

“Positive results and stronger financial position.”

Summary of April – June 2020

- Net sales increased to 54.6 (20.4) MSEK, of which 33.5 MSEK derived from the Täby Turf rental project.
- Net operating profit totaled 3.0 MSEK (-26.3). The West Side Solna and Metronomen co-op projects contributed 13.3 MSEK.
- Cash flow from operating activities amounted to -79.3 MSEK (-34.3). The production start of the Platform West co-op project had a -75.8 MSEK impact on cash flow and the sale of half of the Älvsjö Quarters rental project had a positive impact of 33.0 MSEK.
- Production started at Platform West co-op project (109 units) in Roslags-Näsby/Täby.
- 92.3 MSEK of the company's outstanding bond loan repaid.
- SSM's rights issue of 157.0 MSEK fully subscribed, whereof 84.5 percent via subscription rights.
- Adaptation of company's sales organisation in line with focus on rental projects is expected to generate annual costs savings of 6.5 MSEK but impact the quarter negative by -3.3 MSEK.

Summary of January – June 2020

- Net sales increased to 103.6 MSEK (35.8) of which 69.3 MSEK derived from the Täby Turf rental project.
- Net operating profit amounted to 3.8 MSEK (-38.8) to which the West Side Solna and Metronomen co-op projects contributed 26.4 MSEK.
- Cash flow from operating activities totaled -65.6 MSEK (-66.3). The production start of the Platform West co-op project had a -76.8 MSEK impact on cash flow at the same time as the disposal of the Bromma Square project and sale of half of the Älvsjö Quarters rental project had a positive impact of 75.9 MSEK.
- Letter of intent signed regarding the sale of Tellus Towers joint venture project.
- The company's outstanding bond loan was extended by two years until May 2022. In May 2020, the company repaid 92.3 MSEK and has committed to amortize at least 69.2 MSEK per half-year with the last payment in May 2022. On the balance sheet date, the bond loan amounted to 275.2 MSEK.

Significant events after the balance sheet date

- SSM acquired all of the shares in the half-owned joint venture company Studentbacken which includes about 280 building rights in Bromma, Sollentuna and Täby. The purchase price was 2.0 MSEK and the transaction was completed in July 2020.

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Net sales	54.6	20.4	103.6	35.8	280.1	212.3
Net sales JV	136.9	5.3	350.1	11.8	972.6	634.3
Operating profit	3.0	-26.3	3.8	-38.8	-372.9	-415.5
Earnings for the period	1.8	-25.5	-6.7	-45.5	-408.7	-447.5
Operating margin, percent	5.6	-129.0	3.7	-108.4	-133.1	-195.7
Interest coverage ratio, times	1.2	-1.5	0.7	-1.2	-6.7	-7.4
Equity ratio, %	49.0	55.9	49.0	55.9	49.0	34.0
Return on equity, percent	1.9	-13.9	-3.4	-12.2	-68.8	-82.4
Earnings per share, before and after dilution, SEK	0.03	-0.65	-0.14	-1.16	-9.43	-11.40
Number of housing units recognised for profit	48	-	121	1	299	179
Number of production started cooperative apartments	109	-	109	-	-95	-204
Number of cooperative apartments in production	549	644	549	644	549	440
Accumulated number of sold cooperative apartments in production	455	622	455	622	455	435
Share sold cooperative apartments in production, %	82.9	96.6	82.9	96.6	82.9	98.9
Number of production started rental apartments	-	-	-	-	-	-94
Number of rental apartments in production	178	272	178	272	178	178

CEO's comments



“Positive net operating profit for third quarter running.”

“Prioritizing rental projects and selected co-op projects in the near future.”

“Fully subscribed rights issue contributed 157.0 MSEK to the company before issuing costs.”

Positive net operating profit for third quarter running

The diligent restructuring work that has been ongoing since I took over as President & CEO a little more than a year ago has reduced SSM's fixed costs and reduced risks in the project portfolio, strengthening the company's financial stability. It is gratifying to see that this has resulted in SSM's positive net operating profit for the third quarter in a row with operating profit amounting to 3.0 MSEK (-26.3) for the quarter. The restructuring we've carried out has reduced the company's costs for salaries and external administrative services by almost 30 percent during the quarter compared with the same quarter last year. Costs for Q2 2020 were -25.6 MSEK compared with -35.1 MSEK for the corresponding quarter in 2019. Due to SSM's increased focus on rental projects, we also made a number of adjustments within the sales organization during the quarter. These led to restructuring costs that had a -3.3 MSEK impact on Q2 2020 and that will generate estimated annual savings of 6.5 MSEK. Thanks to the implemented cost reductions, our operating profit has only been marginally affected negatively since SSM's adjusted business model was able to capitalize on a significantly lower share of administration and salary costs compared with the same quarter last year, resulting in a significantly larger share being visible in the income statement.

In addition to reduced costs, homebuyers took possession of their homes in the West Side Solna and Metronomen housing cooperative projects, contributing 13.3 MSEK to the profit for the quarter. Profits and cash flow from these two projects, however, will be somewhat delayed since they are being run as joint ventures. The Täby Turf rental project contributed to the considerable increase in net sales, but no revenue was recognized since the projects is in the early stage.

Production started in new co-op project

SSM focuses on business that generates positive cash flow in order to strengthen the company's financial position. In practice, this means prioritizing rental projects via forward-funding and selected cooperative projects. Today, rentals constitute an increasing share of the company's project portfolio, although during the quarter, we also started production of 109 co-op units at our Platform West project attractively located next to the Roslags-Näsby light rail station. At the moment, about half of the homes have already been sold and we expect buyers to take possession toward the end of 2021. The start of production of the project had a -75.8 MSEK impact on cash flow during the quarter, of which land acquisition was the largest item. During the quarter, SSM also divested half of the Älvsjö Quarters project, which had a positive effect of 33.0 MSEK on cash flow. In total, cash flow from operating activities was -79.3 MSEK (-34.3).

Better financial position

Over the past year, SSM has worked to achieve long-term stable financing. During the quarter, we carried out a fully-subscribed rights issue of 157.0 MSEK before issuing costs and repaid 92.3 MSEK of the company's bond loan. Thanks to cash flow contribution from the West Side Solna and Metronomen projects, together with the new issue will provide sufficient cash and cash equivalents to realize the company's business plan.

Stable half-year despite Covid-19-related concerns

Overall, both SSM and the market saw relatively stable development during Q2 despite concerns related to the consequences of the Covid-19 pandemic. The summer months have shown a good appetite for buying homes in the Stockholm area. That said, there is still uncertainty about the long-term consequences of the pandemic on the world and Swedish economy and Stockholm's housing market.

Mattias Lundgren
President & CEO

Housing market in Greater Stockholm

“Overall, the market saw relatively stable development during H1 despite concerns related to the consequences of the Covid-19.”

Significant need for housing in Greater Stockholm

The Greater Stockholm area is among the fastest growing regions in Europe in terms of population. According to official forecasts, the current population of 2.4 million will increase to 2.8 million within 10 years. According to the Swedish Housing Agency, the current rate of production of new-build housing is failing to meet the true needs of the region.

Consumer confidence stabilizing after anxious quarter

After falling drastically during the second quarter, in August 2020, SEB's Housing Price Indicator showed that consumer confidence in the housing market had recovered significantly and is now at the level prior to the drop in the spring. SEB cites the slowing spread of the Covid-19 virus together with hopes for economic recovery, long-term low interest rates, a high level of activity and stable prices in the market as reasons for the improvement.

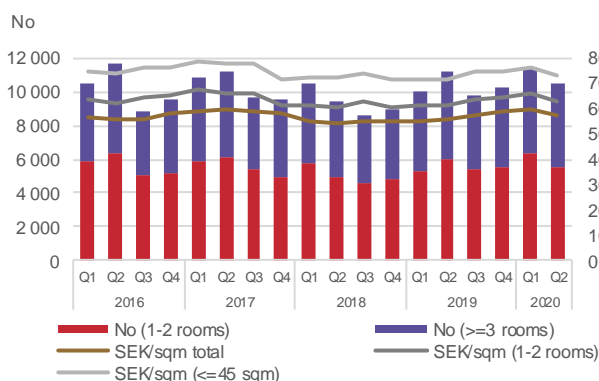
Greater share of new-build rentals

New-build rentals constitute a growing share of the allocated rental properties in the region. The Stockholm Housing Agency, which allocates an estimated 50 percent of all rentals in the city, increased the number of units it allocated during Q2 2020 to 4,472 (3,525) of which 873 (607) were new-build rental units. The corresponding figure for the first half-year 2020 was 8,423 (7,346) rental units, of which 1,703 (1,508) were new-builds.

