives
- Follow and evaluate the application of the guidelines for remuneration to senior executive resolved by the Annual General Meeting and applicable remuneration structures and remuneration levels in the Company.

Investment Committee

The Investment Committee has three members: Olav Line (chair), Kaj-Gustaf Bergh and Kerstin Gillsbro.

The committee held nine meetings during the calendar year.

The Investment Committee's duties during the year, within the framework of JM's order of delegation, have been to:

- Evaluate that the strategy for scope and focus pertaining to development properties and project properties is followed
- Prepare recommendations to purchase or sell development properties and project properties or shares and participations in companies as owner of such properties
- Prepare recommendations relating to investments in existing project properties
- Prepare recommendations relating to housing starts
- Prepare recommendations relating to external contract work.

Management and company structure

Executive Management

JM's business is operationally divided into six business units. Each business unit manager reports directly to the President. In the financial reporting, JM Norway and JM Finland form the JM International business segment.

Executive Management comprises the President, all heads of business units and heads of group staffs, in total nine people, and meets at least once a month. Management responsibility includes always working to ensure compliance with guidelines issued by the Board and the President.

The report structure is presented on page 132.

Governance and report structure

At JM, a large number of projects are in production at any given time. It is not unusual for a project to involve more than 100 people and have estimated volumes of more than SEK 100m.

Every project is run by a project manager who is responsible for the project's revenue and expenses. The project manager reports to the regional manager, who is directly subordinate to the business unit manager. All these people have profit responsibility. The business unit manager is responsible for deciding the revenue level in the projects.

Decisions to begin work on a project are made by the business unit management or Executive Management; for major projects such decisions are made by the Board. Follow-up of sold and reserved residential units occurs on a weekly basis, with reporting to the regional manager, business unit manager and President. Complete analyses and reconciliation of each project's revenue and expenses are performed every quarter.

More intense monitoring routines have been introduced for large projects. The business unit manager and the regional manager/head of subsidiary present quarterly reports to the President, the CFO and the person responsible for JM's Internal Audit function. Assessment data include the financial history of the project, future anticipated revenue and expenses and the current sales and reservations level.

The largest projects have special steering groups and are audited by JM's Internal Audit function and presented in the Audit Committee.

The governance structure can be seen below:



Board of Directors, CEO and Auditors



Fredrik Persson



Kaj-Gustaf Bergh



Kerstin Gillsbro

BORN	Born in 1968	Born in 1955	Born in 1961
NATIONALITY	Swedish	Finnish	Swedish
SIZE OF HOLDING¹⁾	Shares in JM: 4,000	Shares in JM: 5,800	Shares in JM: 1,250
IN JM AS	<ul style="list-style-type: none"> ● Board of Directors, Chair Elected to the Board in 2017 ● Compensation Committee, Chair ● Audit Committee, Member. Attendance: ● 11 of 11 ● 5 of 5 ● 5 of 5 Total annual fees: SEK 1,060,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2013 ● Compensation Committee, Member ● Investment Committee, Member Attendance: ● 11 of 11 ● 4 of 5 ● 6 of 6 (as of AGM 2021). Total annual fees: SEK 500,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2019 ● Investment Committee, Member Attendance: ● 10 of 11 ● 9 of 9 Total annual fees: SEK 435,000
MEMBER'S INDEPENDENCE	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.
TRAINING AND EDUCATION	MSc Econ., Stockholm School of Economics, Stockholm, Sweden.	LL.M. and B.Sc. Econ.	MSc. Eng.
WORK EXPERIENCE	Long career at Axel Johnson AB, including as CFO and then as President and CEO. Previously at Aros Securities and ABB Financial Services.	15 years at Gyllenberg and SEB. 12 years as CEO of Föreningen Konstsamfundet in Finland.	Previously at NCC, most recently as the CEO of NCC Boende AB.
OTHER SIGNIFICANT ASSIGNMENTS	Chairman of the Board of the Confederation of Swedish Enterprise and AB Ellevio AB. Board member of AB Electrolux, Hufvudstaden AB, Interogo Holding AG, ICA Gruppen AB and Ahlström Capital OY.	Chairman of the Board of Ab Tallberg Oy. and of Pensionsförsäkringsaktiebolaget Veritas.	CEO of Jernhusen AB since 2011. Board Member at Christian Berner Tech Trade AB. Member at Förtroenderådet SNS and Sweden Green Building Council.

¹⁾ Shareholdings pertain to personal holdings or a related natural or legal person's holdings of JM AB shares and other financial instruments as at 31/12/2021.

Employee representatives



Jan Strömberg

Employee representative
Born: 1959. MSc. Eng.
Deputy since 2011,
Member since 2015
Shares in JM: 2,000
Convertibles: SEK 562,074
Attendance: 11 of 11



Peter Olsson

Employee representative
Born in 1977. Carpenter.
Deputy since 2014,
Member since April 2018
Shares in JM: 0
Convertibles: SEK 0
Attendance: 11 of 11








Jonny Ånges

Employee representative
Born in 1962. Construction engineer.
Deputy since 2015
Shares in JM: 0
Convertibles: SEK 0
Attendance: 11 of 11



Per Petersén

Employee representative
Born in 1970. Bricklayer.
Deputy since April 2018
Shares in JM: 0
Convertibles: SEK 0
Attendance: 10 of 11

				
Camilla Krogh	Olav Line	Thomas Thuresson	Annica Ånäs	Johan Skoglund
Born in 1977	Born in 1958	Born in 1957	Born in 1971	Born in 1962
Norwegian	Norwegian	Swedish	Swedish	Swedish
Shares in JM: 0	Shares in JM: 800	Shares in JM: 1,500	Shares in JM: 1,250	Shares in JM: 50,000 Convertibles in JM: SEK 4,526,078
<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2020 ● Compensation Committee, Member Attendance: ● 11 of 11 ● 3 of 3, (as of AGM 2021). Total annual fees: SEK 425,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2017 ● Investment Committee, Chair Attendance: ● 11 of 11 ● 9 of 9 Total annual fees: SEK 460,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2016 ● Audit Committee, Chair Attendance: ● 11 of 11 ● 5 of 5 Total annual fees: SEK 520,000 	<ul style="list-style-type: none"> ● Board of Directors, Member Elected to the Board in 2019 ● Audit Committee, Member Attendance: ● 11 of 11 ● 5 of 5 Total annual fees: SEK 455,000 	President and CEO of JM AB
The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	The Board member is considered to be independent in relation to the Company and its management as well as major shareholders in the Company.	
MSc. Eng. Executive MBA, Norwegian School of Economics.	MSc. Eng. NTH (NTNU), Trondheim.	MSc. Econ., Lund University. IMD (BPSE).	LL.M, B.Sc. Econ.	MSc. Eng., KTH Royal Institute of Technology, Stockholm, MSc. Program, Stockholm School of Economics.
The OBOS Group 2018–2020, most recently as CEO of Construction City Eiendom and Ulven AS. Previously at Skanska Norway.	30 years of experience from the property industry in Norway and Scandinavia, such as CEO of Røm Eiendom AS, Steen & Strøm AS and Norwegian Property AS.	29 years in different positions within the Alfa Laval Group, for 26 years as CFO.	CFO of Atrium Ljungberg AB. CFO of Hemsö AB and auditor at Deloitte. Experience from other Board assignments, such as the Finnish listed property company Technopolis Oyj.	35 years in various positions, such as site engineer, project manager, regional manager and business unit manager. President and CEO since 2002.
CEO of Ferd Eiendom AS.	CEO of Mustad Eiendom AS.	President of Tetra Laval Real Estate AB. Chairperson of Terratech Group AB. Member of the Board of Proact IT Group AB (publ), Solix Group AB and Skiold A/S.	CEO of Atrium Ljungberg AB since 2016. Member of the Board of Swedavia AB.	Board Member of The Confederation of Swedish Enterprise and Mentor Sverige. Chair of the Board of Polhem Infra AB and Vectura Fastigheter AB.

Eva Nygren was a Member of the Board of Directors, the Investment Committee and the Compensation Committee up to the Annual General Meeting and attended all Board meetings, Investment Committee meetings and Audit Committee meetings up to the Annual General Meeting.

