

Interim report January – September 2020

**“Stronger results and  
financial position.”**

### Summary of July – September 2020

- Net sales totaled 32.0 (140.5) MSEK.
- Adjusting operating profit was 10.5 MSEK (-26.4). The West Side Solna and Metronomen cooperative apartment projects contributed 23.3 MSEK to profits for the quarter.
- Cash flow from operating activities was -35.2 MSEK (-31.1). The West Side Solna project contributed 24.0 MSEK, production of the Platform West project had a negative impact of -20.9 MSEK.
- West Side Solna cooperative apartment project sold out, buyers took possession of all 252 homes by the end of the quarter.
- SSM acquired all shares in the half-owned joint venture company Studentbacken, which has about 280 building rights in Bromma, Sollentuna and Täby, for 2.0 MSEK.
- Before continuing planning for central Telefonplan, the Stockholm City Planning Board decided to replace the two towers of Tellus Towers with a group of tall buildings of about 20-30 stories. SSM is working to renew its land allocation from the City of Stockholm for the area.

### Summary of January – September 2020

- Net sales totaled 135.6 MSEK (176.2).
- Adjusting operating profit was 17.6 MSEK (-58.9). The West Side Solna and Metronomen cooperative apartment projects contributed 49.2 MSEK to profits.
- Cash flow from operating activities totaled -100.8 MSEK (-97.4). The production start of the Platform West project had a negative impact of -97.7 MSEK, the divestment of the Bromma Square project and sale of half of the Älvsjö Quarters project contributed 75.9 MSEK.
- Start of production of the Platform West cooperative apartment project (109 homes) in Roslags-Näsby/Täby.
- Rights issue of 157.0 MSEK fully subscribed.
- The company's outstanding bond loan was extended by two years until May 2022. In May and November 2020, the company repaid 161.4 MSEK and on the date of publication of this interim report, the bond loan was 207.6 MSEK.

### Significant events after the balance sheet date

- On October 14, 2020 Amasten Fastighets AB announced a public offer to the shareholders in SSM Holding AB. Amasten already controls 29.6 percent of the shares in SSM through subsidiaries. Samhällsbyggnadsbolaget i Norden AB and Gösta Welandson with affiliates, who jointly directly or indirectly control 45.4 percent of all of the shares in SSM, have irrevocably undertaken to accept the offer. Furthermore, Länsförsäkringar Fondförvaltning, which has a shareholding in SSM of approximately 9.8 percent, has commented positively on the offer, but has not committed to accept the offer. SSM's independent bid committee will publish a formal statement regarding the offer no later than two weeks prior the end of the acceptance period. For more information about the offer please see the bidding company's website.
- Change of joint venture partner for SSM's Elverket Nacka joint venture project after Amasten took over the current partner's share in the project in connection with the city plan.

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Net sales	32.0	140.5	135.6	176.2	171.7	212.3
Net sales JV	99.2	42.2	449.2	54.0	1,029.6	634.3
Operating profit	10.5	-377.7	14.3	-416.5	15.3	-415.5
Earnings for the period	4.5	-381.6	-2.2	-427.0	-22.7	-447.5
Operating margin, percent	32.7	-268.9	10.5	-236.3	8.9	-195.7
Interest coverage ratio, times	1.5	-43.6	0.9	-13.8	0.6	-7.4
Equity ratio, %	48.7	36.5	48.7	36.5	48.7	34.0
Return on equity, percent	3.8	-287.7	-0.7	-102.9	-5.6	-82.4
Earnings per share, before and after dilution, SEK	0.10	-9.72	-0.04	-10.88	-0.47	-11.40
Number of housing units recognised for profit	34	13	156	14	321	179
Number of production started cooperative apartments	-	-204	109	-204	109	-204
Number of cooperative apartments in production	549	440	549	440	549	440
Accumulated number of sold cooperative apartments in production	453	434	453	434	453	435
Share sold cooperative apartments in production, %	82.5	98.6	82.5	98.6	82.5	98.9
Number of production started rental apartments	-	-94	-	-94	-	-94
Number of rental apartments in production	178	178	178	178	178	178

# CEO's comments



“Positive results due to the number of tenants who took possession of their homes at West Side Solna and Metronomen.”

“Investments in development portfolio and strengthened financial position.”

“In October, SSM's largest owner, Amasten, announced a public offer for SSM.”

## Strong market for cooperative apartments, but uncertainty remains

The market for cooperative apartments was strengthened during the third quarter. Transaction volumes reached new highs and apartment prices followed upward. That said, despite the quarter's positive signals, due to the increased spread of the Covid-19 virus during the fall, it is too early to conclude if this marks a long-term stabilization of Stockholm's housing market. Since SSM has now changed a significant part of its portfolio under development to focus on rental apartments, the company's dependence on the co-op market has decreased considerably.

## Stronger result as buyers take possession, SSM's operations optimized

Thanks to the Täby Turf rental project and buyers who took possession of their homes in the West Side Solna and Metronomen cooperative apartment projects, net sales have increased substantially during 2020. In total, buyers took possession of 156 (14) homes in these two projects during the first nine months of the year, with 34 (13) taking possession during the third quarter. On the balance sheet date, buyers had taken possession of 252 homes in the West Side Solna project. Sales and buyers taking possession in the Metronomen project are expected to continue until the end of the first half-year of 2021.