Secondary market resilient during uncertain times, negative impact on new-builds

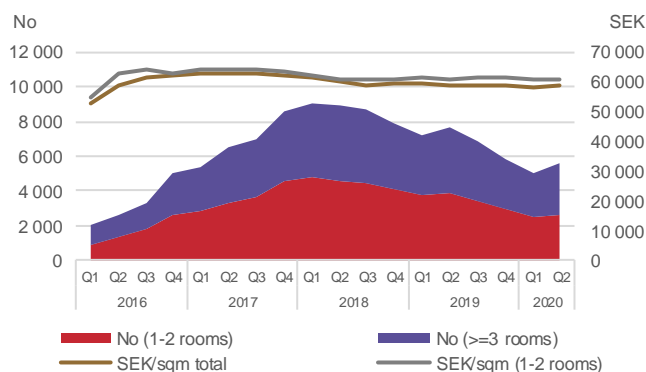
According to Svensk Mäklarstatistik, a Swedish real estate consultancy, transaction volumes for cooperative apartments increased by 3.6 percent in the Greater Stockholm area during the first half-year 2020 with a total of 21,941 (21,167) units sold. During Q2, 10,469 (11,207) cooperative apartments were sold, of which 5,527 (5,964) were one and two-room units. The average price per square meter for one and two-room apartments sold during the quarter increased by 2.5 percent year-on-year to 63,194 (61,640) SEK/m². For units of up to 45 m², prices increased by 1.6 percent to 72,870 (71,683) SEK/m². Based on statistics from Booli, one of Sweden's leading real estate search engines, some 711 (1,592) new-build cooperative apartments were sold in the Greater Stockholm area during Q2 2020. At the same time, the number of new-build cooperative apartments for sale continued to drop, falling to 5,586 (7,704) at the end of Q2 2020.

Price & number of sold cooperative apartments, Greater Stockholm area



Source: Svensk Mäklarstatistik, July 2020

Price & number of cooperative apartments (new production) for sale, Greater Stockholm area



Source: Booli, July 2020

Project portfolio

PROJECTS WHERE PRODUCTION HAS STARTED

Project	Type of tenancy	Number of homes	Floor space (m ²)	Location	Start of production	Occupation	Sold		
							During Q2 2020	Total	Sales rate on 30/6 2020, %
West Side Solna (JV)	Co-op	252	11,906	Solna	Q3 2017	Q3 2019 - Q3 2020	2	239	94.8
Metronomen (JV)	Co-op	188	7,612	Telefonplan	Q1 2018	Q1 2020 - Q2 2021	-38	145	77.1
Platform West	Co-op	109	4,901	Täby	Q2 2020	Q4 2021	1	49	45.0
Total		549	24,419					433	78.9
Täby Turf	Rental	178	8,701	Täby	Q3 2019	Q3 2021 - Q4 2021	n/a	178	100.0
Total		178	8,701					178	100.0

PROJECTS UNDER DEVELOPMENT

Project	Type of tenancy	Number of homes	Floor space (m ²)	Location	Status	Status of land acquisition	Earliest	
							production start	occupation
Sollentuna Hills	Rental	94	5,890	Sollentuna	Consultation	Acquisition agreement	2020	2023
Sollentuna Quarters	Rental	94	5,070	Sollentuna	Consultation	Acquisition agreement	2020	2023
Kandidaten (JV)	Rental	77	2,300	Bromma	Planning	Land allocation	2021	2022
The Loft (JV)	Rental	134	3,264	Täby	Planning	Acquisition agreement	2021	2023
Elverket Nacka (JV)	Rental	486	19,019	Nacka	Consultation	Land registration	2021	2023-2024
Spånga Studios	Rental	167	6,440	Spånga	Consultation	Land registration	2021	2024
Kosmopoliten	Co-op	204	10,122	Kista	Consultation	Land allocation	2022	2024
Tellus Towers (JV)	Co-op	911	37,661	Telefonplan	Early consultation	Land reservation	2022	2025
Tellus Towers	Rental	323	14,013	Telefonplan	Early consultation	Land reservation	2022	2025
Urbaniten	Co-op	250	12,700	Hägersten	Consultation	Acquisition agreement	2022	2025
Wiking	Rental	150	7,000	Sollentuna	Planning	Land registration	2023	2025
Akalla City	Rental	190	8,700	Akalla	Planning	Land registration	2023	2026
Älvsjö Quarters (JV)	Rental	516	21,000	Älvsjö	Prestudy	Land registration	2024	2027
Järla Station (JV)	Co-op	159	6,644	Nacka	Start	Land registration	2025	2027
Sjöstadshöjden	Co-op	150	12,000	Hammarby Sjöstad	Prestudy	Land allocation	2025	2027
Total		3,905	171,823					
Total		4,632	204,943					

PROJECTS UNDER EVALUATION

Project	Type of tenancy	Number of homes	Floor space (m ²)	Location	Status	Status of land acquisition	Earliest	
							production start	occupation
East Side Spånga	Rental	237	7,500	Spånga	Prestudy	Land registration	n/a	n/a
Järnet	Co-op	240	11,550	Ulvsunda	Prestudy	Land allocation	n/a	n/a
Tentafabriken (JV)	Co-op	72	1,828	Sollentuna	Prestudy	Acquisition agreement	n/a	n/a
Örjan	Rental	170	5,370	Spånga	Prestudy	Land registration	n/a	n/a
Total		719	26,248					

The information about each project in the above table is in all material aspects the company's current assessment of each project in its entirety. These assessments and the final outcome of each project may change due to factors both within and beyond the company's control such as the design of city plans, government decisions and market developments as well as the fact that several of the projects are in the planning phase and the plan for each project may change.

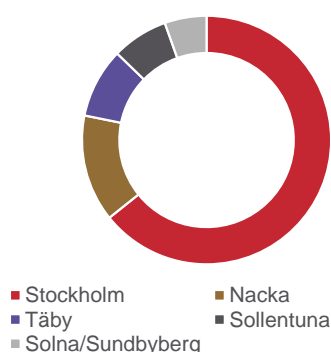
During 2019, SSM carried out a review of the company's operations and market. As a result, the company increased the number of projects designated to be developed into rentals and a number of projects are still under evaluation. Projects that are being evaluated will not be included in the active project portfolio until the evaluation have been completed.

Projects where production has started include projects where construction has begun. Sold cooperative apartments are defined as the number of legally-binding agreements (pre-purchase or grant agreements) signed by buyers. (JV) SSM participates in joint ventures. As of June 30, 2020, SSM had joint venture agreements with Partners Group (Tellus Towers, Järla Station and Metronomen), Alecta (West Side Solna), Libu Invest (Elverket Nacka) and Clear Real Estate Holding (Älvsjö Quarters). The joint venture with Student Hill ended after the balance sheet date when SSM acquired all of the shares in the Studentbacken joint venture company in July 2020 and took over the three shared development projects Tentafabriken, The Loft and Kandidaten.

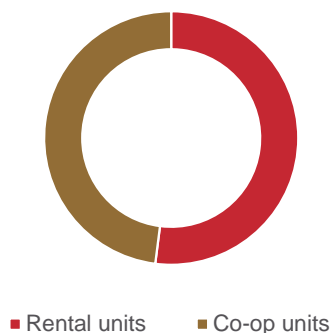
Project portfolio

“Production of Platform West with 109 co-op units at Täby’s main communication hub started.”

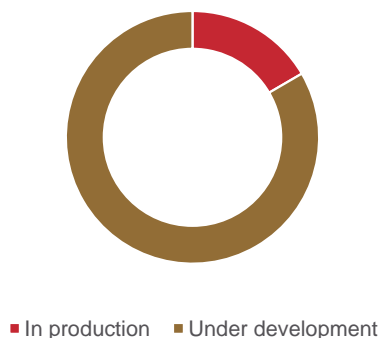
Building rights by municipality



Building rights by rentals and co-op units



Building rights by production phases



During 2019, adjustments were made to SSM's project portfolio as a result of the review of the building rights portfolio the company carried out. As a result, a larger number of building rights than before have been designated to be developed into rental units. In the coming years, SSM will have a clear focus on developing rental projects and selected cooperative apartment projects. At the moment, three of the four projects under development are cooperative projects and of 727 homes in production, 549 are cooperative apartments.