Secretary to the Board

Maria Bäckman
Chief Legal Counsel at JM AB
Born in 1973.
Secretary to the Board of Directors since 2012.
Shares in JM: 600
Convertibles: SEK 109,802

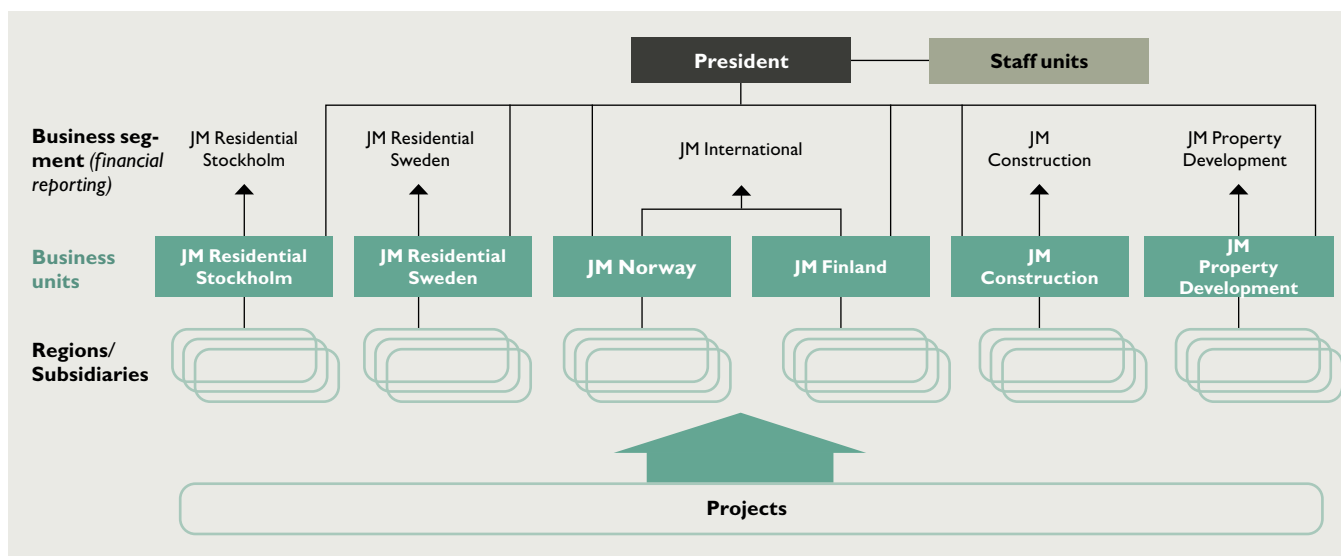
Auditors – PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant, Auditor-in-charge. Born in 1966. Other assignments: Auditor-in-charge at NCC, Scandi Standard, Atrium Ljungberg and Business Sweden.

Fredrik Kroon
Authorized Public Accountant.
Born in 1985. Other assignments: Co-signing auditors in, for example, Nordr Sverige and audit leader NCC within the business area Infrastructure and Building Sweden.

The Annual General Meeting held in March 2021 elected PwC auditor of JM AB.

Reporting structure:

**Order of Delegation – President's right of decision**

The Board has delegated to the President the right of decision for:

- Purchases and sales of development and project properties up to SEK 100m
- Investments in existing project property up to SEK 400m for implementation of housing projects, or SEK 200m for implementation of office projects
- Housing starts for residential projects, up to a total project expense of SEK 400m excluding the purchase price for the property and housing starts of individual stages up to SEK 400m
- Submission of tenders and if won signing external contracting contracts up to SEK 400m
- Raising of new loans that are not linked to acquisition of a property, up to a total of SEK 400m per year for loans with a maturity shorter than one year, up to a total of SEK 250m per year for loans with maturities between one and ten years.

The Board makes the decision in other cases. These amounts are chosen to meet the Board's needs to exercise control and management's need for freedom of action. The President has the right to further delegate some of the above decision rights. Matters requiring decisions are prepared in part by the Business Committee, consisting of business unit and regional managers from the entire Group, and by the Executive Management. JM's operations as well as its governance and report structure are presented above.

Control framework
Financial reporting

The President shall ensure that the Board receives progress reports on JM's operations, including JM's financial performance, financial position and liquidity as well as information about the status of larger projects and other significant events. These reports shall be of such a nature that the Board can make a well-informed evaluation. The financial reports the Board receives are presented in the Communication and Monitoring section on page 133.

The Board of Directors' description of internal control and risk management of financial reporting
Governance structure

The Board has ultimate responsibility for establishing an effective internal control and risk management system. The responsibility for maintaining an effective control environment and regular work with internal control and risk management is delegated to the President. Risk management is an integrated part of decision-making at all levels within JM and incorporated as a natural element in JM's business processes.

For a detailed description of JM's risk management procedures please refer to pages 35–40 and 87.

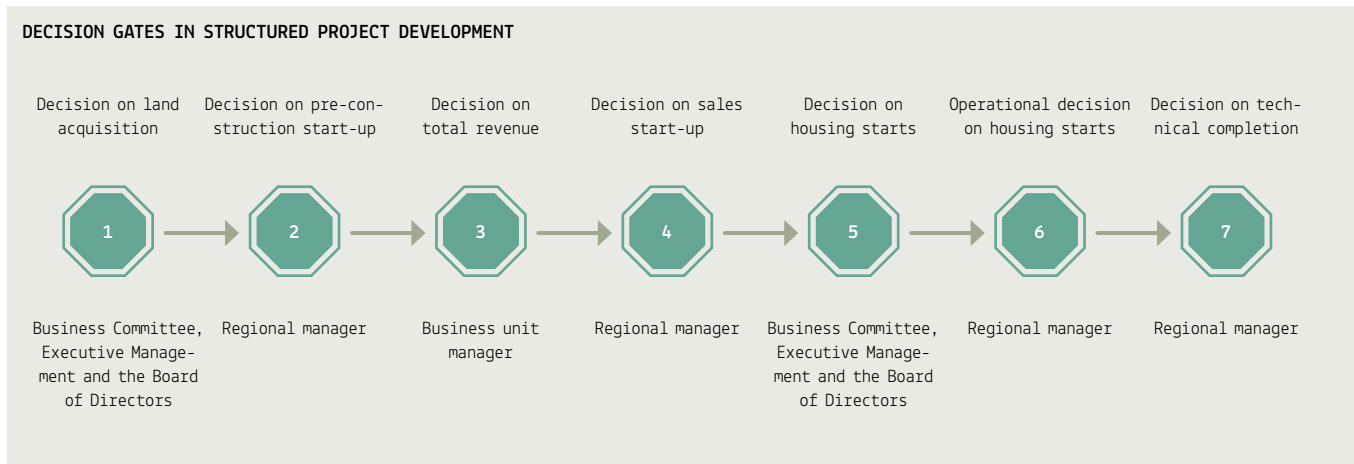
The Board has placed particular focus on effective control structures. The quality of JM's processes and systems for ensuring good internal control is based on the control environment, which includes the Board's adopted rules of procedure and instructions for financial reporting. The Audit Committee facilitates closer contact between the Board and the external auditors and Internal Audit, enabling the Board and its committees to learn about the Company's financial position in different ways. The Audit Committee meets four to five times a year. The external auditors also participate in Board meetings twice a year.

The main task of JM's Internal Audit function is to examine the suitability and efficiency of the operations by checking compliance with business-critical requirements in JM's Operations System. JM's Operations System is a comprehensive process-oriented work structure with the purpose of ensuring the efficiency of JM's business processes. The Internal Audit has the special task of examining the financial risks associated with larger projects. The Board ensures that JM has solid project and financial management through the work of Audit Committee.

As part of the objective to develop standardized working methods and processes within the Group, work is ongoing to achieve Structured Project Development (see pages 33–34 for more information). JM's management and support processes are regularly reviewed as a means to further systematize JM's structural capital in the form of processes, documentation and systems, thus facilitating the work of all employees.

A Code of Conduct has been implemented for JM employees. Its objective is to clarify and provide guidance for the values that should be followed at JM. The Whistleblower Function ensures the reporting of suspected

The decision process can be seen below:



irregularities, and the Ethical Council provides guidance in the event of difficulties interpreting the ethical guidelines and JM's Code of Conduct.