Operating profit for the quarter amounted to 10.5 MSEK (-26.4 excluding items affecting comparability of -351.3 MSEK), with the West Side Solna and Metronomen projects contributing 23.3 MSEK. Profits and cash flow from West Side Solna and Metronomen are somewhat delayed since both projects are being run as joint ventures. No profits have been recognized in the Täby Turf project because its production phase. The positive results are the result of SSM's work to optimize its operations, reduce fixed costs and lower risks in the project portfolio.

## Investments in portfolio and stronger financial position

During the year, SSM has strengthened the company's financial position substantially. Cash flow from operating activities was impacted by forward-looking investments in projects under development and the start of production in the Platform West cooperative apartment project. In addition to the Group's cash and cash equivalents, SSM's joint ventures had 430.0 MSEK in cash and cash equivalents on the balance sheet date. After the end of the third quarter, 69.2 MSEK of the company's bond loan was repaid. At the time of publication of this interim report, the company's bond loan was 207.6 MSEK.

## Public offer from SSM's largest owner

On October 14, Amasten Fastighets AB (publ), which today owns 29.6 percent of SSM, announced a public offer to the shareholders of SSM Holding AB. Samhällsbyggnadsbolaget i Norden AB and Gösta Welandson with affiliates, who jointly directly or indirectly control 45.4 percent of all of the shares and votes in SSM, have irrevocably undertaken to accept the offer. Furthermore, Länsförsäkringar Fondförvaltning, which has a shareholding in SSM of approx. 9.8 percent, has commented positively on the offer, but has not committed to accept the offer. The offer applies to all outstanding shares in SSM for a consideration of 1.20 new ordinary shares in Amasten for each existing share in SSM.

I see the public offer as proof that the restructuring work we've been carrying out since I took over as CEO in June last year is appreciated by the company's largest owner. SSM's Board of Directors has appointed an independent committee that will announce its recommendation regarding the offer two weeks before the end of the acceptance period at the latest.

**Mattias Lundgren**  
President & CEO

# Housing market in Greater Stockholm

“Consumer confidence in the housing market recovered during the quarter, which was evident in high transaction volumes and rising prices.”

## Significant need for housing in Greater Stockholm

The Greater Stockholm area is one of the fastest growing regions in Europe in terms of population. Official forecasts predict that the current population of 2.4 million will likely increase to 2.8 million in 10 years. According to the Swedish Housing Agency, today's rate of production of new-build housing does not meet the true needs of the region.

## Consumer confidence bounced back

SEB's Housing Price Indicator from October 2020 showed that consumer confidence in the housing market has recovered substantially, reaching a considerably higher level than before the Covid-19 pandemic started at the beginning of the year. The market is currently highly strong and prices are rising. Low interest rates, the great demand for housing and the positive price trend are driving consumer confidence, SEB states further.

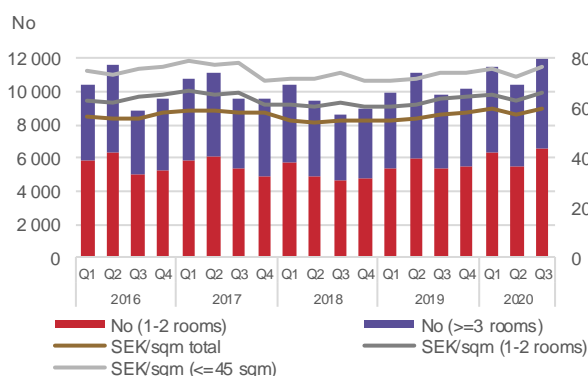
## More new-build rentals allocated

New-build rentals constitute a growing share of the rental properties allocated in the region. According to the Stockholm Housing Agency, which allocates an estimated half of the rentals in the city, the number of units it allocated during Q3 2020 rose to 4,561 (3,695) of which 679 (556) were new-build units. The corresponding figure for the period January to September 2020 was 12,975 (11,041) units of which 2,382 (2,064) were new-builds.

## Rising prices in a transaction-intensive housing market

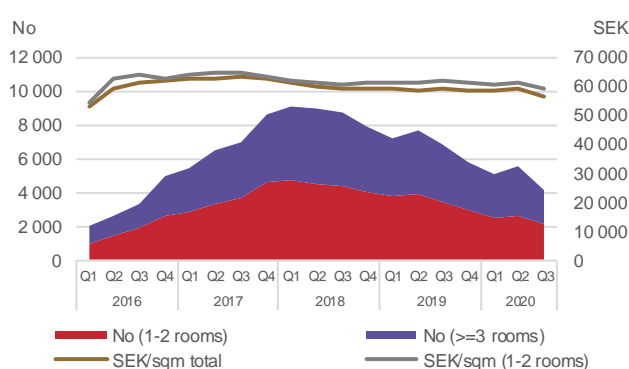
According to Svensk Mäklarstatistik, a Swedish real estate consultancy, transaction volumes for cooperative apartment sales in the Greater Stockholm area increased by 9.5 percent during the first nine months of the year with 33,893 (30,949) units sold in total. During Q3, 11,952 (9,782) cooperative apartments were sold, of which 6,612 (5,436) were one and two-room units. The average price per square meter for one and two-room apartments during the quarter increased by 3.7 percent year-on-year to 66,136 (63,776) SEK/m<sup>2</sup>. For units of up to 45 m<sup>2</sup>, prices rose by 2.4 percent to 76,442 (74,644) SEK/m<sup>2</sup>. Based on statistics from Booli, one of Sweden's leading real estate search engines, some 1,652 (1,424) new-build cooperative apartments were sold in the Greater Stockholm area during Q3 2020. At the same time, the number of new-build cooperative apartments for sale continued to decline, totaling 4,172 (6,862) at the end of Q3 2020.