The West Side Solna and Metronomen cooperative projects are close to completion and 238 out of a total of 252 buyers have taken possession of their homes in West Side Solna, of which 17 during the quarter. The remaining 13 homes at West Side Solna were sold after the balance sheet date and the project was consequently sold out at the time this report was published. In the Metronomen project, a total of 61 homebuyers have taken possession of their homes, 31 of which during Q2 2020. More buyers will take possession toward the end of 2020 as the project nears completion. Sales in the Brf Metronomen housing association were negative during the quarter following the settlement of a dispute between the association and 40 buyers who had sued the association with the intent to leave the project due to a delay in the project schedule. The housing association had already initiated a new sale of any completed units belonging to homebuyers who were parties to the dispute and sales have been carried out according to the original sales price. Buyers are expected to continue to take possession of homes in the Metronomen project into 2021 as sales progress. During the quarter, production started at Platform West, a project that includes 109 cooperative apartments. Platform West, which has an Urban Score™ of 97 points, is located at the main communication hub in Täby beside the Roslags-Näsby light rail station. Already at the start of production, the project has a sales rate of 45.0 percent and tenants are expected to move in during Q4 2021. The total sales rate for SSM's cooperative apartments in production was 78.9 percent on the balance sheet date.

Production of the Täby Turf rental project, which was sold earlier in the year via forward funding to property company Willhem, has been impacted by interruptions due to the ongoing Covid-19 pandemic. Willhem took over the project in Q3 2019 and tenants are expected to move in end of 2021.

During the quarter, SSM formed a new joint venture company when Clear Real Estate Holding acquired half of SSM's shares in the Älvsjö Quarters cooperative project. The joint venture agreement with Student Hill was terminated at the end of the first half-year when SSM acquired all of the shares in the half-owned joint venture company Studentbacken. The acquisition included the shared development projects Kandidaten, The Loft and Tentafabriken and the transaction was carried out during July 2020.

At the beginning of the quarter, there were four projects under evaluation that are consequently not included in the active project portfolio. For commercial reasons, the Täby Market cooperative apartment project, which includes 134 cooperative apartments, was returned to the municipality of Täby, leading to a positive impact on SSM's results and cash flow. During Q1 2020, SSM signed an agreement regarding transfer of the Järnet project in Ulvsunda, Bromma, which is why the project is also no longer included in the active project portfolio. On the balance sheet date, there were four projects still under evaluation.

At the end of the quarter, the active project portfolio included 4,632 building rights distributed among micro-markets relative to SSM. Approximately half of the 3,905 building rights under development are planned to be rental units.

Selection project in production

Platform West (Täby) is a project with an Urban Score of 97 points and it includes 109 cooperative apartments. The project is located at Täby's main communication hub beside the Roslags-Näsby light rail station in a new, green, vibrant urban area under development that will feature schools, squares and parks. 86 percent of the homes will be 26 to 50 m² and most will have their own balcony or patio. Shared spaces include a rooftop terrace and lush inner courtyard. The ground floor includes plans for commercial space on the new square with potential for restaurants offering outdoor dining. The design of the building complies with the Sweden Green Building Council's Silver standards and as of June 30, 2020, the sales rate in the project was 45.0 percent. The project is being run entirely by SSM. Tenants are expected to start moving in during Q4 2021.



metronomen



west side solna

West Side Solna, which has an Urban Score of 100 points, offers 252 centrally-located co-op units conveniently located near the subway, shopping and recreational facilities. The homes are one to four-room units of 23 – 97 m², 91 percent of which are one and two-room units of 23 – 56 m². Most of the homes have a private balcony and shared spaces include a terrace and outdoor pool. As at June 30, 2020, the project had a sales rate of 95.2 percent. The remaining 13 homes were sold after the balance sheet date and the project was consequently sold out at the time this report was published. Homebuyers began moving in at the end of September 2019 and at the end of the second quarter, 238 buyers had moved in. The remaining buyers are planned to move in during Q3 2020. The project has been run together with Alecta.

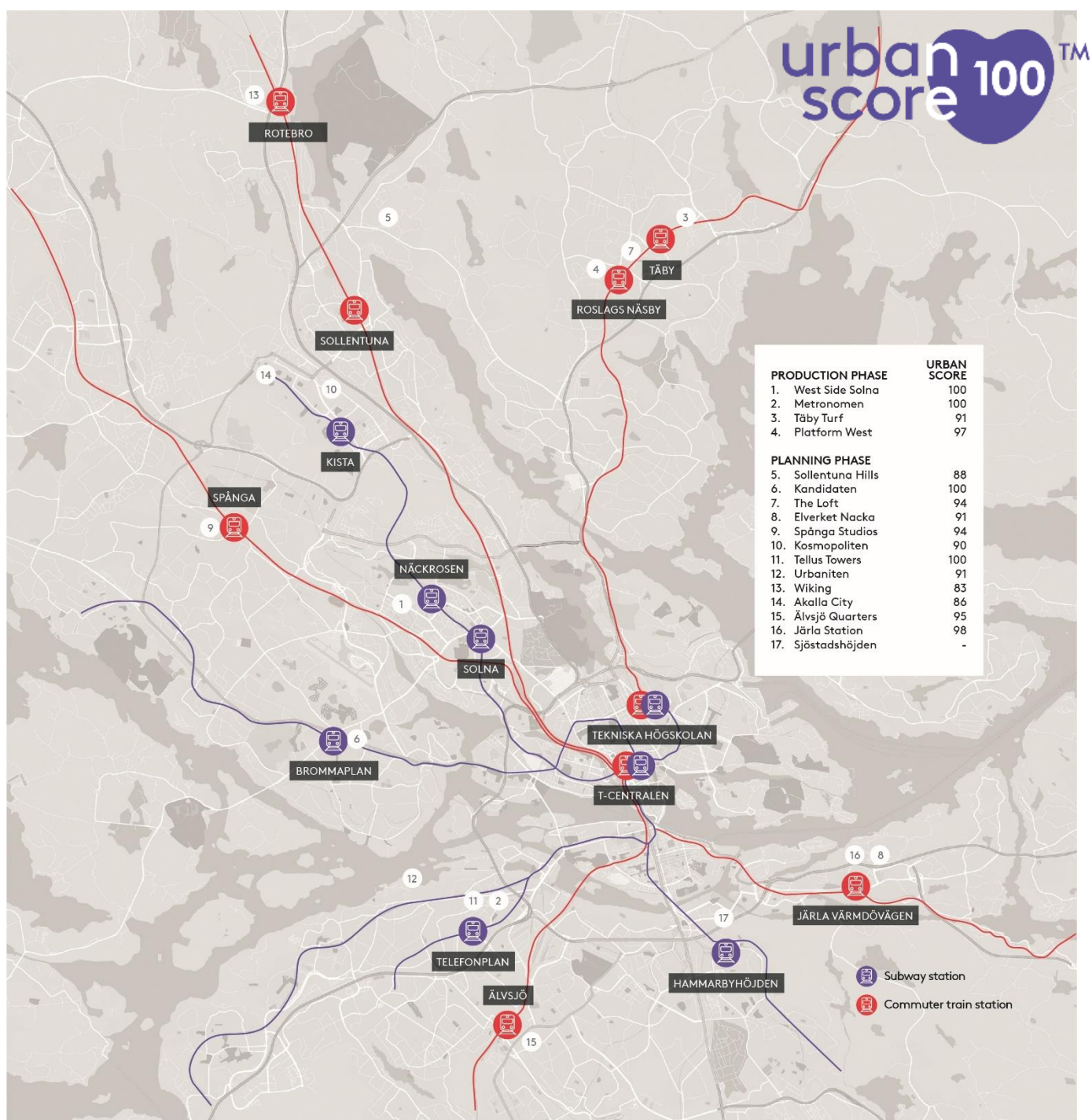
Metronomen (Telefonplan), which has an Urban Score of 100 points, offers 188 co-op units at Telefonplan in a lively urban area under development that includes the Konstfack University College of Arts, Crafts and Design. Some 91 percent of the homes are one and two-room units of 29 – 63 m², most of which have a private balcony. Shared spaces include a rooftop terrace. The sales rate in the project was 77.1 percent at the end of Q2. Sales in the Brf Metronomen housing association were negative during the quarter following the settlement of a dispute between the association and about 40 buyers who had sued the association with the intent to leave the project due to a delay in the project schedule. The housing association had already initiated a new sale of any completed units belonging to homebuyers who were parties to the dispute and sales have been carried out in line with the original sales price. Homebuyers began moving in March 2020, with 31 buyers during the second quarter. The project is a joint venture with Partners Group.



metronomen

Project portfolio

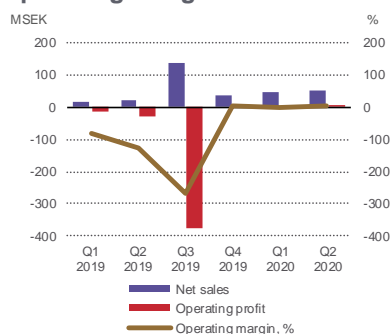
SSM offers smart, affordable homes that target people age 20 to 44 with average incomes. To steer and optimize its housing concept based on the preferences of this target group, SSM uses the Urban Score index, a transparent index that the company has developed to rank four key areas of importance to the target group: *mobility, everyday services, community and well-being*. In addition to making it easier for homebuyers to make informed housing decisions, the Urban Score index shows the company's strategic direction in acquiring building rights and designing products when developing projects. All of SSM's projects aim to have an Urban Score higher than 75.