A plan was implemented earlier for the follow-up of compliance with JM's Code of Conduct for suppliers.

Control environment

JM's core values and corporate culture comprise the basis of internal controls with respect to financial reporting. Control environment refers to both the infrastructure with system support that was built for internal control and governance as well as JM's core values. The control environment consists, for example, of the organization, channels for decisions, authorities and responsibilities documented and communicated in normative documents such as internal policies, guidelines, manuals and codes. Examples include the allocation of duties between the Board and the President and other bodies the Board establishes, the order of delegation and authorization regulations, instructions for approval powers and accounting and reporting instructions.

Risk assessment

The Company applies a method or process for risk assessment and risk management to ensure that those risks to which the Company is exposed are managed within the established frames and that the risks are handled within the framework of existing processes/systems. JM's Operations System, which describes JM's business from a process perspective with established business-critical requirements, along with procedures for control, monitoring and follow-up of projects, comprises an important element of risk management.

Control activities

The risks identified with respect to financial reporting are managed via the Company's control activities, which are documented in process and procedure descriptions. These are in JM's Operations System, which governs a unified process and the use of a common business system. The purpose of control activities is to continually improve while preventing, detecting and correcting errors and deviations.

Examples of control activities in which risk assessments are managed:

- The Operations System that documents the operation's processes and established business-critical demands
- Project reviews before initiating acquisitions, pre-construction, production and sales starts
- Business committee meetings and Group Executive Management meetings preparing for investments in properties and initiation of residential production projects. Business unit managers, heads of corporate staff units and regional managers/subsidiary managers participate at these meetings (monthly)
- Forecast reviews with business unit managers (quarterly)
- Close monitoring of large projects at which the President, CFO, head of the Internal Audit, business unit managers and regional managers/subsidiary managers participate (quarterly)
- Group management meetings in larger projects (quarterly)
- Board meetings at subsidiaries
- The Internal Audit's review and control of the business-critical requirements and review of the economic risks in the larger projects (ongoing)
- Special review of compliance with JM's Code of Conduct for suppliers through, for example, on-site visits
- The Whistleblower Function ensures systematic and professional management of reported irregularities
- Ethical Council, which provides guidance in the event of difficulties interpreting the ethical guidelines and JM's Code of Conduct.

Communication and follow up

The Company has implemented information and communication channels to encourage completeness and accuracy in financial reporting; for example, by notifying concerned personnel about normative documents such as internal policies, guidelines, manuals and codes for financial reporting through JM's Intranet and Operations System.

The external auditors report their audit of internal control to the Board once a year in connection with the reporting of the third quarter.

JM's principal normative documents are the Rules of Procedure for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, Instructions for Financial Reporting and JM's

Authorization Regulations.

Other normative documents such as policies, guidelines, instructions and manuals for financial reporting are available on JM's Intranet as well as in the Operations System.

The most important documents for financial reporting are:

- JM's Authorization Regulations
- Schedule and instructions for forecasts and financial statements
- Financial statement and forecast processes
- Instructions for purchases and sales
- Treasury Policy
- Controlling within JM
- Accounting principles
- Procedure descriptions.

The Board of Directors receives financial reports in conjunction with the interim reports.

In addition to the outcome and forecast reports, the Audit Committee receives financial audit reports for larger projects. In connection with the delegation rules, the Board of Directors/Investment Committee receive regular estimates regarding acquisition and project investments and purchases/sales of properties. In addition, the Board of Directors' various Committees serve an important function in follow-up of activities.

The Board follows up and continuously reviews internal control to ensure that it works satisfactorily through the Company's central Internal Audit function. The results of the conducted audits and proposals for any measures that need to be taken are regularly reported to the Audit Committee. The Board of Directors also receives the opinions from the Company's external auditors.

Remuneration principles***Remuneration to the Board of Directors and Executive Management***

Following a proposal from the Nomination Committee, the 2021 Annual General Meeting decided on fees to the Board Members who are not employed by the Company as follows:

- Remuneration will be SEK 900,000 to the Chairperson of the Board of Directors and SEK 360,000 to regular Board members who are not employed by the Company;
- Remuneration for work in the Audit Committee will be SEK 160,000 to the Chairperson and SEK 95,000 to the members;
- Remuneration for work in the Investment Committee will be SEK 100,000 to the Chairperson and SEK 75,000 to the members;
- Remuneration for work in the Compensation Committee will be SEK 65,000 to the Chairperson and each member.

The Annual General Meeting 2020 resolved on guidelines for remuneration to the senior executives that should apply until the Annual General Meeting 2024 unless circumstances arise that require an earlier revision. The Board of Directors will decide on salary, pension benefits and other remuneration for the President, and the Compensation Committee decides on such matters for the Executive Management excluding the President. Information about remuneration guidelines for JM's Executive Management can be found in the Board of Directors' Report on pages 80–81. Information about remuneration to the President and Executive Management can be found in Note 3 on page 96 of the Group Notes.

About 500 of JM's managers and leaders, including the President and Executive Management, are covered by a performance-based part of the salary system. The total salary comprises a basic and a variable component with a maximum result for the short-term variable component that, depending on position, varies between one and five monthly salaries. In addition to the financial result of the operations, which carries the greatest weight, the variable salary component is also based on individual target fulfillment, work environment targets, recycling goals, and the Customer Satisfaction Index. The principle is that the basic salary combined with a normal result for the variable component should result in a competitive salary. A long-term variable remuneration program is available to 20 to 30 key staff members in addition to the Executive Management.

Stockholm, February 28, 2022
Board of Directors

Auditor's statement on the Corporate Governance Statement

To the annual meeting of the shareholders of JM AB, corporate identity number 556045-2103.

Engagement and responsibility

The Board of Directors is responsible for the Corporate Governance Report for the year 2021 on pages 126–134 and that it has been prepared in accordance with the Annual Accounts Act.

Scope of the examination

Our examination has been conducted in accordance with FAR's standard RevU 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that our review provides a reasonable basis for our opinion set out below.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, section 31, second paragraph of the same Act are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 7, 2022

PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized public accountant
Auditor-in-charge

Fredrik Kroon
Authorized public accountant

Executive Management



Johan Skoglund



Carl Bandhold



Maria Bäckman



Malin Lundgren

IN JM AS	President and Chief Executive Officer	Chief Financial Officer and Head of Investor Relations	Chief Legal Counsel, Legal Affairs and Development	Director Human Resources
EMPLOYED IN	1986	2021	2000	2020
JOINED EXECUTIVE MANAGEMENT	2000	2021	2012	2020
SHARES IN JM¹⁾	50,000	11,000	600	0
CONVERTIBLES IN JM	SEK 4,526,078	0	SEK 109,802	0
BORN	1962	1974	1973	1978
TRAINING AND EDUCATION	MSc. Eng., KTH Royal Institute of Technology, Stockholm, 1986; MSc. Program, Stockholm School of Economics, 1998.	MSc. Eng., Chalmers University of Technology, Chemical Engineering, 1998. Master of Business Administration, INSEAD, France, 2004.	LL.B. Stockholm University 1997.	BA Uppsala University, 2005. Executive Management Program, Stockholm School of Economics, 2019.
PREVIOUS POSITIONS	35 years at JM in various positions, such as site engineer, project manager, regional manager and business unit manager. President and CEO since 2002.	CFO Permobil Group 2011–2021. Management consultant at The Boston Consulting Group and Accenture.	Trainee Lawyer, Advokatfirman Lindahl. Clerk, District Court of Uppsala.	Various HR positions within NCC Group 1999–2016, Head of HR at Bonava Sverige 2016–2018, Head of HR at Klöver 2018–2020.
OTHER SIGNIFICANT ASSIGNMENTS	Board member of The Confederation of Swedish Enterprise and Mentor Sverige, Chair of the Board of Polhem Infra AB and Vectura Fastigheter AB.	Board Member of TobiiDynavox.		

¹⁾ Shareholdings as at 31/12/2021.

Claes Magnus Åkesson, CFO, was a member of Executive Management from May 1998 to August 2021.