Price & number of sold cooperative apartments, Greater Stockholm area



Source: Svensk Mäklarstatistik, October 2020

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



Source: Booli, October 2020

# Project portfolio

## PRODUCTION STARTED PROJECTS

Project	Type of tenancy	No. of homes	Floor space (m <sup>2</sup> )	Location	Start of production	Occupation	Sold		
							During Q3 2020	Total	Sales rate on 30/9 2020, %
West Side Solna (JV)	Co-op	252	11,906	Solna	Q3 2017	Q3 2019 - Q3 2020	13	252	100.0
Metronomen (JV)	Co-op	188	7,612	Telefonplan	Q1 2018	Q1 2020 - Q2 2021	7	152	80.9
Platform West	Co-op	109	4,901	Täby	Q2 2020	Q4 2021	-	49	45.0
<b>Total</b>		<b>549</b>	<b>24,419</b>					<b>453</b>	<b>82.5</b>
Täby Turf	Rental	178	8,701	Täby	Q3 2019	Q3 2021 - Q4 2021	n/a	178	100.0
<b>Total</b>		<b>178</b>	<b>8,701</b>					<b>178</b>	<b>100.0</b>

## PROJECTS UNDER DEVELOPMENT

Project	Type of tenancy	No. of homes	Floor space (m <sup>2</sup> )	Location	Status	Status of land acquisition	Earliest	
							production start	occupation
Sollentuna Hills	Rental	94	5,890	Sollentuna	Consultation	Acquisition agreement	2021	2023
Sollentuna Quarters	Rental	94	5,070	Sollentuna	Consultation	Acquisition agreement	2021	2023
Kandidaten	Rental	77	2,300	Bromma	Planning	Land allocation	2021	2022
The Loft	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/Rental	800	40,000	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
<b>Total</b>		<b>3,471</b>	<b>160,149</b>					
<b>Total</b>		<b>4,198</b>	<b>193,269</b>					

## PROJECTS UNDER EVALUATION

Project	Type of tenancy	No. of homes	Floor space (m <sup>2</sup> )	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	Co-op	72	1,828	Sollentuna	Consultation	Acquisition agreement	n/a	n/a
Örjan	Rental	170	5,370	Spånga	Prestudy	Land registration	n/a	n/a
<b>Total</b>		<b>719</b>	<b>26,248</b>					

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.

(\*) At the end of September 2020, prior to continuing planning work for central Telefonplan, the Stockholm City Planning Board decided to change the design of the Tellus Towers joint venture project. As a result, 1,500 homes that were originally planned in the area will be reduced to about 1,000 and the two Tellus Towers skyscrapers will be replaced with a group of high-rise buildings of approximately 20 to 30 stories. Information on the number of building rights in Tellus Towers has thus been assessed on the basis of a pro rata share based on the adjusted number of homes planned for the area.

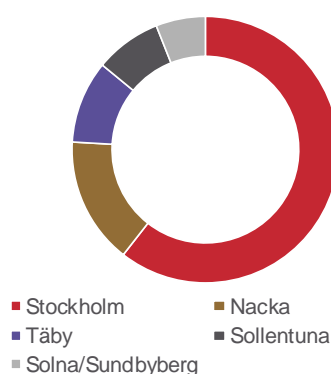
(JV) SSM participates in joint ventures. As of September 30, 2020, SSM had joint venture agreements with Partners Group (Tellus Towers, Järla Station and Metronomen), Alecta (West Side Solna), Libu Invest (Elverket Nacka) and Clear Real Estate Holding (Älvsjö Quarters). The joint venture partner for the Elverket Nacka project will change from Libu Invest to Amasten Bostäder in connection with the city plan. The joint venture with Student Hill ended in July 2020 when SSM acquired all of the shares in the Studentbacken joint venture company and took over the three shared development projects Tentafabriken, The Loft and Kandidaten.



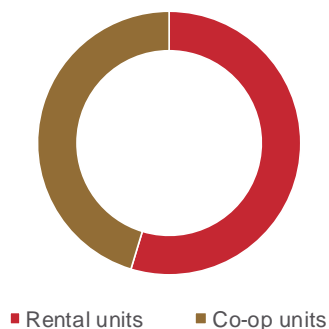
# Portfolio development

**“West Side Solna co-op project sold out and all buyers have taken possession of homes.”**

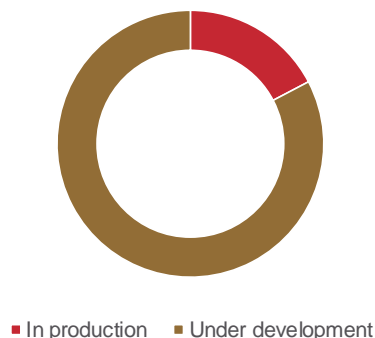
**Building rights by municipality**



**Building rights by rentals and co-ops**



**Building rights in different production phases**



SSM has a clear focus on developing rental projects and selected co-op projects, a strategic change that the company has been gradually implementing since the fall 2019. Today, most of the projects SSM is developing are rental projects. This strategy change is, however, not yet fully visible in the projects under production since 549 of the total 727 homes under production at the moment are cooperative apartments.