Comments on the results

April – June 2020

Net sales, operating profit, operating margin



Net sales and profit/loss

Net sales in the Group totaled 54.6 MSEK (20.4) of which 33.5 MSEK derived from the Täby Turf rental project. Other revenue mainly comprised time for administration invoiced to joint venture projects, rental income received from SSM's own properties and management revenue.

The *gross profit* was 10.1 MSEK (5.0). Due to the early stage of the Täby Turf project, the percentage of completion method was not applied during the quarter. Täby Municipality's repayment of a part of the down payment for the Täby Market project affected the gross profit through a reversal of a previously-recognized impairment loss of 8.7 MSEK.

Sales and administration expenses totaled -19.1 MSEK (-17.2). Restructuring costs amounted to -3.3 MSEK. In the comparative period, costs associated with the change of CEO were -6.3 MSEK. Sales and administration expenses in comprehensive income increased between quarters as a result of reduced capitalization of administrative and salary costs, which amounted to 7.9 MSEK (19.6) during the quarter. See also Note 5, Distribution of sales and administration expenses.

Other operating income was 13.6 MSEK (0). Income is from the sale of promissory notes (the value of the land) that took place within the scope of the Metronomen project when the Partners Group cooperation was initiated. Revenue from the sale is recognized when homebuyers take possession of their cooperative apartments and the project is completed in its entirety.

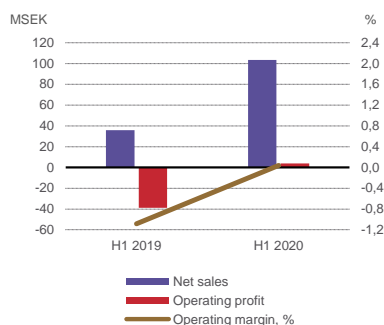
Participations in joint ventures amounted to -1.5 MSEK (-14.2). During the quarter, homebuyers took possession of 17 cooperative apartments in the West Side Solna project, which meant that a participation of 1.9 MSEK was contributed. In the Metronomen cooperative apartment project, 31 homebuyers took possession of their homes during the quarter. Due to a forecasted and already expensed loss-making construction contract in the Metronomen project, the project will not contribute any profit participation from the joint venture. However, the project made a positive net contribution of 11.4 MSEK to the profit/loss for the year comprising 13.6 MSEK from other operating income (see above) and a loss participation of -2.1 MSEK due to forecasted cost increases during the quarter. See also Note 6, Participations in joint ventures, for summaries of the income statement and balance sheet for the joint ventures.

The *Group's operating profit* was 3.0 MSEK (-26.3), mainly due to homebuyers taking possession in the West Side Solna and Metronomen projects and a positive effect on profit of 8.7 MSEK from returning the Täby Market project to Täby Municipality. The operating margin was 5.6 percent.

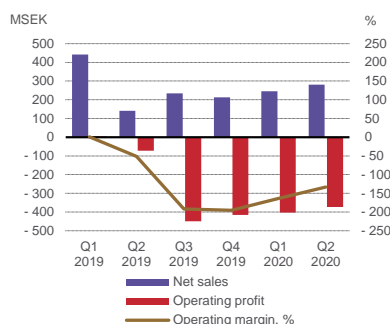
The profit for the quarter was 1.8 MSEK (-25.5), and in addition to the above, it was affected by a net financial expense of -1.2 MSEK (0.9) and a tax expense for the quarter of -0.0 MSEK (-0.1).

January – June 2020

Net sales, operating profit, operating margin



Net sales, operating profit, operating margin, LTM



Net sales and profit/loss

Net sales in the Group totaled 103.6 MSEK (35.8). Other revenue during the period chiefly comprises revenue from the Täby Turf rental project, time and administration invoiced to joint venture projects and rental income from SSM's own properties.

The *gross profit* was 14.3 MSEK (10.0) and the gross margin was 13.9 percent (28.1). Returning the Täby Market project to Täby Municipality had a positive effect of 8.7 MSEK on gross profit during the period.

Sales and administration expenses amounted to -34.3 MSEK (-29.7). Restructuring costs totaled -3.3 MSEK. In the corresponding period in 2019, costs associated with the change of CEO were -6.3 MSEK. Sales and administration expenses in comprehensive income increased between periods as a result of reduced capitalization of administrative and salary costs, which amounted to 15.1 MSEK (38.7) during the period. See also Note 5, Sales and administration expenses.

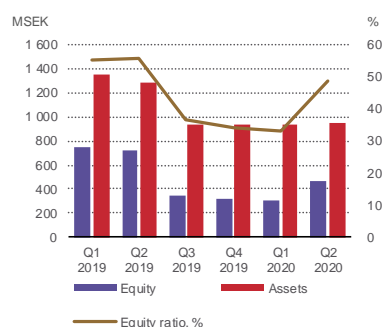
Participations in joint ventures amounted to -0.2 MSEK (-19.1). The profit participation was negatively affected by forecasted cost increases for the Metronomen project: SSM's share was -6.1 MSEK. See also Note 6, Participations in joint ventures, for summaries of the income statement and balance sheet for the joint ventures.

Operating profit in the Group totaled 3.8 MSEK (-38.8). The increase was mainly due to homebuyers taking possession of 121 cooperative apartments in joint venture projects during the period. The operating margin was 3.7 percent.

The *loss for the period* was -6.7 MSEK (-45.5) and was affected by a net financial expense of -10.5 MSEK (-7.0). Net financial items in the comparative period included a capital gain from the repurchase of 8.9 MSEK of SSM's own bonds.

Financial position, investments and cash flow

Equity, balance sheet total and debt/equity ratio



Total assets and equity

On the balance sheet date, SSM had 4,632 building rights (6,126) in its project portfolio. The lower number is mainly the result of the review of SSM's operations that was carried out in 2019 to optimize the company's operations and the business model. The optimization resulted in the removal of a number of projects from the business plan due to changed market conditions. At the end of the period, 727 homes (916) were in production. The sales rate for cooperative apartments in production was 78.9 percent (96.6).

Capital tied up in project properties and completed properties totaled 338.1 MSEK (510.3) on June 30, 2020. The change from the end of one accounting period to the end of the next is primarily due to the review of the company's operations that was carried out in 2019. The review resulted in a revaluation of balance sheet items for most of the Group's project properties, leading to non-cash impairment losses totaling -153.7 MSEK. In addition to the above, the divestment of the Bromma Boardwalk project meant that values recognized in the balance sheet for project properties were reduced by an additional -27.1 MSEK in the fourth quarter 2019. In 2020, 50 percent of the shares in Älvsjö Quarters were divested and the project was subsequently reclassified to participations in joint ventures, reducing the value of the project property by -64.4 MSEK. In parallel with these changes, planning in the company's projects occurs continuously, increasing the value of the assets.

Capital tied up in joint ventures and claims on joint ventures totaled 334.7 MSEK (454.9) on June 30, 2020. These balance sheet items were also affected by the review of SSM's operations that was carried out in 2019 as outlined above. The decision resulted in a revaluation of balance sheet items for participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -159.0 MSEK. Between the periods, an additional capital contribution of 27.0 MSEK was made to the joint venture with Partners Group, mainly to finance production in the Metronomen project. In addition to the above, the divestment of the joint venture part of the Bromma Square project meant that values recognized in the balance sheet for project properties were reduced by -44.8 MSEK in the fourth quarter 2019. The divestment of 50 percent of the shares in the Älvsjö Quarters project resulted in an increase in participations in joint ventures of 33.2 MSEK during the second quarter 2020.

For further information on the above-mentioned review, see also the section Revaluations of project properties and joint venture assets on page 76 in the 2019 Annual Report.

Financing and debt

SSM's operations are capital intensive and access to capital is a basic condition required to develop the Group further. In addition to equity, the Group currently uses two external sources of funding: bonds and loans from credit institutions.

The Group's interest-bearing liabilities totaled 370.2 MSEK (463.4) on the balance sheet date, of which the bond loan accounted for 275.2 MSEK (367.1). In 2019, SSM repurchased its own outstanding bonds with a nominal amount of 31.0 MSEK for 21.8 MSEK, that is, the average volume-weighted repurchase price corresponded to 70.4 percent of the nominal amount.

In the first quarter 2020, SSM extended the company's outstanding bond loan at an unchanged exchange rate and with a duration of two years until May 2022. In May 2020, the company repaid 92.3 MSEK and it has undertaken to repay at least 69.2 MSEK every six months, with the final repayment in May 2022.