Martin Asp, Business Unit Manager JM Norway and JM Finland and President JM Norge AS, was a member of Executive Management from January 2010 to September 2021.

Hilde Vatne, VD JM Norge AS, is member of Executive Management since January 2022.

Markus Heino, VD JM Suomi Oy, is member of Executive Management since January 2022.



Per Lundquist

Director of Operations Development (Quality and Environment, Technology and IT)

2016

2016

0

SEK 2,599,690

1967

MSc. Eng., Institute of Technology at Linköping University, Applied Physics and Electrical Engineering, 1993.

Senior Vice President Operations at Cramo AB. Toyota Material Handling Europe and Toyota Industries and Cap Gemini.

Board member of JM Norge AS and JM Suomi Oy.



Susanne Persson

Business Unit Manager JM Residential Sweden

2013

2018

1,957

SEK 491,820

1969

MSc Eng., Faculty of Engineering LTH at Lund University, 1992. Bachelor of Science Ecole National de Ponts et Chaussées Paris.

Skanska Group as a trainee, project engineer, business manager and regional manager, PEAB Sweden as regional manager. Regional Manager, South Region, JM Residential Sweden, 2013–2017. Business Unit Manager JM Residential Sweden 2018–.

Chair of the Board of JM Norway AS. Board member of Borätt AB, Seniorgården AB and Midway Holding AB, and member of the Swedish Construction Federation Board.



Pär Vennerström

Business Unit Manager JM Residential Stockholm

2001

2014

4,200

SEK 0

1974

MSc. Eng., KTH Royal Institute of Technology, Roads and Water, 1999. Executive Management Program, Stockholm School of Economics, 2015.

Project Manager JM, Regional Manager JM Stockholm Northwest 2008–2009, Regional Manager JM Stockholm South 2009–2014.

Chair of the Board of JM Entreprenad AB and Board member of JM@Home AB, Borätt AB and Seniorgården AB.



Anders Wimmerstedt

Production Director and Business Unit Manager, JM Construction

1984

2018

0

SEK 817,530

1964

Construction engineer. Executive Management Program, Stockholm School of Economics, 2017.

Project manager, work supervisor and production manager. Since 2011 the Head of Stockholm Production with overall responsibility for the development of production operations in JM Residential.

Board member of JM Norway AS, JM Suomi Oy and JM Entreprenad AB.



Mikael Åslund

Business Unit Manager JM Property Development

2000

2020

1,600

SEK 1,439,662

1972

MSc. Eng., LTU, Roads and Water, 1997. MSc. Program, Stockholm School of Economics, 2005. Executive Management Program, Stockholm School of Economics, 2017.

Quality Manager, Pre-construction Manager and Project Manager at JM, Regional Manager JM Stockholm City Region 2009–2020.

Chair of the Board of Seniorgården AB and Borätt AB, Board member of JM@Home AB.

Gradually raised dividend to shareholders

Share capital

The JM share is listed on Nasdaq Stockholm, Large Cap segment. The share capital amounts to SEK 69.8m, represented by 69.8 million shares, each with a par value of SEK 1 and equal voting rights.

Goal for shareholder value

JM's shareholders will receive a higher total return, the total of the dividend and increased value, than shareholders in companies with a similar risk profile and business activities.

Share price trend and return

The JM share is included in the "SX351010 Real Estate Investment & Services" Index of Nasdaq Stockholm. During 2021, the JM share price increased by 41 percent compared to an increase of 44 percent for SX351010. The general index on the Nasdaq Stockholm Stock Exchange, OMX Stockholm_PI, increased by 34 percent in 2021. The highest listed price for the JM share during the year was SEK 419.50 on November 22 and the lowest was SEK 284.80 on February 23. Dividend yield, proposed dividend in relation to the market price at the end of the year, was 3.3 percent (4.4). Total return in 2021 was 45 percent (9).

Trading and market capitalization

JM shares were traded for a value of SEK 22.6bn (23.7) in 2021. Average daily trading was about SEK 89m (94). The turnover rate, the liquidity of the share, was 102 percent (149). The Company's market capitalization amounted to SEK 28.0bn (20.2) at the end of the year.

Ownership structure

The number of shareholders as of December 31, 2021, was 23,904 (21,796). The ten largest shareholders accounted for 64.1 percent (57.4) of capital. Foreign shareholders represent 22.1 percent (47.4) and Swedish shareholders 77.9 percent (52.6) of the capital.

Dividend policy

Over time, the dividend should reflect the earnings trend in total operating activities. The average dividend over a business cycle should correspond to 50 percent of consolidated profit after tax. Capital gains from property sales are a natural part of JM's project development operations and are therefore included in the calculation of dividends. The proposed dividend for 2021 amounts to SEK 13.50 (12.75) per share.

Repurchase and elimination of treasury shares

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 no later than in conjunction with the notice of Annual General Meeting on March 2, 2022 at the latest.

The strong balance sheet and cash flow enable capital transfer to shareholders in addition to regular dividends. In light of this, the Board of Directors will propose that the Annual General Meeting resolve to authorize the Board of Directors, during the period up to the next Annual General Meeting and on one or more occasions, to make a resolution on buying 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.

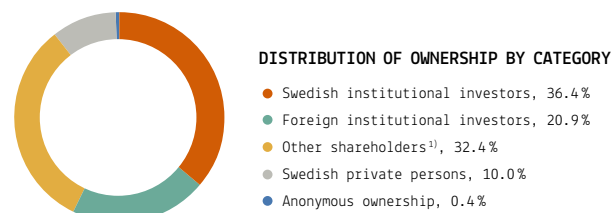
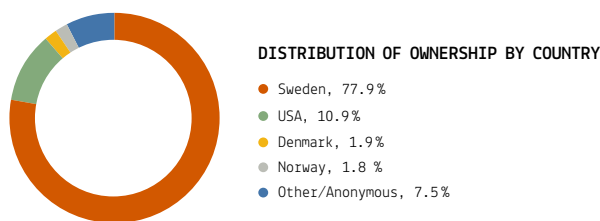
Transfer to shareholders, SEK m	Dividend	Buy-back	Total
2012	542	359	901
2013	537	517	1,054
2014	558	500	1,058
2015	600	500	1,100
2016	602	500	1,102
2017	675	500	1,175
2018	765	–	765
2019	835	–	835
2020	870	–	870
2021	887	375	1,262
Total	6,871	3,251	10,122

Total return, %	2021	Average per year 2017–2021	Average per year 2012–2021
JM	45	14	19
Nasdaq Stockholm	39	18	17

Total return JM, 2012–2021	%	Index
2021	45	549
2020	9	378
2019	67	346
2018	–2	207
2017	–25	210
2016	7	282
2015	5	262
2014	41	251
2013	62	177
2012	9	109
1/1/2012	–	100
Average, 5 years		14
Average, 10 years		19

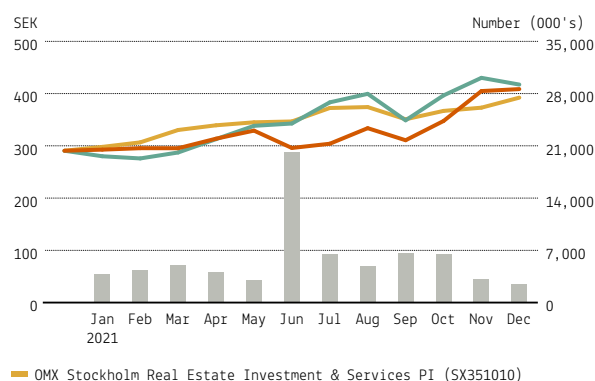
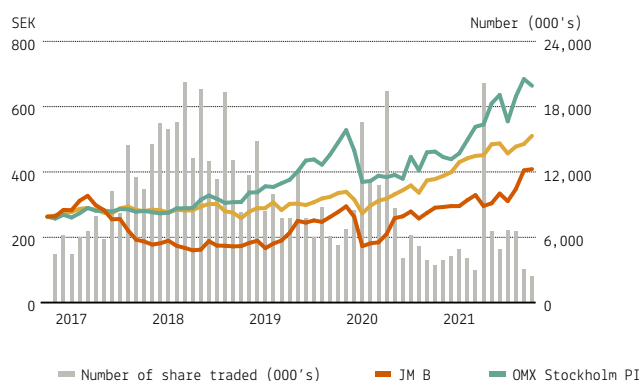
CHANGE IN SHARE CAPITAL 2017–2021