During the quarter, 14 homebuyers took possession of their homes in the West Side Solna cooperative apartment project. The project is now sold out and all tenants have moved in. The sales rate in the Metronomen project is 80.9 percent and on the balance sheet date, a total of 82 homebuyers had taken possession of their homes, of which 20 during Q3 2020. Production started at Platform West during the second quarter of 2020 and the project already has a sales rate of 45.0 percent. Buyers are expected to take possession of their homes toward the end of Q4 2021. The total sales rate for cooperative apartments in production was 82.5 percent on the balance sheet date.

The Täby Turf rental project, which was taken over by the housing company Willhem in Q3 2019, is expected to be ready for tenants to move in toward the end of 2021. There have been disruptions in the production of the project, in particular a delay in erecting a frame, due to the ongoing Covid-19 pandemic.

At the end of September 2020, prior to continuing planning work for central Telefonplan, the Stockholm City Planning Board decided to change the design of the Tellus Towers joint venture project. As a result, 1,500 homes that were originally planned in the area will be reduced to about 1,000 and the two Tellus Towers skyscrapers will be replaced with a group of high-rise buildings of approximately 20 to 30 stories. Information on the number of building rights in Tellus Towers has thus been assessed on the basis of a pro rata share based on the adjusted number of homes planned for the area. The intention was to create a greater variety of homes and a neighbourhood that better blends in with Stockholm's existing skyline. SSM has taken a positive view that there is now a decision to continue executing the city plan, albeit in a different form, and has begun work to renew the company's land allocation.

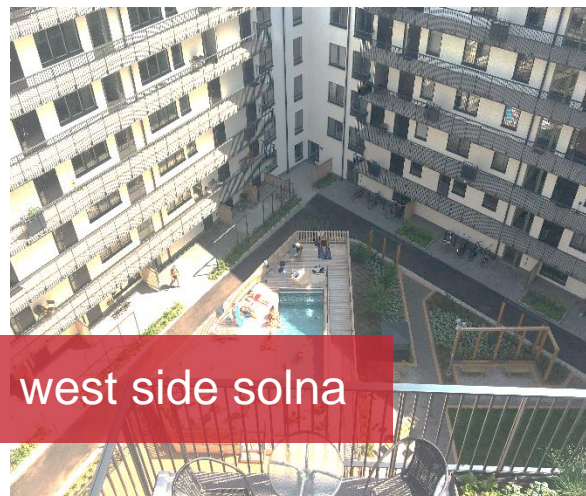
At the end of the first half-year 2020, SSM terminated the joint venture agreement with Student Hill and acquired all of the shares in the half-owned joint venture company Studentbacken during the third quarter. The acquisition included the shared development projects Kandidaten, Tentafabriken and The Loft. In connection with the city plan, the joint venture partner for the Elverket Nacka project will change from Libu Invest to Amasten Bostäder following an agreement made between the two parties in October 2020.

At the beginning of the quarter, there were four projects under evaluation that are consequently not included in the active project portfolio. 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 4,198 (4,518) building rights distributed among micro-markets relevant to SSM. Approximately half of the 3,471 building rights under development are designated to be developed into rental units.

# Selection project in production

West Side Solna (Solna) consists of 252 co-op units and has an Urban Score of 100 points. The homes are one to four-room units of 23 to 97 m<sup>2</sup>, 91 percent of which are one and two-room units of 23 to 56 m<sup>2</sup>. Most of the homes have access to a private balcony and social spaces include a shared terrace and outdoor pool. West Side Solna's proximity to the subway, everyday services and recreational facilities as well as its attractive shared spaces are reflected in the project's high Urban Score. During the summer, many new tenants were able to enjoy the shared pool during their staycations. During the quarter, the last units in the project were sold and as of September 30, 2020, all homebuyers had the keys to their new homes, with 14 taking possession during the quarter. The project is nearing completion and has been run together with Alecta.



west side solna



metronomen

Metronomen (Telefonplan) includes 188 co-op units and has an Urban Score of 100 points. Some 91 percent of the homes are one and two-room units of 29 to 63 m<sup>2</sup>, most with a private balcony. Shared spaces include a rooftop terrace. The project is in a vibrant area under development that includes the Konstfack University College of Arts, Crafts and Design. The sales rate in the project was 80.9 percent as of September 30, 2020. Tenants began moving in during March 2020 and people are moving in gradually as homes are being completed and in line with sales in the project. To date, 82 buyers have taken possession, of which 20 during the quarter. The project is being run together with Partners Group.

Platform West (Täby) includes 109 co-op units and has an Urban Score of 97 points. The project is located at Täby's main communication hub beside the Roslags-Näsby light rail station – a new, lively urban area under development that will include schools, squares and parks. About 86 percent of the homes will be 26 to 50 m<sup>2</sup>, most with a balcony or patio. Plans for shared spaces include a rooftop terrace and lush inner courtyard. The ground floor includes plans for commercial space on the square with potential for outdoor dining. The design of the building complies with the Sweden Green Building Council's Silver standards and as of September 30, 2020, the sales rate in the project was 45.0 percent. Tenants are expected to start moving in during Q4 2021. The project is being run entirely by SSM.