In April 2020, the company's rights issue was fully subscribed, which meant that 157.0 MSEK was contributed to the company prior to issuing costs. The new issue and cash flows in connection with the completion of the West Side Solna and Metronomen projects have contributed sufficient cash and cash equivalents to carry out the company's business plan.

Cash flow

Cash flow from operating activities amounted to -79.3 MSEK (-34.3) during the quarter. Homebuyers taking possession of the West Side Solna and Metronomen cooperative apartment projects had a limited impact on cash flow during the quarter, as cash and cash equivalents remain in each joint venture company. The start of production of the Platform West cooperative apartment project affected the cash flow with -75.8 MSEK while the purchase price for 50 percent of the Älvsjö Quarters project made a positive contribution of 33.0 MSEK and the repayment of the down payment for Täby Market contributed 8.7 MSEK.

Cash flow from operating activities amounted to -65.6 MSEK (-66.3) during the first six months of the year. Homebuyers taking possession of the West Side Solna and Metronomen cooperative apartment projects had a limited impact on cash flow during the period, as cash and cash equivalents remain in each joint venture company. Larger items that affected cash flow are investments of -76.8 MSEK in the Platform West project while the divestment of the Bromma Square project made a positive contribution of 42.9 MSEK, the sale of 50 percent of the shares in the Älvsjö Quarters added 33.0 MSEK and the return of the Täby Market project contributed 8.7 MSEK.

Other information

Seasonal variations

SSM's operations are affected by seasonal variations to a minor degree; however, major housing cooperative projects may have a material effect on sales and profit/loss in individual quarters, depending on when the projects are completed. This effect on sales and profit/loss should therefore be considered over a longer life cycle.

Parent Company

The Parent Company had limited operations in the period January to June 2020 and the comparative period alike. The loss for the period was -5.0 MSEK (-3.2).

Assets in the Parent Company comprise mainly participations in and receivables from Group companies and amounted to 807.3 MSEK (1,023.4) at the end of the period. The asset side on the balance sheet decreased by 216.1 MSEK compared with June 30, 2019 primarily due to the revaluation of the Parent Company's participations in Group companies in Q3 2019 leading to non-cash impairment losses totaling -239.2 MSEK. Equity was 523.7 MSEK (640.0) on the balance sheet date.

The Parent Company had 4 employees (3) at the end of the period.

Employees

During the quarter, the average number of employees in the Group was 40 people (66), of which 19 (27) were women. For the period January – June, the average number was 41 (67) of which 19 (27) were women.

The decrease in the number of employees is mainly due to natural attrition, SSM's divestment of its contracting operations in 2019 and adaptations carried out in the company during 2020.

As a result of the company's increased focus on rental projects, the number of employees working in sales and marketing was reduced by 7 during Q2 2020.

Transactions between related parties

During the quarter, SSM carried out customary transactions between Group companies and joint ventures. These transactions were carried out on market terms.

At an extraordinary general meeting held on March 17, 2020, the Board of Directors was authorized to approve the sale of half of the shares in the Älvsjö Quarters rental project to related parties and to approve a cooperation agreement for the Järnet cooperative apartment project in Ulvsunda with the aforementioned related parties. During the first half-year, the contract for the Järnet project was completed and SSM received 0.5 MSEK. Tenants moved into the Älvsjö Quarters project during Q2 2020 and SSM received 33.0 MSEK.

Risks and uncertainties

SSM faces different kinds of risks such as those associated with the external environment and strategic, operational and financial risks that could affect the company's ability to implement strategies and reach goals. When assessing the future development of the Group, it is important to consider risk factors alongside opportunities for profit growth. The review of SSM's operations that was carried out in 2019 led to a decision to optimize the business model to better managed identified risks and challenges.

The main risks to which the Group's operations are exposed include strategic risks, such as macroeconomic developments and reduced demand for housing, as well as operational risks, such as price and project risks. SSM is also exposed to a number of financial risks, including risks relating to the Group's liquidity and debt financing. The objective of the Group's risk management is to identify, measure, control and limit risks in its operations.

More information about the company's risk management is presented in SSM's 2019 Annual Report in Note 15, Risk management.

Shares and share capital

The company's registered share capital on the balance sheet date was 58.9 MSEK divided into 58,878,813 registered shares. There is one share class in the company and each share has a quota value of 1 SEK (1).

During the year, the ownership of the company changed substantially and Eurodevelopment Holding AG divested its entire shareholding of 68.9 percent of the capital and votes in the company. Amasten Fastighets AB via subsidiaries and Samhällsbyggnadsbolaget i Norden AB are now the largest shareholders with holdings of 29.6 percent each. SSM's shareholder Gösta Welandsson and companies increased its holdings to a total of 12.4 percent (of which 2.7 percent is owned by Weland Holding through capital insurance). No other shareholder holds more than 10.0 percent of the capital and votes in the company.

Significant events after the reporting period

SSM acquired all of the shares in the half-owned joint venture company Studentbacken which includes about 280 building rights in Bromma, Sollentuna and Täby. The purchase price was 2.0 MSEK and the transaction was completed in July 2020.

The Group's statement of comprehensive income

(MSEK)	Not	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
		2020	2019	2020	2019	2019/2020	2019
Net sales	4	54.6	20.4	103.6	35.8	280.1	212.3
Expenses for production and management		-44.5	-15.4	-89.2	-25.7	-455.3	-391.9
Gross profit		10.1	5.0	14.3	10.0	-175.2	-179.5
Sales and administration expenses	5	-19.1	-17.2	-34.3	-29.7	-73.5	-68.8
Earnings from joint ventures	6	-1.5	-14.2	-0.2	-19.1	-14.0	-33.0
Other income/-cost		13.6	-	24.0	-	-110.2	-134.2
Operating profit		3.0	-26.3	3.8	-38.8	-372.9	-415.5
Financial income		7.6	11.0	9.8	13.5	15.8	19.4
Financial expenses		-8.8	-10.1	-20.4	-20.5	-53.0	-53.2
Net financial items		-1.2	0.9	-10.5	-7.0	-37.3	-33.8
Pre-tax profit		1.8	-25.4	-6.7	-45.8	-410.2	-449.3
Tax		-0.0	-0.1	-0.0	0.4	1.5	1.8
EARNINGS FOR THE PERIOD		1.8	-25.5	-6.7	-45.5	-408.7	-447.5
Profit attributable to							
Parent company shareholders		1.8	-25.5	-6.7	-45.5	-408.7	-447.5
Minority interest		-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
PROFIT FOR THE PERIOD		1.8	-25.5	-6.7	-45.5	-408.7	-447.5
Earnings per share, before and after dilution (SEK)		0.03	-0.65	-0.14	-1.16	-9.43	-11.40
Number of shares at end of period		58,878,813	39,252,542	58,878,813	39,252,542	39,252,542	39,252,542
Average number of shares during the period		55,759,206	39,252,542	47,505,874	39,252,542	43,356,659	39,252,542

In the Group, there are no items reported under Other comprehensive income which is why total comprehensive income is the same as the profit for the period.

The Group's statement of financial position

(MSEK)	6/30/2020	6/30/2019	12/31/2019
ASSETS			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	2.0	3.7	2.6
Total intangible assets	2.0	3.7	2.6
<i>Tangible assets</i>			
Machinery and equipment	0.1	0.2	0.2
Right-of-use assets	27.9	41.8	30.2
Total tangible assets	28.0	42.0	30.4
<i>Financial assets</i>			
Participations in joint ventures	167.0	167.1	130.6
Receivables from joint ventures	141.2	273.3	129.3
Other long-term receivables	107.9	91.4	82.4
Total financial assets	416.2	531.8	342.3
Total fixed assets	446.2	577.6	375.3
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	332.2	507.6	313.8
Completed homes	5.9	2.8	2.8
Total inventories	338.1	510.3	316.6
<i>Other current assets</i>			
Accounts receivable	21.5	44.8	16.4
Recognized, non-invoiced revenue	-	5.4	0.4
Receivables from joint ventures	26.5	14.4	19.1
Tax receivables	1.6	1.3	0.9
Other receivables	4.7	12.6	47.3
Prepaid costs and accrued income	2.2	2.8	8.5
Liquid funds	112.8	121.6	155.3
Total current assets	507.4	713.1	564.5
TOTAL ASSETS	953.6	1,290.6	939.8

The Group's statement of financial position, cont.