Year	Redemption repurchased shares, SEK m	Utilization convertible program, SEK m	Number of shares	Par value/share	Share capital, SEK m
2017	–2.0	0.0	71,059,683	SEK 1	71.0
2018	–2.4	0.0	69,583,262	SEK 1	69.6
2019	0.0	0.0	69,583,262	SEK 1	69.6
2020	0.0	0.0	69,583,262	SEK 1	69.6
2021	0.0	0.2	69,750,296	SEK 1	69.8



¹⁾ Of which approximately 0.9 % foreign ownership

SHARE PRICE DEVELOPMENT



SHARE DATA – SEGMENT REPORTING

SEK per share

	2021	2020	2019	2018	2017
Share price as of 12/31	408.60	290.60	277.40	173.00	186.90
Highest/lowest price paid during the year	419.50/284.80	313.30/153.50	282.90/162.35	212.60/144.55	336.50/184.20
Dividend yield as at 12/31 (%)	3.3	4.4	4.5	6.9	5.9
Market capitalization as at 12/31 (SEK m)	28,049	20,221	19,302	12,038	13,005
Diluted earnings per share	25.90	22.50	22.50	20.60	31.00
Development properties					
Market value	224	206	224	220	212
Carrying amount	120	113	128	119	108
Project properties					
Market value	16	24	25	29	19
Carrying amount	12	18	20	23	15
Interest-bearing net liabilities	-20	-4	6	8	-11
Shareholders' equity (reported)	125	112	105	98	89
Dividend	13.50 ¹⁾	12.75	12.50	12.00	11.00
Dividend in % of earnings per share	52	57	56	58	35
P/E ratio as at 12/31	16	13	12	8	6
Number of shares as at 12/31	68,648,746 ²⁾	69,583,262	69,583,262	69,583,262	69,583,262 ²⁾
Average number of shares, basic	69,220,764	69,583,262	69,583,262	69,583,262	70,642,592
Average number of shares, diluted	69,560,505	70,061,421	69,595,557	69,836,391	70,844,023

¹⁾ Proposed by the Board of Directors

²⁾ 1,101,550 respective 1,476,421 repurchased shares not included

OWNERSHIP STRUCTURE AS AT 12/31/2021				
Size of holding	Number of shareholders	% of all shareholders	Total number of shares owned	% of share capital
1–500	21,074	88.2	1,949,108	2.8
501–1,000	1,447	6.1	1,166,609	1.7
1,001–5,000	1,076	4.5	2,375,656	3.4
5,001–20,000	188	0.8	1,868,956	2.7
20,001–100,000	66	0.3	3,197,032	4.6
100,001–	53	0.2	59,192,935	84.9
Total	23,904	100.0	69,750,296	100.0

LARGEST SHAREHOLDERS

	Share capital, %	
Samhällsbyggnadsbolaget i Norden AB	27.6	As per December 31, 2021: Number of shareholders 23,904. Number of shares 69,750,296.
AMF Pension & Fonder	9.1	As per December 31, 2021 approximately 22 percent of the total share capital was owned by foreign investors.
Swedbank Robur Fonder	5.7	
Handelsbanken Fonder	5.5	
Länsförsäkringar Fonder	5.0	
Vanguard	3.1	Source: Monitor by Modular Finance AB.
Dimensional Fund Advisors	2.9	Compiled and processed data from various sources including Euroclear, Morningstar and the Swedish Financial Supervisory Authority
Folksam	1.8	(Finansinspektionen) as at December 31, 2021. The numbers have been rounded.
Norges Bank	1.7	
JM AB	1.6	
Other shareholders	35.9	
Total	100.0	

JM's Annual General Meeting

Shareholders in JM AB are invited to attend the Annual General Meeting on Thursday, March 31, 2022.

Due to the risk of the spread of COVID-19 and the authorities' regulations and general guidelines regarding the avoidance of gathering in groups, the general meeting will be held by absentee ballot pursuant to temporary legislation. There will be no physical meeting that can be attended in person or by proxy.

Conditions for participation

A shareholder who would like to participate in the general meeting must (i) be entered in the register of shareholders maintained by Euroclear Sweden AB by Wednesday, March 23, 2022, and (ii) announce their intention to attend the general meeting no later than Wednesday, March 30, 2022, by having submitted an absentee ballot in accordance with the instructions under the heading Absentee Ballot below such that Computershare AB has received the absentee ballot no later than this date.

In order to be entitled to participate in the general meeting, a shareholder who has registered their shares in the name of a nominee, in addition to announcing their intention to participate in the general meeting, must request that their shares be registered in their own name so the shareholder is entered into the register of shareholders by March 23, 2022. This registration may be temporary (so-called voting right registration) and is requested with the nominee in accordance with the nominee's procedures and in advance as determined by the nominee. Voting right registrations completed no later than the second business day following March 23, 2022, are considered when preparing the shareholder register.

Absentee ballot

Shareholders may exercise their voting right at the Annual General Meeting only by voting in advance, a so-called absentee ballot pursuant to section 22 of the Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations Act. A special form must be used for the absentee ballot. This form is available on the JM AB website, www.jm.se. The absentee ballot form serves as notification of intent to participate.

Computershare AB must have received the completed form no later than Wednesday, March 30, 2022. The form must be sent by mail to Computershare AB, "JM AB's Annual General Meeting," Box 5267, 102 46 Stockholm, Sweden, or by email to info@computershare.se. Shareholders who are natural persons may also submit their absentee ballot electronically via JM AB's website, www.jm.se, with verification through BankID. If the shareholder submits an absentee ballot via proxy, the power of attorney must be attached to the form. If the shareholder is a legal person, the certificate of registration or other authorization document must be attached to the form. The shareholder may not add special instructions or conditions to the absentee ballot. If this occurs, the vote (i.e. the absentee ballot in its entirety) will be invalid. Additional instructions and conditions are presented on the absentee ballot form.

Dividend

The Board of Directors proposes that a dividend of SEK 13.50 (12.75) per share be paid to shareholders. The proposed record date for the dividend is Monday, April 4, 2022. If the Annual General Meeting resolves to adopt the proposal, the dividend will be sent by Euroclear Sweden AB on Thursday, April 7, 2022.

Financial calendar

March 31	Annual General Meeting
April 29	Interim report January–March 2022
July 12	Interim report January–June 2022
October 27	Interim report January–September 2022

The reports are available in Swedish and English at www.jm.se/en/about-us/investors.

JM AB (publ), CIN 556045-2103, domiciled in Stockholm.

Accounting principles for sustainability, references and results

JM describes its work with sustainability and reports on fulfillment of financial, environmental and social goals and indicators through a sustainability report that is part of the annual report. The Sustainability Report has been prepared according to both GRI Standards at the core level and the requirements on sustainability reports in the Annual Accounts Act (1995:1554) and presents the achieved results for the accounting period given our commitments, strategies and sustainability governance. The aim of the report is to present, measure and take responsibility for what we have achieved in our work toward sustainable development with respect to both our internal and external stakeholders. Within JM's organization, the Sustainability Council, which is headed by the CEO, is responsible for the Sustainability Report. JM's Board of Directors issues the report.

Scope of the report

The Sustainability Report refers to the 2021 financial year and encompasses the operations of the entire Group, including subsidiaries. JM's ambition is to provide a comprehensive account of its sustainability work and clearly present both negative and positive developments. The sustainability work draws on the policies and guidelines governing the manner in which the business is conducted based on our collaborations, for example Global Compact. We perform a materiality analysis to determine the issues that are most important and thus should be included in the work and the report taking into consideration JM's operations and our external and internal stakeholders. The GRI Indicators that are included in the report are listed with a page reference in a GRI index on pages 145–147.

More detailed information regarding calculation models, standards, limitations and assumptions used in the report are available at jm.se/sustainability.