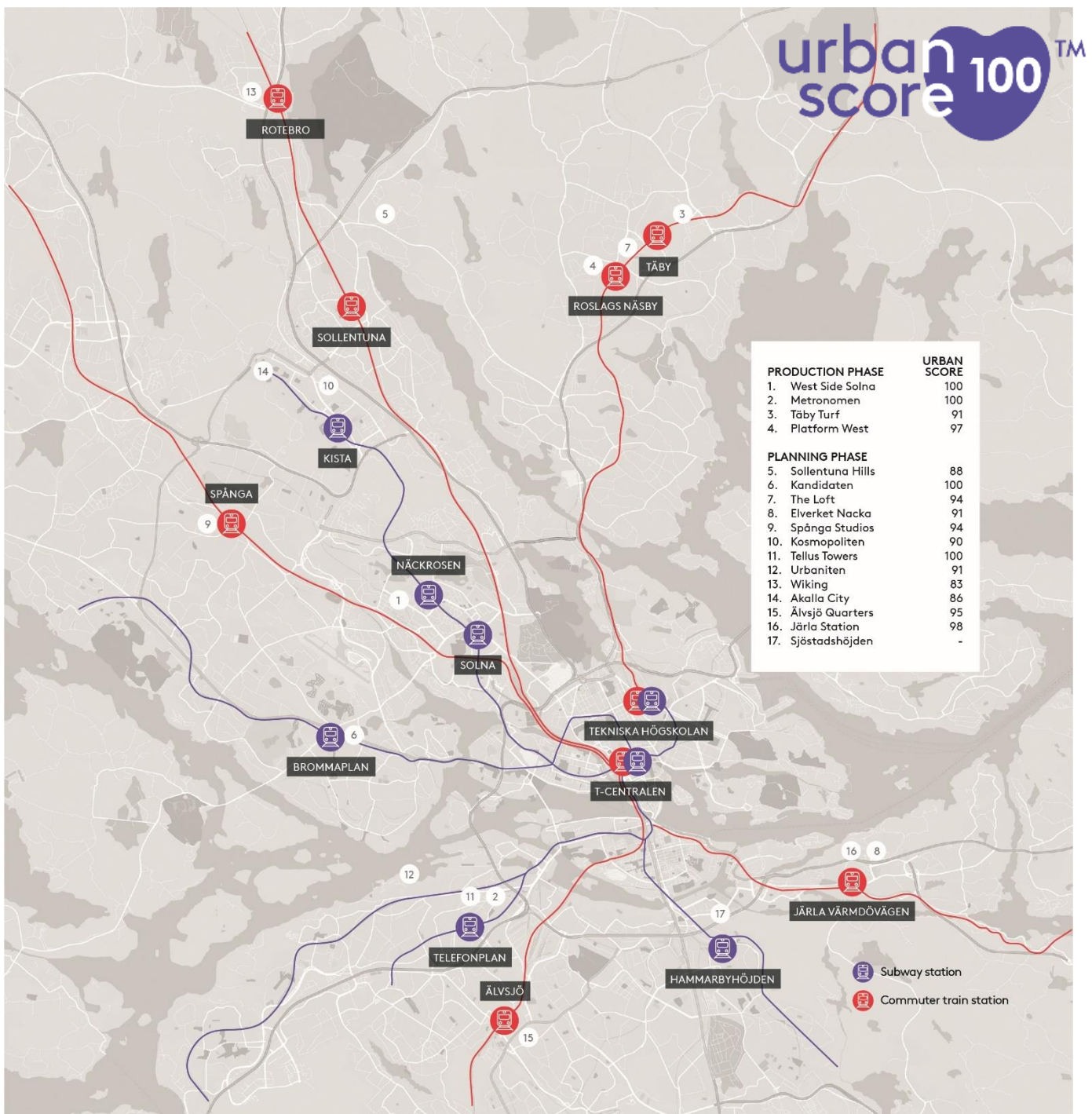


platform west



# Project portfolio

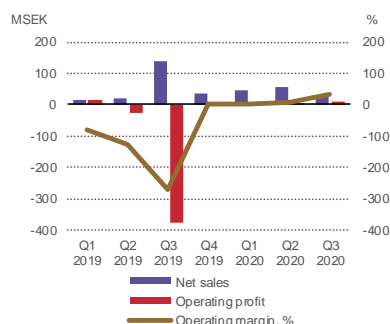
SSM offers smart, affordable homes that target people age 20 to 44 with average incomes. To steer and optimize its housing concept based on the preferences of this target group, SSM uses the Urban Score index, a transparent index that the company has developed to rank four key areas of importance to 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

July – September 2020

## Net sales, operating profit, operating margin



## Net sales and profit/loss

*Net sales in the Group* totaled 32.0 MSEK (140.5), of which 21.6 MSEK was contributed by the Täby Turf rental project. Other revenue primarily comprised time and expenses invoiced to joint venture projects and rent from project properties.

The *gross profit* was 1.0 MSEK (-193.6, of which -191.2 referred to items affecting comparability). Due to the production status of Täby Turf, the percentage of completion method was not applied during the quarter.

*Sales and administration expenses* amounted to -14.2 MSEK (-19.6).