(MSEK)	6/30/2020	6/30/2019	12/31/2019
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	58.9	39.3	39.3
Paid-up capital	641.3	506.5	506.5
Profit brought forward	-233.3	175.4	-226.6
Equity attributable to Parent Company shareholders	466.9	721.2	319.2
Minority interest	0.0	0.0	0.0
Total equity	466.9	721.2	319.2
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Bond issues	137.6	-	-
Liabilities to credit institutions	95.0	-	114.0
Other long-term liabilities	23.7	37.0	26.0
Provisions	2.5	6.1	5.5
Deferred tax liabilities	0.5	0.5	0.5
Total long-term liabilities	259.3	43.6	146.0
<i>Current liabilities</i>			
Liabilities to joint ventures	-	1.0	-
Bond issues	137.6	367.1	368.3
Liabilities to credit institutions	-	96.3	-
Advance payments from customers	5.0	-	10.2
Accounts payable – trade	22.4	6.0	27.8
Provisions	11.3	12.1	19.0
Current tax liabilities	0.4	1.5	1.4
Invoiced unrecognised revenues	3.7	-	-
Other liabilities	20.6	11.0	13.4
Accrued costs and prepaid income	26.3	30.8	34.6
Total current liabilities	227.4	525.8	474.6
TOTAL EQUITY AND LIABILITIES	953.6	1,290.6	939.8

The Group's statement of changes in equity

Attributable to Parent Company shareholders

(MSEK)	Share capital	Other paid-in capital	Profit brought forward	Total	Minority interest	Total equity
Equity, January 1, 2019	39.3	506.5	220.9	766.7	0.0	766.7
Profit						
Profit this period			-45.5	-45.5	-	-45.5
Total profit			-45.5	-45.5	-	-45.5
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, June 30, 2019	39.3	506.5	175.4	721.1	0.0	721.1
Equity, January 1, 2019	39.3	506.5	220.9	766.7	0.0	766.7
Profit						
Profit for the year			-447.5	-447.5	0.0	-447.4
Total profit			-447.5	-447.5	0.0	-447.4
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, DECEMBER 31, 2019	39.3	506.5	-226.6	319.2	0.0	319.2
Equity, January 1, 2020	39.3	506.5	-226.6	319.2	0.0	319.2
Profit						
Profit this period			-6.7	-6.7	-	-6.7
Total profit			-6.7	-6.7	-	-6.7
Transactions with shareholders						
New issue	19.6	134.8		154.5	-	154.5
Total transactions with shareholders	19.6	134.8	-	154.5	-	154.5
EQUITY, JUNE 30, 2020	58.9	641.3	-233.3	466.9	0.0	466.9

The Group's cash flow statement

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2020	2019	2020	2019	2019/2020	2019
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	3.0	-26.3	3.8	-38.8	-372.9	-415.5
Items not affecting liquidity	-14.3	0.1	-22.4	0.2	304.7	327.3
Recognized profits in joint ventures	1.5	14.2	0.2	19.1	14.0	33.0
Received interest	3.1	-	3.1	-	5.6	2.4
Paid interest	-9.4	-9.1	-17.9	-18.6	-50.2	-51.0
Paid income taxes	-0.0	0.1	-1.0	-0.6	0.4	0.8
Cash flow before changes in operating capital	-16.1	-21.1	-34.0	-38.7	-98.4	-103.0
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in property projects	-48.2	-13.1	-54.3	-42.5	-19.6	-7.8
Decrease/increase in accounts receivables	19.8	-4.2	-5.1	-2.5	23.3	26.0
Decrease/increase in other current receivables	-8.3	4.3	48.2	34.5	7.4	-6.3
Decrease/increase in supplier liabilities	-18.5	-9.5	-4.4	-20.6	17.5	1.4
Decrease/increase in current liabilities	-8.0	9.3	-15.9	3.5	4.9	24.2
Total change in operating capital	-63.2	-13.2	-31.5	-27.6	33.5	37.5
CASH FLOW FROM CURRENT ACTIVITIES	-79.3	-34.3	-65.6	-66.3	-64.8	-65.5
<i>Cash flow from investment activities</i>						
Investments in intangible assets	-	-0.3	-0.1	-0.9	-0.4	-1.3
Investments in financial assets	-2.9	-42.0	-19.9	-61.7	-66.2	-108.0
Decrease of financial assets	0.1	-	2.6	-	68.6	66.0
Cash flow from investment activities	-2.8	-42.3	-17.3	-62.6	2.0	-43.3
<i>Cash flow from financing activities</i>						
Capital contributions	154.5	-	154.5	-	154.5	-
Increase in long-term liabilities	-	-	-	-	114.0	114.0
Amortization of long-term liabilities	-19.8	-1.5	-21.5	-3.2	-24.5	-6.2
Amortization of short-term liabilities	-92.6	-21.1	-92.6	-21.1	-189.9	-118.5
Cash flow from financing activities	42.1	-22.6	40.4	-24.3	54.0	-10.7
Decrease/increase in liquid funds	-40.0	-99.1	-42.5	-153.2	-8.8	-119.5
Liquid funds, opening balance	152.7	220.7	155.3	274.8	121.6	274.8
LIQUID FUNDS AT THE END OF THE PERIOD	112.8	121.6	112.8	121.6	112.8	155.3

Parent Company's statement of comprehensive income

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2020	2019	2020	2019	2019/2020	2019
Net sales	3.0	4.0	6.0	8.0	11.9	13.9
Costs for production and management	-	-	-	-	-0.1	-0.1
Gross profit	3.0	4.0	6.0	8.0	11.8	13.8
Sales and administration costs	-7.4	-13.9	-12.3	-20.7	-31.4	-39.9
Operating profit	-4.4	-9.9	-6.2	-12.7	-19.6	-26.1
Earnings from Group companies	-	-	-	-	-	-
Depreciation of assets	-	-	-	-	-239.2	-239.2
Interest income and similar profit/loss items	10.5	16.0	17.3	27.5	32.0	42.2
Interest expenses and similar profit/loss items	-7.2	-8.8	-16.1	-17.9	-43.9	-45.7
Profit after financial items	-1.1	-2.7	-5.0	-3.2	-270.7	-268.8
Tax	-	-	-	-	-	-
PROFIT FOR THE PERIOD	-1.1	-2.7	-5.0	-3.2	-270.7	-268.8

In the Parent Company, there are no items reported under Other comprehensive income which is why total comprehensive income is the same as the profit for the period.

Parent Company's statement of financial position

(MSEK)	6/30/2020	6/30/2019	12/31/2019
ASSETS			
<i>Fixed assets</i>			
Participations in Group companies	233.1	472.3	233.1
Receivables from Group companies	505.6	501.3	471.8
	3.0	3.0	3.0
Total fixed assets	741.7	976.6	707.9
<i>Current assets</i>			
Receivables from Group companies	41.0	42.0	57.0
Receivables from joint ventures	-	0.1	-
Tax receivables	-	0.1	-
Other assets	0.0	-	0.3
Prepaid expenses and accrued revenue	0.8	-	7.3
Cash and bank balances	23.7	4.6	0.8
Total current assets	65.5	46.8	65.4
TOTAL ASSETS	807.3	1,023.4	773.2
(MSEK)	6/30/2020	6/30/2019	12/31/2019
EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital	58.9	39.3	39.3
Share premium	641.3	506.5	506.5
Share-based payments	-	-	-
Unrestricted equity	-171.5	97.4	97.4
Profit/loss for the period	-5.0	-3.2	-268.8
Total equity	523.7	640.0	374.3
<i>Long-term liabilities</i>			
Bond issues	137.6	-	-
Total long-term liabilities	137.6	-	-
<i>Current liabilities</i>			
Bond issues	137.6	367.1	368.3
Liabilities to Group companies	0.0	-	0.6
Accounts payable – trade	0.2	1.4	9.8
Other liabilities	0.3	0.3	0.1
Accrued expenses and prepaid liabilities	7.8	14.6	20.2
Total current liabilities	145.9	383.4	398.9
TOTAL EQUITY AND LIABILITIES	807.3	1,023.4	773.2

Parent Company's changes in equity

(MSEK)	Restricted equity	Unrestricted equity		
	Share capital	Paid-in capital	Profit brought forward	Total equity
Equity, January 1, 2019	39.3	506.5	97.4	643.1
Profit				
Profit this period			-3.2	-3.2
Total profit			-3.2	-3.2
Total transactions with shareholders	-	-	-	-
EQUITY, June 30, 2019	39.3	506.5	94.2	640.0
Equity, January 1, 2019	39.3	506.5	97.4	643.1
Profit				
Profit for the year			-268.8	-268.8
Total profit			-268.8	-268.8
Total transactions with shareholders	-	-	-	-
EQUITY, DECEMBER 31, 2019	39.3	506.5	-171.5	374.3
Equity, January 1, 2020	39.3	506.5	-171.5	374.3
Profit				
Profit this period			-5.0	-5.0
Total profit			-5.0	-5.0
Transactions with shareholders				
New issue	19.6	134.9		154.5
Total transactions with shareholders	19.6	134.9	-	154.5
EQUITY, JUNE 30, 2020	58.9	641.3	-176.5	523.7