Materiality analysis

The materiality analysis is a method used to identify the issues within sustainability that are essential for the Company. It is based on a compilation of information from in-depth interviews with key staff members, survey responses from identified stakeholders, internal investigations and standards, de facto standards and legislative requirements in the area of sustainability. The information is evaluated based on the opportunities and risks for long-term value creation both within JM and in our surroundings. The results of the analysis are called JM's significant sustainability aspects. These form the basis for our sustainability work and what is reported.

Sustainability Report

JM presents its Sustainability Report for 2021 in accordance with the requirements set out in the Annual Accounts Act according to the following:

The company's business model	Value generation in JM's business (page 27–29)
Policies	JM's aspects and governance within sustainability (page 143)
Significant risks, risk management	Risks and opportunities (pages 35–40, 87)
Results	JM's Group-wide targets (page 44), Facts and KPIs (pages 144–145), Sustainable purchasing and supply chains (pages 58–59), Responsible decisions at all levels (page 60)
EU's taxonomy	EU's taxonomy (page 47)

The Sustainability Report includes all of JM's subsidiaries.

Stockholm, February 28, 2022

Board of Directors

Auditor's statement on the statutory sustainability report

To the general meeting of the shareholders in JM AB, corporate identity number 556045-2103

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 on the pages set out above and for that it has been prepared in accordance with the Annual Accounts Act.

Scope of the examination

Our examination has been conducted in accordance with FAR's recommendation RevR 12 The auditor's statement on the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, March 7, 2022

PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant
Auditor-in-charge

Fredrik Kroon
Authorized Public Accountant



Stakeholder engagement

Stakeholder group	How we work	Examples of important aspects	How important aspects are handled	Link to JM's material sustainability aspects
Customers — existing and potential	<ul style="list-style-type: none"> • Customer surveys • Customer meetings • Occupancy surveys • Focus groups • At-home interviews • Web panels • Strategic intelligence • Market surveys 	<ul style="list-style-type: none"> • Location • Safety and security • Good public transportation • Attractive green areas • Storage • Kitchen and bathroom • Choice of materials • Energy consumption 	These issues are handled in our project development process: <ul style="list-style-type: none"> • During land acquisition • During the planning process • During pre-construction • During purchasing 	<ul style="list-style-type: none"> • Product responsibility • Resource efficiency • Small environmental impact • Energy consumption
Employees — existing	<ul style="list-style-type: none"> • Personal development discussions • Code of Conduct game • Internal training, communication and dialogue • Employee survey • Work Environment Week • Improvement projects 	<ul style="list-style-type: none"> • Sustainability • Company culture and ethics • Skills development • Gender equality • Work environment and job satisfaction • Health • Benefits 	These issues are handled in our HR process: <ul style="list-style-type: none"> • Skills development • Work environment and health • Sustainability policy • JM's Code of Conduct • Ethical guidelines • Gender equality plan • Pension, insurance and other benefits 	<ul style="list-style-type: none"> • Ethics and value creation • Work environment • Diversity and equal opportunity • Skills • Resource efficiency • Small environmental impact
Employees — potential	<ul style="list-style-type: none"> • Internships • Trainee program • Thesis projects • Cooperation with schools and universities • Labor market days • Recruitment 	<ul style="list-style-type: none"> • Sustainability • Company culture and ethics • Skills development • Gender equality • Work environment and job satisfaction • Health • Benefits 	These issues are handled in our HR process: <ul style="list-style-type: none"> • Skills development • Work environment and health • Sustainability policy • JM's Code of Conduct • Ethical guidelines • Gender equality plan • Pension, insurance and other benefits 	<ul style="list-style-type: none"> • Diversity and equal opportunity • Skills • Small environmental impact
Shareholders and Investors	<ul style="list-style-type: none"> • One-on-one meetings • Telephone meetings • Analyst meetings • Ongoing communication • Capital Markets Day • Annual General Meeting • Annual report and Interim reports 	<ul style="list-style-type: none"> • Company and product development • Value creation • Investments • Risk management • Work environment • Environment and sustainability • Markets and customers • Business ethics • Long-term business 	These issues are handled in our communications planning	<ul style="list-style-type: none"> • Ethics and value creation • Product responsibility • Responsible suppliers • Work environment • Diversity and equal opportunity • Skills • Resource efficiency • Small environmental impact
Partners/ Suppliers	<ul style="list-style-type: none"> • Contract meetings • Supplier collaboration • Development projects • Questionnaires • Supplier inspections • Factory inspections • Workshops about the future • Urban Development days 	<ul style="list-style-type: none"> • Social responsibility in the supply chain • Hazardous substances • Resource efficiency • Waste management • Environmental impact • Work environment • Delivery precision • Quality • Cooperation • Development work • Business ethics • Long-term business 	These issues are handled in our purchasing process, our communications work and our process for sustainable supply chains	<ul style="list-style-type: none"> • Ethics and value creation • Product responsibility • Responsible suppliers • Work environment • Resource efficiency • Small environmental impact
Society – Officials and Politicians	<ul style="list-style-type: none"> • Municipal dialogues • Project meetings • Person-to-person meetings • Urban Development days • Mentor Sverige 	<ul style="list-style-type: none"> • Social sustainability • Climate and energy • Transports and logistics • Contaminated soils • Waste management • Green and blue structures • Urban development issues 	These issues are handled in our project development process: <ul style="list-style-type: none"> • During land acquisition • During the planning process • During pre-construction 	<ul style="list-style-type: none"> • Ethics and value creation • Product responsibility • Responsible suppliers • Work environment • Resource efficiency • Small environmental impact
Special interest organizations	<ul style="list-style-type: none"> • Business networks • Industry forums • Development projects • Membership • Ongoing dialogue 	<ul style="list-style-type: none"> • Climate and LCA • Certification and labeling • Chemicals and hazardous substances • Contaminated soils • Environmental issues 	These issues are handled by our cooperation work based on our sustainability policy and our sustainability strategy	<ul style="list-style-type: none"> • Product responsibility • Resource efficiency • Small environmental impact

JM's aspects and targets in sustainability

Material sustainability aspects	Why material	Scope of aspect	Governance	Follow-up	Follow-up through GRI indicator	Scope of GRI indicator
Ethics and value creation (Sustainability governance — financial performance)	JM's long-term profitability is fundamental for long-term value creation in JM	JM creates value and ensures responsibility in the supply chain, in its own operations and at subcontractors	Ethical guidelines Code of Conduct Targets Financial governance Risk management (see Risks and risk management) Incident reporting Tax policy	Economic reporting Incident reporting	201-1 Direct economic value generated and distributed	Value: Entire Group Ethics: Entire supplier chain
Product responsibility (Sustainability governance — marketing and labeling)	JM develops residential units and residential areas that have a long life cycle and many stakeholders. Therefore, it is important that JM take responsibility for its products given the expectations and requirements of the stakeholders	JM has an impact on the design of housing and residential areas. This impact arises in the supply chain, its own operations, at subcontractors and in operations and management	Sustainability policy Quality policy Sustainability targets Quality control Sales staff and interior designers for projects in ongoing dialogue with customers Operational and maintenance instructions Resident information Environmental documentation of material choices Customer surveys are conducted regularly and compiled on an annual basis (see Customer Needs) Aftermarket service that handles customer feedback Customer advocate	JM's operations program and KPIs	417-1 Requirements for product and service information and labeling	Proprietary housing development in the entire Group
Responsible suppliers (Sustainability governance — social assessment of suppliers)	JM buys and uses large quantities of materials and construction goods. It is strategically important that they are manufactured under responsible conditions	JM contributes to the impact in the role of employer and customer. The impact arises in the supply chain and at subcontractors	Sustainability policy Supplier Code of Conduct Sustainability targets JM's purchasing process JM's procedures for its sustainability assessment and sustainability audit	Sustainability assessment Sustainability audits	414-1 New suppliers that were screened using social criteria	Supply chains and subcontractors with framework agreements in the entire Group
Work environment (Sustainability governance — work environment and safety)	JM's building operations consist of a work environment that has many different risks for accidents and work-related injuries	JM is responsible for the design and coordination of its own construction sites, where risks and the impact arise	Employee policy Code of Conduct Sustainability targets JM's systematic work environment measures Environmental product database Anti-drug program at JM's workplaces Corporate health care	Accident and injury statistics Neatness and order audit Internal Audit	403-9 Types of injury and rates of injury, lost days, and absenteeism, and number of work-related fatalities	Entire Group
Equal opportunity and diversity (Sustainability governance — diversity and equal opportunity)	A long-term personnel policy is based on the protection of equal opportunity and diversity	The impact arises in the entire supply chain. JM is responsible for the design of its own operations	Employee policy Code of Conduct Equality plan Sustainability targets Recruiting procedures	Mapping of equality	405-1 Diversity of governance bodies and employees	Entire Group
Competence (Sustainability governance — training)	We believe a long-term employee policy should be a workplace that allows people to develop and contribute to long-term value creation	JM's own operations	Employee policy Code of Conduct Sustainability targets Job structure Procedures for competence development	Registration of skills and skills development	404-2 Programs for upgrading employee skills and transition assistance programs	Entire Group
Resource efficiency (Sustainability governance — waste)	It is strategically important that JM's operations, which are material-intensive, strive to use resources efficiently	The impact arises in the entire supply chain, including contractors and customers. JM is responsible for the governance of its own operations	Environmental policy Sustainability targets JM's procedures for project design, purchasing and production management	Environmental KPIs Waste statistics	306-2 Waste by type and disposal method	Housing development in Sweden and Finland
Small climate impact (Sustainability governance — energy and emissions)	It is strategically important that JM's operations, which generate direct and indirect emissions of greenhouse gases, strive to have a minimal impact on the climate	The impact arises in the entire building's life cycle. JM is responsible for governance of its own operations and indirectly to suppliers and customers	Environmental policy Sustainability targets JM's procedures for project design, purchasing and production management	Environmental KPIs Climate calculations Fuel statistics Energy statistics	305-1 Direct GHG emissions (Scope 1) 305-2 Indirect GHG emissions (Scope 2) 305-3 Other indirect GHG emissions (Scope 3) CRE1 Building energy intensity CRE3 Greenhouse gas emissions intensity from buildings CRE4 Greenhouse gas emissions intensity from new construction	Housing development in Sweden