Sales and administration expenses decreased between quarters. In addition, administrative and salary costs were not capitalized to the same extent and totaled 3.5 MSEK (8.5) during the quarter. See also Note 5, Distribution of sales and administration expenses. The outcome in the comparative period contains items affecting comparability of -1.1 MSEK in total in the form of restructuring costs.

*Other operating income* was 14.0 MSEK (-134.2, of which -134.2 referred to items affecting comparability, related to the revaluation of the Tellus Towers earnout). The outcome in the quarter was due to the sale of promissory notes (the value of the land) to the joint venture partner in the Metronomen project, which occurred within the scope of the project. Revenue from the sale is recognized when homebuyers take possession of the cooperative apartments and the project is completed.

*Participations in joint ventures* amounted to 9.6 MSEK (-30.3). During the quarter, homebuyers took possession of 14 cooperative apartments in the West Side Solna project, which meant that a participation of 9.1 MSEK was contributed. In the Metronomen cooperative apartment project, 20 homebuyers took possession of their homes during the quarter. Due to a forecasted and already expensed loss-making construction contract in the Metronomen project, this project will not contribute any profit participation from the joint venture. However, the project made a positive net contribution of 13.7 MSEK to the profit/loss for the year, comprising 14.0 MSEK from other operating income (see above) and a loss participation of -0.3 MSEK due to forecasted cost increases during the quarter. See also Note 6, Participations in joint ventures, for a condensed income statement and balance sheet. The outcome for the comparative quarter comprises items affecting comparability of -24.8 in the form of a revaluation of joint venture participations and receivables.

*Operating profit in the Group* totaled 10.5 MSEK (-377.7, of which -351.3 referred to items affecting comparability related to the revaluation of project properties), which is primarily due to the fact that homebuyers took possession in the West Side Solna and Metronomen projects. The operating margin was 32.7 percent. The adjusted operating profit totaled 10.5 MSEK (-26.4).

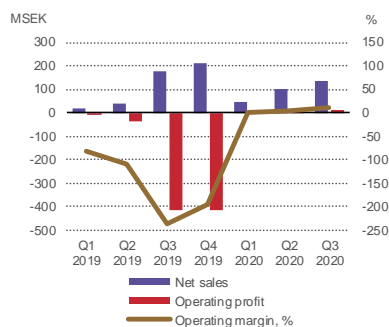
*The profit for the quarter* was 4.5 MSEK (-381.6), and in addition to the above, it was affected by a net financial expense of -6.0 MSEK (-5.9) and a tax expense for the quarter of 0.0 MSEK (2.1).

See SSM's Interim Report Q3 2019 for more detailed information regarding items affecting comparability for the third quarter 2019. Reconciliation of the adjusted operating profit is also available in the alternative performance measures report at [ssmlivinggroup.com](http://ssmlivinggroup.com).

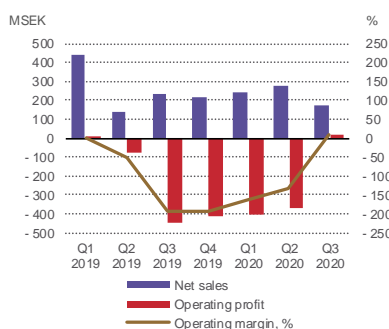


## January – September 2020

### Net sales, operating profit, operating margin



### Net sales, operating profit, operating margin, LTM



### Net sales and profit/loss

*Net sales in the Group* totaled 135.6 MSEK (176.2). Revenue for the period was mainly from the Täby Turf rental project. Other revenue primarily comprised time and expenses invoiced to joint venture projects and rent from project properties.

The *gross profit* amounted to 15.4 MSEK (-183.6) and the gross margin was 11.4 percent (-104.2). The return of the Täby Market project to Täby Municipality had an 8.7 MSEK impact on the gross profit due to the reversal of previous write-downs. The outcome in the comparative period contains items affecting comparability of -191.2 MSEK.

*Sales and administration expenses* amounted to -48.5 MSEK (-49.3). Restructuring costs totaled -3.3 MSEK (-7.4). Sales and administration expenses decreased between the periods. In addition, administrative and salary costs were not capitalized to the same extent and totaled 18.6 MSEK (47.2) during the period. See also Note 5, Distribution of sales and administration expenses.

*Other operating income* was 38.1 MSEK (-134.2). The outcome in the period was due to the sale of promissory notes (the value of the land) to the joint venture partner in the Metronomen project, which occurred within the scope of the project. Revenue from the sale is recognized when homebuyers take possession of the cooperative apartments and the project is completed. The outcome in the comparative period contains an item affecting comparability in the form of the revaluation of the Tellus Towers earnout of -134.2 MSEK.

*Participations in joint ventures* amounted to 9.4 MSEK (-49.53). During the period, homebuyers took possession of 74 cooperative apartments in the West Side Solna project, which meant that a participation of 17.6 MSEK was contributed. In the Metronomen cooperative apartment project, 82 homebuyers took possession of their homes. Due to a forecasted and already expensed loss-making construction contract in the Metronomen project, this project will not contribute any profit participation from the joint venture. However, the project made a positive net contribution of 31.6 MSEK to the profit/loss for the year, comprising 38.1 MSEK from other operating income (see above) and a loss participation of -6.4 MSEK due to forecasted cost increases. See also Note 6, Participations in joint ventures, for a condensed income statement and balance sheet. The outcome for the comparative period comprises items affecting comparability of -24.8 MSEK in the form of a revaluation of joint venture participations and receivables.