Parent Company's cash flow statement

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2020	2019	2020	2019	2019/2020	2019
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-4.4	-9.9	-6.2	-12.7	-19.6	-26.1
Items not affecting liquidity	-	-	-	-	-	-
Received interest	10.5	7.1	17.3	18.6	31.7	33.0
Paid interest	-8.7	-8.8	-16.9	-17.2	-42.5	-42.8
Paid income taxes	-	-0.1	-	0.0	0.1	0.2
Cash flow before changes in operating capital	-2.6	-11.7	-5.8	-11.3	-30.3	-35.8
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in other current receivables	4.3	14.6	22.7	10.5	0.3	-11.9
Decrease/increase in supplier liabilities	-3.5	-1.5	-9.5	-2.2	-1.1	6.2
Decrease/increase in current liabilities	-2.7	4.8	-12.8	-1.4	-6.8	4.5
Total change in operating capital	-1.9	17.9	0.4	6.8	-7.7	-1.2
CASH FLOW FROM CURRENT ACTIVITIES	-4.5	6.2	-5.5	-4.5	-38.0	-37.0
<i>Cash flow from investment activities</i>						
Investments in financial assets	-45.4	-	-33.9	-9.7	7.1	31.2
Decrease of financial assets	-	11.5	-	11.5	-11.5	-
Cash flow from investment activities	-45.4	11.5	-33.9	1.7	-4.4	31.2
Capital contributions	154.5	-	154.5	-	154.5	-
Amortization of long-term liabilities	-	-	-	-	-	-
Amortization of short-term liabilities	-92.3	-21.1	-92.3	-21.1	-93.0	-21.8
Cash flow from financing activities	62.2	-21.1	62.2	-21.1	61.5	-21.8
Decrease/increase in liquid funds	12.3	-3.4	22.9	-23.8	19.1	-27.6
Liquid funds, opening balance	11.4	8.0	0.8	28.4	4.6	28.4
LIQUID FUNDS AT THE END OF THE PERIOD	23.7	4.6	23.7	4.6	23.7	0.8

Note 1 General Information

SSM Holding AB (publ), corporate identity no. 556533-3902, is the Parent Company of the SSM Group. SSM has its registered office in Stockholm at Torsgatan 13, PO box 517, 101 30 Stockholm, Sweden. The company's shares are traded on Nasdaq Stockholm's Small Cap list. The operations of the Parent Company comprise Group-wide functions and the organization of the CEO and administrative staff. The company's project and property management is carried out by the Group's subsidiaries. The Parent Company does not directly own property. SSM acquires, develops, sells and produces residential property in the Greater Stockholm area. All amounts are reported as MSEK unless otherwise stated. Figures in parentheses are for the previous year.

Note 2 Accounting policies

Basis for preparing the reports

The consolidated accounts for the SSM Group have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with RFR 2 Reporting for Legal Entities and the Swedish Annual Accounts Act. The same accounting policies and methods of calculation were used in this interim report as in SSM's most recent annual report.

Until Q3 2019, right-of-use assets were as classified as other financial assets and have now been reclassified as property, plant and equipment.

Important estimates and assessments

For information on important estimates and assessments made by the company management when preparing the consolidated financial statements, see Note 2 in SSM's 2019 Annual Report.

Note 3 Financial instruments – fair value

Information on the fair value of lending and borrowing. The carrying amounts and fair values of non-current borrowings are as follows:

The fair value of current borrowing corresponds to the carrying value as the discount is insignificant. Fair values are based on discounted cash flows using a discount rate corresponding to the estimated effective interest rate for alternative borrowings and classified in Level 2 of the fair value hierarchy, see the note 16 Financial instruments by category in SSM's 2019 Annual Report. The difference between the carrying amount and the fair value consists of transaction costs for each credit, distributed over the period of the credit.

There were no transfers between levels or valuation categories during the period.

Reported value	6/30/2020	6/30/2019	12/31/2019
Bond issue	275.2	367.1	368.3
Liabilities to credit institutions	95.0	96.3	114.0
Other long-term liabilities	23.7	37.0	26.0
TOTAL LIABILITIES	393.9	500.4	508.3

Fair value	6/30/2020	6/30/2019	12/31/2019
Bond issue	276.8	369.0	369.0
Liabilities to credit institutions	95.0	96.3	114.0
Other long-term liabilities	23.7	37.0	26.0
TOTAL LIABILITIES	395.4	502.3	509.0

Note 4 Net sales and major customers

Group-wide information. The distribution of revenue from products and services is shown below:

Analysis of revenue by revenue type	Apr-Jun		Jan-Jun		2019
	2020	2019	2020	2019	
Project revenue, contracted	33.4	5.9	69.8	5.9	147.8
Sale of other construction service	12.1	11.1	19.8	20.0	34.6
Sale of other construction goods	6.3	0.3	6.5	1.2	13.0
Other revenue	2.8	3.1	7.5	8.7	16.9
TOTAL	54.6	20.4	103.6	35.8	212.3
Total revenue from large customers	54.3	15.4	95.7	24.3	173.3
No. of large customers (>10% of revenue)	2	3	2	5	4

Note 5 Sales and administration expenses

Group-wide information. The distribution of revenue from products and services is shown below:

	Apr-Jun		Jan-Jun		2019
	2020	2019	2020	2019	
Overhead costs	-7.0	-8.8	-13.3	-17.6	-35.2
Salaries	-18.6	-26.3	-33.1	-47.5	-80.0
Administration, balanced	2.1	8.2	4.2	17.8	20.8
Time, balanced	5.8	11.3	10.9	20.9	34.3
Depreciations/amortization	-1.4	-1.6	-3.0	-3.3	-8.7
Sales and administration costs	-19.1	-17.2	-34.3	-29.7	-68.8

During the quarter, administration and salary costs totaled -25.6 MSEK (-35.1), of which -3.3 MSEK is attributable to restructuring costs. State aid due to the Covid-19 pandemic had a positive effect of 0.4 MSEK on salary costs during the quarter. Sales and administration expenses in comprehensive income increased between quarters as a result of reduced capitalization of administration and salary costs, which amounted to 7.9 MSEK (19.6) during the quarter.

Note 6 Participations in joint ventures

JV-projects are reported using the equity method, which means that revenues are not included in Group accounting but only in SSM's share of profits. The information below shows the amounts as presented in the joint venture entities' accounting adjusted for differences in accounting principles between the Group and the joint venture entities.

ALECTA

Consolidated share amounts to 30%

	Jan-Jun	
Summarized income statement	2020	2019
Net Sales	249.8	-
Costs for production and management	-222.9	-6.8
Other operating expenses	-0.3	-0.1
Operating profit/loss	26.6	-6.9
Financial income	0.0	0.0
Financial expenses	-0.0	-2.1
Profit/loss before tax	26.6	-9.0
Tax on profit/loss for the year	-	-
Profit/loss for the year	26.6	-9.0
Summarized balance sheet	6/30/2020	6/30/2019
Current assets		
Liquid funds	178.7	97.8
Projektfastigheter	190.1	589.9
Other receivables	17.4	10.2
Total current assets	386.2	697.9
Current liabilities	-9.8	-12.7
Total current liabilities	-9.8	-12.7
Long-term financial debt	-222.2	-628.9
Other long-term liabilities	-4.9	-12.0
Total assets and long-term liabilities	-227.1	-640.9
Net assets	149.2	44.4

STUDENT HILL

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2020	2019
Net Sales	-	-
Costs for production and management	-1.9	-0.7
Other operating expenses	-0.1	-0.1
Operating profit/loss	-2.1	-0.8
Financial income	-	0.1
Financial expenses	-0.5	-0.4
Profit/loss before tax	-2.5	-1.1
Tax on profit/loss for the year	-	-
Profit/loss for the year	-2.5	-1.1
Summarized balance sheet	6/30/2020	6/30/2019
Current assets		
Liquid funds	3.2	6.8
Other receivables	25.0	25.8
Total current assets	32.0	32.6
Current liabilities	-29.8	-29.0
Total current liabilities	-29.8	-29.0
Fixed assets	0.9	0.9
Long-term financial debt	-	-4.0
Total assets and long-term liabilities	0.9	-3.1
Net assets	3.1	0.5

PROFI Turbinhallen (ended 2019)

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2020	2019
Net Sales	-	1.3
Costs for production and management	-	-9.7
Operating profit/loss	-	-8.4
Profi/loss before tax	-	-8.4
Tax on profit/loss for the year	-	-
Profit/loss for the year	-	-8.4

Summarized balance sheet	6/30/2020	6/30/2019
Current assets		
Liquid funds	-	4.2
Projektfastigheter	-	0.0
Other receivables	-	6.7
Total current assets	-	11.0
Current liabilities	-	-8.4
Total current liabilities	-	-8.4
Fixed assets	-	0.1
Total assets and long-term liabilities	-	0.1
Net assets	-	2.6