Facts and KPIs for sustainability

		2021	2020	2019
ETHICS AND VALUE CREATION, Group 201-1				
Direct economic value generated, SEK m	Revenue (Segment reporting)	14,608	15,388	15,692
Direct economic value distributed, SEK m	Production and operating costs, etc. (Note 2)	-10,210	-11,162	-11,426
	Wages, salaries, other remuneration and pension costs (Note 3)	-1,739	-1,738	-1,777
	Financial income (Note 8)	4	6	6
	Financial expenses (Note 8)	-62	-79	-86
	Expensed tax and social security expenses (Note 9 and Note 3)	-803	-840	-839
	Proposed dividend/dividend	-927	-887	-870
Direct economic value retained, SEK m	Total	871	688	700
Tax JM Sweden and JM International, 207 (Note 9), SEK m	Profit/loss before tax	2,147	1,917	1,882
	Total tax JM Sweden	-274	-337	-302
	Total tax JM International	-69	-40	-54
EMPLOYMENT, GROUP 401-1				
Total number of employees		2,453	2,530	2,559
Employee turnover		10.8 %	7.5 %	9.6 %
RESPONSIBLE SUPPLIERS, 414-1				
Sustainability assessment	Percentage of new suppliers that were screened	100 %	100 %	100 %
OCCUPATIONAL HEALTH, Sweden, Norway and Finland, 403-9				
Injuries ^{1) 2)}	Number of work-related injuries (regardless of absence due to illness)	203 (JM) 75 (subcontractors)	257 (JM) 67 (subcontractors)	326 (JM) 69 (subcontractors)
Injury rate ^{1) 2)}	Frequency of work-related injuries (regardless of absence due to illness) per million working hours	56.9 (JM) No statistics (subcontractors)	66.6 (JM) No statistics (subcontractors)	73.2 (JM) No statistics (subcontractors)
Lost day rate ¹⁾	Total number of leave-of-absence days due to occupational injuries relative to total number of work days for all employees	549 of total 454,503 days (JM) No statistics (subcontractors)	558 of total 491,303 days (JM) No statistics (subcontractors)	580 of total 464,641 days (JM) No statistics (subcontractors)
Absentee rate ³⁾	Total number of days of absence relative to the total number of work days for all employees	Women 5,451 (5.6 %) Men 23,414 (8.2 %) Total 28,865 (7.5 %)	Women 5,386 (3.7 %) Men 20,511 (4.6 %) Total 25,897 (4.4 %)	Women 4,202 (3.6 %) Men 15,367 (3.8 %) Total 19,569 (3.8 %)
Work-related fatalities ¹⁾	Number	0 (JM) 0 (subcontractors)	0 (JM) 0 (subcontractors)	0 (JM) 0 (subcontractors)
Near-accidents and observations ^{1) 4)}	Number	6,569	2,718	3,824

¹⁾ The outcome in 2019 excluding Finland.

²⁾ The most common causes/risks of injury in 2021 were same-level falls (tripping, slipping). The most common types of injury were sprains, twists or strains.

³⁾ Reported outcome 2020 and 2021 refers to Sweden and Norway. The outcome in 2019 refers to Sweden. The increase in absence due to illness in 2021 compared to previous years is judged to be the result of the pandemic and the Public Health Agency of Sweden's recommendation to stay home following any symptoms of an illness.

⁴⁾ In 2021, JM implemented a broad initiative to increase the reporting of risk observations.

Facts and KPIs for sustainability, cont.

		2021			2020			2019		
DIVERSITY AND EQUAL OPPORTUNITY, Sweden, Norway and Finland, 405-1										
Age and gender distribution ¹⁾	Number	Women	Men	Total	Women	Men	Total	Women	Men	Total
<i>Wage-earners</i>										
	≤ 25 years old	11	77	88	22	108	130	18	142	160
	26–35 years old	35	242	277	32	265	297	20	263	283
	36–45 years old	10	158	168	12	163	175	12	166	178
	46–55 years old	4	203	207	3	223	226	2	227	229
	≥ 56 years old	–	144	144	–	141	141	–	147	147
	Total	60	824	884	69	900	969	52	945	997
<i>Salaried employees</i>										
	≤ 25 years old	26	24	50	20	20	40	21	26	47
	26–35 years old	163	222	385	185	238	423	175	255	430
	36–45 years old	143	198	341	133	204	337	134	198	332
	46–55 years old	112	175	287	113	188	301	105	192	297
	≥ 56 years old	81	153	234	75	142	217	67	136	203
	Total	525	772	1,297	526	792	1,318	502	807	1,309
<i>Managers</i>										
	≤ 25 years old	1	–	1	–	–	–	–	–	–
	26–35 years old	11	21	32	10	17	27	7	19	26
	36–45 years old	25	59	84	24	48	72	20	48	68
	46–55 years old	30	67	97	29	63	92	35	62	97
	≥ 56 years old	14	43	57	9	41	50	6	36	42
	Total	81	190	271	72	169	241	68	165	233
<i>Executive Management</i>										
	≤ 25 years old	–	–	–	–	–	–	–	–	–
	26–35 years old	–	–	–	–	–	–	–	–	–
	36–45 years old	1	–	1	1	–	1	–	2	2
	46–55 years old	2	4	6	2	4	6	3	2	5
	≥ 56 years old	–	2	2	–	3	3	–	2	2
	Total	3	6	9	3	7	10	3	6	9
<i>Board of Directors</i>										
	≤ 25 years old	–	–	–	–	–	–	–	–	–
	26–35 years old	–	–	–	–	–	–	–	–	–
	36–45 years old	1	–	1	1	–	1	–	–	–
	46–55 years old	1	1	2	1	1	2	1	1	2
	≥ 56 years old	1	3	4	2	3	5	2	3	5
	Total	3	4	7	4	4	8	3	4	7

¹⁾ Data is obtained from JM's personnel system.