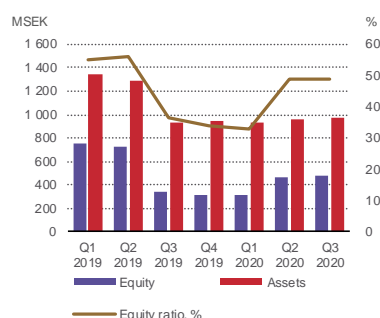
*Operating profit in the Group* totaled 14.3 MSEK (-416.5). The increase is mainly because homebuyers took possession of 156 cooperative apartments in the company's joint venture projects during the period. The operating margin was 10.5 percent. The outcome for the comparative period comprises items affecting comparability of -357.6 MSEK. The adjusted operating profit was 17.6 MSEK (-58.9).

*The loss for the period* was -2.2 MSEK (-427.0) and it was impacted by a net financial expense of -16.5 MSEK (-13.0). The net financial expense for the comparative period includes the repurchase of the company's bonds of 8.9 MSEK.

See SSM's Interim Report Q3 2019 for more detailed information regarding items affecting comparability for the third quarter 2019. Reconciliation of the adjusted operating profit is also available in the alternative performance measures report at [ssmlivinggroup.com](http://ssmlivinggroup.com).

# 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 4,198 building rights (4,518) in its project portfolio. At the end of the period, 727 homes (618) were in production. The sales rate for cooperative apartments in production was 82.5 percent (98.6).

Capital tied up in project properties and completed properties totaled 381.1 MSEK (305.9) at the end of the period. The change from the end of one accounting period to the end of the next is primarily due to investments in the Platform West project (97.8 MSEK), the sale of half of the shares in the Älvsjö Quarters project and reclassification as participations in joint ventures (-64.4 MSEK), and the acquisition of Student's Hills share of the Studentbacken joint venture (21.7 MSEK). In parallel with these changes, planning in the company's projects is always ongoing, increasing the value of the assets.

At the end of the period, capital tied up in joint ventures and receivables from joint ventures totaled 287.3 MSEK (302.8). The change from the end of one accounting period to the end of the next is primarily due to the divestment of SSM's share in the Bromma Square joint venture project (-45.5 MSEK), the sale of half of the shares in the Älvsjö Quarters project (33.5 MSEK), the loan to the Elverket joint venture (30.5 MSEK), the acquisition of the joint venture share in Studentbacken (-22.6 MSEK), increases in expenses for the Metronomen project, costs for the Partners Group joint venture (-10.1 MSEK) and the acquisition of the joint venture share in the Turbinhallen project (-8.0 MSEK).

In addition to the Group's cash and cash equivalents, SSM's joint ventures had 430.0 MSEK in cash and cash equivalents on the balance sheet date.

In November, SSM moved to a new office better adapted to the size of the company. SSM entered the new lease after the end of the period, which is why no right-of-use asset/liability was reported during the quarter. The effect of not extending the lease agreement for the company's former premises is that the right-of-use asset/liability has been adjusted by -12.6 MSEK and -13.9 MSEK respectively. During the fourth quarter, the effect of taking possession of the new premises will result in an increase of approximately 11.5 MSEK on the asset side and about 12.3 MSEK in liabilities.

## 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 414.4 MSEK (463.5) on the balance sheet date, of which the bond loan accounted for 275.4 MSEK (367.6). In 2019, SSM repurchased its own outstanding bonds for a nominal amount of 31.0 MSEK for a total of 21.8 MSEK, that is, the average volume-weighted repurchase price corresponded to 70.4 percent of the nominal amount.

During 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. During May and November 2020, SSM repaid a total of 161.4 MSEK and on the date of the publication of this interim report, the company's bond loan amounted to 207.6 MSEK. The company has undertaken to repay at least 69.2 MSEK of the bond loan every six months with the next payment due in May 2021 and the final repayment in May 2022.

## Cash flow

During the quarter, cash flow from operating activities amounted to -35.2 MSEK (-31.1). Larger items that impacted cash flow include the dividend from the Alecta joint venture (24.0 MSEK) and gross investments in the Platform West project (-20.9 MSEK). Homebuyers taking possession in the Metronomen cooperative apartment project had a limited impact on cash flow during the quarter, as cash and cash equivalents remain in the joint venture company.

During the period January – September, cash flow from operating activities amounted to -100.8 MSEK (-97.4). Larger items that impacted cash flow include gross investments in the Platform West project (-20.9 MSEK), the divestment of the Bromma Square project (42.9 MSEK), the sale of half of the shares in the Älvsjö Quarters project (33.0 MSEK), the dividend from the Alecta joint venture (24.0 MSEK) and the return of the Täby Market project (8.7 MSEK) to Täby Municipality. Homebuyers taking possession in the Metronomen cooperative apartment project had a limited impact on cash flow during the period, as cash and cash equivalents remain in the joint venture company.

The new share issue and cash flows from the completion of the West Side Solna and Metronomen projects are expected to provide sufficient cash and cash equivalents to carry out the company's business plan.



# 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 during the period and comparative period alike. The loss for the period was -7.2 MSEK (-249.9).