PARTNERS GROUP

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2020	2019
Net Sales	99.0	-
Costs for production and management	-111.0	-22.3
Other operating expenses	-1.6	-1.3
Operating profit/loss	-13.6	-23.6
Financial income	0.0	0.0
Financial expenses	-0.2	-0.1
Profi/loss before tax	-13.8	-23.7
Tax on profit/loss for the year	-0.1	-0.1
Profit/loss for the year	-13.9	-23.8

Summarized balance sheet	6/30/2020	6/30/2019
Current assets		
Liquid funds	158.8	44.3
Projektfastigheter	498.4	576.8
Other receivables	81.4	11.9
Total current assets	738.6	633.0
Current liabilities	-521.2	-33.3
Total current liabilities	-521.2	-33.3
Long-term financial debt	-	-325.5
Other long-term liabilities	-	-0.5
Total assets and long-term liabilities	-	-326.0
Net assets	217.4	273.7

PROFI Bromma Square (ended 2019)

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2020	2019
Net Sales	-	10.3
Costs for production and management	-	-3.2
Other operating expenses	-	-0.5
Operating profit/loss	-	6.7
Financial expenses	-	-4.2
Profit/loss before tax	-	2.5
Tax on profit/loss for the year	-	-0.8
Profit/loss for the year	-	1.6

Summarized balance sheet	6/30/2020	6/30/2019
Current assets		
Liquid funds	-	6.7
Other receivables	-	3.4
Total current assets	-	10.1
Current liabilities	-	-14.7
Total current liabilities	-	-14.7
Fixed assets	-	275.2
Long-term financial debt	-	-232.4
Other long-term liabilities	-	-7.2
Total assets and long-term liabilities	-	35.7
Net assets	-	31.1

LIBU Elverket

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2020	2019
Net Sales	1.2	0.2
Costs for production and management	-1.2	0.4
Other operating expenses	-	-0.0
Operating profit/loss	0.0	0.5
Financial income	5.8	-
Financial expenses	-5.9	-1.6
Profit/loss before tax	-0.0	-1.1
Tax on profit/loss for the year	-	-
Profit/loss for the year	-0.0	-1.1

Summarized balance sheet	6/30/2020	6/30/2019
Current assets		
Liquid funds	0.6	0.4
Projektfastigheter	432.8	423.4
Other receivables	0.6	0.3
Total current assets	434.0	424.0
Current liabilities	-0.1	-7.1
Total current liabilities	-0.1	-7.1
Long-term financial debt	-432.5	-414.1
Total assets and long-term liabilities	-432.5	-414.1
Net assets	1.4	2.9

CLEAR REAL ESTATE ÄLVSJÖ QUARTERS (started 2020)

Consolidated share amounts to 50%

	Jan-Jun	
	2020	2019
Summarized income statement		
Net Sales	0.1	-
Costs for production and management	-0.1	-
Operating profit/loss	-	-
Profit/loss before tax	-0.0	-
Tax on profit/loss for the year	-	-
Profit/loss for the year	-0.0	-
Summarized balance sheet		
	6/30/2020	6/30/2019
Current assets		
Liquid funds	0.3	-
Warehouse properties	66.0	-
Other receivables	1.3	-
Total current assets	67.5	-
Current liabilities	-	-
Total current liabilities	-	-
Other long-term liabilities	-1.2	-
Total assets and long-term liabilities	-1.2	-
Net assets	66.4	-

Note 7 Assets pledged as security and contingent liabilities

The Group	6/30/2020	6/30/2019	12/31/2019
Pledged collateral for own debt			
Share pledge	-56.8	81.2	-55.1
Property pledge	64.2	97.2	97.2
Pledged loan	28.2	-	28.2
Company mortgage	-	23.7	-
Blocked funds	3.0	3.0	3.0
Total	38.6	205.1	73.3
Contingencies	11.2	17.1	72.8
Surety for other's debt	88.3	171.6	124.0
Surety for down payments	7.6	14.2	14.2
Total	107.1	202.9	211.0
Parent company			
Pledged collateral for own debt			
Share pledge	233.1	472.3	233.1
Blocked funds	3.0	3.0	3.0
Total	236.1	475.3	236.1

Shares in subsidiaries of SSM Holding AB were pledged as collateral for issued bonds. The recognized Group value was -56.8 MSEK (81.2).

Suretyships of 88.3 MSEK (171.6) for the benefit of housing associations that are not included in the Group's consolidated accounts – that is, controlled by joint ventures and included in the consolidated accounts of the relevant joint venture – have been entered into. See Note 27 of the 2019 Annual Report for an explanation and additional information on Assets pledged and contingent liabilities.

SSM is occasionally party to a dispute. No ongoing dispute is expected to have a material impact on the Group's financial position and profit.

Signatures of the Board of Directors

The Board of Directors and the CEO confirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, August 26, 2020

Anders Janson
Chairman

Per Berggren
Member

Sheila Florell
Member

Krister Karlsson
Member

Bengt Kjell
Member

Jonas Wikström
Member

Mattias Lundgren
President & CEO

Auditors report
This report has not been
reviewed by the auditors.

Definitions of key ratios

Number of shares

Number of shares registered at the end of the period, adjusted for the share split.

Balance sheet total

Sum of assets.

Gross margin

Gross profit in relation to net sales.

Gross profit

Net sales less the cost of production and management.

Equity per share

Equity attributable to the Parent Company shareholders in proportion to the number of shares outstanding at the end of the period, adjusted for the share split.

Liquidity ratio

Current assets excluding inventories, divided by current liabilities at the end of the period.

Net sales, JV

Total net sales for SSM's joint ventures.

Net sales including JV

Net sales for the Group and for joint ventures.

Earnings per share after tax

Profit after tax in relation to the average number of outstanding shares.

Return on equity

Profit after tax in relation to average equity.

Interest coverage ratio

Profit after financial revenue in relation to financial expenses.

Operating margin

Operating profit as a percentage of net sales.

Operating profit

Profit before financial items.

Debt/equity ratio

Total debt in relation to equity.

Equity ratio

Equity in relation to total assets.

Dividend per share, SEK

Dividend in Swedish kronor in relation to the number of shares outstanding at the end of the period, adjusted for the share split.

Number of employees

Number of contracted employees at the end of the period.

Total apartments in production

Number of apartments on which production has started but not yet finished.

Completed apartments

Number of homes that have been taken in possession by the end customer.

Sales value of sold apartments

Down payments plus long-term loans attributed to sold homes and sales value of sold rental projects. The value corresponds to gross revenue and deviates from net sales in several items.

Building right

The forecast for the most recent period regarding the number of apartments in the company's projects that can be developed in the company's projects.

Production start

The time at which the Group decides to start the production of a project.

Project

A project is included in the project portfolio when the company has acquired, agreed to acquire, or has the option to directly or indirectly acquire a property in order to develop.

Accumulated number of sold apartments

Total number of apartments in production that are sold through pre-purchase agreements or grant agreements to a housing association or commercial property owner.

Sold apartments

Number of apartments sold during the period through binding pre-purchase agreements or grant agreements.

Sold share in production

Number of apartments sold compared to the number of apartments in production.

SSM applies the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs). The guidelines aim to make APMs in financial reports more comprehensible, reliable and comparable, thereby increasing their usefulness. According to these guidelines, an APM is a financial measurement of historical or financial performance, financial position, financial results or cash flows other than financial measurements defined or specified in the applicable financial reporting framework, IFRS and the Swedish Annual Accounts Act. Reconciliation of APMs is available at ssmlivinggroup.



SSM Holding

In brief

SSM produces functionally-smart and affordable housing with attractive shared spaces, near the city and close to public transport for the company's target group – tomorrow's urbanites.

The company's vision is a housing market with room for as many people as possible.

SSM is the leading residential developer in its niche in the Greater Stockholm area and has about 4,500 building rights in its project portfolio.

SSM was listed on Nasdaq Stockholm on April 6, 2017.

Financial targets & dividend policy

SSM's financial goals aim to maintain stable, long-term profitability and create value to deliver good returns for shareholders.

- Operating margin >10 percent
- Debt/equity ratio >40 percent
- Return on equity >15 percent

SSM's dividend policy aims to secure both the owners' return on capital employed and the company's need for funds to develop the business.

- Dividend >30 percent of the year's profits after tax

Financial calendar

Interim Report Q3 2020	November 19, 2020
Interim Report Q4 2020	February 23, 2020
Interim Report Q1 2021	May 19, 2020

Download SSM's financial reports at ssmlivinggroup.com

Get in touch

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The information in this report is such that SSM Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:30 CEST on August 27, 2020.

SSM

www.ssmlivinggroup.com