		2021	2020	2019
RESOURCE EFFICIENCY, Sweden, 306-2				
Construction waste to material recycling	Tons (Part of)	5,859 (74 %)	6,453 (66 %)	7,022 (62 %)
Construction waste to energy recovery	Tons (Part of)	1,498 (19 %)	2,351 (24 %)	2,869 (26 %)
Construction waste to landfill	Tons (Part of)	188 (2 %)	312 (3 %)	338 (3 %)
Mixed waste (unsorted)	Tons (Part of)	389 (5 %)	595 (6 %)	993 (9 %)
Hazardous waste	Tons (Part of)	21 (0.3 %)	14 (0.1 %)	25 (0.2 %)
Total amount of construction waste ¹⁾	Tons	7,955	9,725	11,247

RESOURCE EFFICIENCY, Finland, 306-2				
Construction waste to material recycling (incl. wood)	Tons (Part of)	1,423 (77 %)		
Construction waste to energy recovery (excl. wood)	Tons (Part of)	323 (18 %)		
Mixed waste (unsorted)	Tons (Part of)	97 (5 %)		
Hazardous waste	Tons (Part of)	2 (0.1 %)		
Total amount of construction waste ¹⁾	Tons	1,845		

SMALL CLIMATE IMPACT, Sweden					
JM's carbon dioxide emissions, 305-1, 305-2, 305-3	Tons CO ₂ e	Scope 1	3,060	3,301	3,282
		Scope 2	1,100	1,136	1,369
		Scope 3 ²⁾	10,498	10,029	9,64
		Total	14,658	14,466	14,295
Newly produced homes' carbon dioxide emissions from energy consumption, CRE3	Kg CO ₂ e/m ² Atemp and year		2	2	2
Carbon dioxide intensity from new production, CRE4	Tons CO ₂ e/turnover (SEK m)		1.0	0.9	0.9
Carbon dioxide intensity from new production, CRE4	Tons CO ₂ e/produced residential unit		5.84	5.95	6.00
Newly produced homes' estimated energy consumption, CRE1	kWh/m ² Atemp		58	59	55

¹⁾ Statistics from our waste contractors. The waste is classified by the waste contractor and reported in fractions in accordance with the National Construction Federation's guidelines for waste sorting.

²⁾ JM includes in Scope 3 material transports to worksites, rented machinery, business travel and energy consumption in our newly constructed residential units for the first two years. The emissions in Scope 3 in 2019 were corrected after review by a third party.

2021 GRI Index

The intention of the GRI Index is to provide a cross-reference list to find where in the Annual Report the information is located. In some cases, supplementary or complete answers to a question are provided in the comment field of the index table. The information in the Sustainability Report has not been reviewed by a third party.

However, calculations of carbon dioxide emissions were reviewed by an external party within the framework of the Haga Initiative. Other calculations of indicators and KPIs have not been reviewed by an external party.

Standard disclosures

GRI code	Description/indicator	Reference (page number in the 2021 Annual Report)	External audit
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	81	
102-2	Activities, brands, products, and services	9–21	
102-3	Location of headquarters	Inside of the cover at the end	
102-4	Location of operations	11–13	
102-5	Ownership and legal form	138–139	
102-6	Markets served	62–66	
102-7	Scale of the organization	81–87	
102-8	Information on employees and other workers	50–57, 100, 144	
102-9	Supply chain	58–59	
102-10	Significant changes to the organization and its supply chain	58–59	
102-11	Precautionary principle or approach	42	
102-12	External initiatives that the organization supports or is part of	42–43	
102-13	Membership of associations	43	
STRATEGY			
102-14	Statement from senior decision-maker	4–5	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	58–60	
GOVERNANCE			
102-18	Governance structure	39, 126–134	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	142	
102-41	Collective bargaining agreements	All employees in Sweden and Finland and 30 % in Norway	
102-42	Identifying and selecting stakeholders	42, 142	
102-43	Approach to stakeholder engagement	42	
102-44	Key topics and concerns raised	142	
REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	105	
102-46	Defining report content and topic boundaries	42, 141, 143	
102-47	List of material topics	141–143	
102-48	Restatements of information	–	
102-49	Changes in reporting	–	
102-50	Reporting period	81	
102-51	Date of most recent report	Annual Report 2020, published in 2021	
102-52	Reporting cycle	141	
102-53	Contact point for questions regarding the report	Maria Sandell, Head of Sustainability, JM AB	
102-54	Claims of reporting in accordance with the GRI Standards	141	
102-55	GRI content index	146–147	
102-56	External assurance	146	

GRI code	Description/indicator	Reference (page number in the 2021 Annual Report)	External audit
ECONOMIC PERFORMANCE INDICATORS			
GRI 201	Economic performance		
201-1	Direct economic value generated and distributed	88–91, 144	
GRI 103	Management approach	27–28, 42, 143	
GRI 207	Tax	36, 102, 148	
ENVIRONMENTAL PERFORMANCE INDICATORS			
GRI 302	Energy		
CRE1	Building energy intensity	49, 145	
GRI 103	Management approach	27–28, 42, 143	
GRI 305	Emissions		
CRE3	GHG emission intensity from buildings	145	Yes
CRE4	GHG emission intensity from building process	145	Yes
305-1	Direct GHG emissions (Scope 1)	145	Yes
305-2	Direct GHG emissions (Scope 2)	145	Yes
305-3	Other indirect emissions (Scope 3)	145	Yes
GRI 103	Management approach	27–28, 42, 143	
GRI 306	Waste		
306-2	Waste by type and disposal method	47–49, 143	
GRI 103	Management approach	27–28, 42, 143	
SOCIAL PERFORMANCE INDICATORS			
401-1	Employment	144	
GRI 403	Occupational health and safety		
403-1, CRE6	Occupational health and safety management system	50–57	
403-2	Hazard identification, risk assessment, and incident investigation	50–57	
403-3	Occupational health service	50–57	
403-4	Worker participation, consultation, and communication on occupational health and safety	50–57	
403-5	Worker training on occupational health and safety	50–57	
403-6	Promotion of worker health	50–57	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50–57	
403-9	Work-related injuries	57, 144	
GRI 103	Management approach	27–28, 42, 143	
GRI 404	Training and education		
404-2	Programs for upgrading employee skills and transition assistance programs	50–56	
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405-1	Diversity of governance bodies and employees	44, 120–131, 136–137, 144	
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GRI 414	Supplier social assessment		
414-1	New suppliers that were screened using social criteria	58–59	
GRI 103	Management approach	27–28, 42, 143	
GRI 417	Marketing and labeling		
417-1	Requirements for product and service information and labeling	48–49, 58–59	
GRI 103	Management approach	27–28, 42, 143	

Global Compact

JM has signed the UN's Global Compact initiative, thus taking a clear stand on issues related to human rights, labor law, accountability for the environment and anti-corruption.

Ten principles of the UN's Global Compact	Reference
HUMAN RIGHTS	Pages 58–60
1. Support and respect the protection of internationally proclaimed human rights in the spheres the company can influence	
2. Make sure that the company is not complicit in human rights abuses	
LABOR LAW	Pages 50–57
3. Uphold freedom of association and the effective recognition of the right to collective bargaining	
4. Elimination of all forms of forced and compulsory labor	
5. Effective abolition of child labor	
6. Elimination of discrimination in respect of employment and occupation	
ENVIRONMENT	Pages 42–49
7. Support a precautionary approach to environmental challenges	
8. Undertake initiatives to promote greater environmental responsibility	
9. Encourage the development and diffusion of environmentally friendly technologies	
ANTI-CORRUPTION	Pages 58–60
10. Work against corruption in all its forms, including extortion and bribery	

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Production: JM and Lindermyr Produktion

Text: JM, Evidens and Oskar Hammarkrantz

Graphic design: Paulin A&D

Repro and final art: Bildrepro and Sonho

Photo/illustrations: Sandra Birgersdotter-Ek, Carbonwhite,

Diakrit, EttElva Arkitekter, Johan Forsberg, Getty Images,

Richard Hammarskiöld, Mattias Hamrén, Kristoffer Johnsson,

Gustav Kaiser, Magnus Liam Karlsson, Sabina Lindberg, Tomas Lindell,

Pixerymedia, Sighline Vision, Teknikspränget, wec360° and JM.

Printing: Åtta.45 Tryckeri AB, 2022

Paper: Invercote Creato 260g/Galerie Art Matt 150g