Assets in the Parent Company comprise mainly participations in and receivables from Group companies and amounted to 845.5 MSEK (778.2) at the end of the period. Equity was 521.6 MSEK (393.3) 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 38 people (54), of which 18 (23) were women. For the period January – September, the average number was 39 (58) people of which 18 (24) were women. The decrease in the number of employees is mainly due to natural attrition, adaptations carried out in the company and the divestment of SSM's contracting operations.

## 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.

## 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, manage and limit risks in its operations.

SSM is continuing to monitor the development of the Covid-19 pandemic and its potential impact on the company's operations. See also Note 5, Sales and administrative expenses, for information on the state aid that SSM has received during 2020.

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

On October 14, 2020, Amasten Fastighets AB announced a public offer to the shareholders in SSM Holding AB (publ). Amasten already controls 29.6 percent of the shares in SSM via subsidiaries. Samhällsbyggnadsbolaget i Norden AB and Gösta Welandson with affiliates, who jointly directly or indirectly control 45.4 percent of all of the shares in SSM, have irrevocably undertaken to accept the offer. Furthermore, Länsförsäkringar Fondförvaltning, which has a shareholding in SSM of approximately 9.8 percent, has commented positively on the offer, but has not committed to accept the offer. SSM's independent bid committee will publish a formal statement regarding the offer no later than two weeks prior the end of the acceptance period. For more information about the offer, please see the bidding company's website.

There was a change of joint venture partner for SSM's Elverket Nacka joint venture project after Amasten took over the current partner's share in the project in connection with the city plan.

On October 28, 2020, the company's bondholders approved an amendment of the terms of the bond loan for the purpose of listing the bonds on Nasdaq First North. SSM has begun work to list the bonds.

# The Group's statement of comprehensive income

(MSEK)	Not	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
		2020	2019	2020	2019	2019/2020	2019
Net sales	4	32.0	140.5	135.6	176.2	171.7	212.3
Expenses for production and management		-31.0	-334.1	-120.2	-359.8	-152.3	-391.9
<b>Gross profit</b>		<b>1.0</b>	<b>-193.6</b>	<b>15.4</b>	<b>-183.6</b>	<b>19.4</b>	<b>-179.5</b>
Sales and administration expenses	5	-14.2	-19.6	-48.5	-49.3	-68.1	-68.8
Earnings from joint ventures	6	9.6	-30.3	9.4	-49.5	25.9	-33.0
Other income/-cost		14.0	-134.2	38.1	-134.2	38.1	-134.2
<b>Operating profit</b>		<b>10.5</b>	<b>-377.7</b>	<b>14.3</b>	<b>-416.5</b>	<b>15.3</b>	<b>-415.5</b>
Financial income		3.2	2.7	13.0	16.1	16.3	19.4
Financial expenses		-9.2	-8.6	-29.5	-29.1	-53.6	-53.2
<b>Net financial items</b>		<b>-6.0</b>	<b>-5.9</b>	<b>-16.5</b>	<b>-13.0</b>	<b>-37.4</b>	<b>-33.8</b>
<b>Pre-tax profit</b>		<b>4.5</b>	<b>-383.6</b>	<b>-2.2</b>	<b>-429.5</b>	<b>-22.1</b>	<b>-449.3</b>
Tax		0.0	2.1	-0.0	2.4	-0.6	1.8
<b>EARNINGS FOR THE PERIOD</b>		<b>4.5</b>	<b>-381.6</b>	<b>-2.2</b>	<b>-427.0</b>	<b>-22.7</b>	<b>-447.5</b>
Profit attributable to							
Parent company shareholders		4.5	-381.6	-2.2	-427.0	-22.6	-447.5
Minority interest		0.0	0.0	-	-	-0.0	-0.0
<b>PROFIT FOR THE PERIOD</b>		<b>4.5</b>	<b>-381.6</b>	<b>-2.2</b>	<b>-427.0</b>	<b>-22.7</b>	<b>-447.5</b>
Earnings per share, before and after dilution (SEK)		0.10	-9.72	-0.04	-10.88	-0.47	-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		58,878,813	39,252,542	51,324,525	39,252,542	48,290,038	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)	9/30/2020	9/30/2019	12/31/2019
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	1.9	4.0	2.6
Total intangible assets	1.9	4.0	2.6
<i>Tangible assets</i>			
Machinery and equipment	0.1	0.2	0.2
Right-of-use assets	14.7	40.2	30.2
Total tangible assets	14.7	40.4	30.4
<i>Financial assets</i>			
Participations in joint ventures	156.2	138.0	130.6
Receivables from joint ventures	115.0	147.0	129.3
Other long-term receivables	-	81.6	82.4
Total financial assets	271.1	366.5	342.3
<b>Total fixed assets</b>	<b>287.8</b>	<b>410.9</b>	<b>375.3</b>
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	378.4	303.2	313.8
Completed homes	5.9	2.8	2.8
Total inventories	384.3	305.9	316.6
<i>Other current assets</i>			
Accounts receivable	12.8	67.5	16.4
Recognized, non-invoiced revenue	-	10.5	0.4
Receivables from joint ventures	16.2	17.8	19.1
Tax receivables	1.8	1.1	0.9
Other receivables	131.2	26.6	47.3
Prepaid costs and accrued income	2.4	8.3	8.5
Liquid funds	130.9	82.8	155.3
<b>Total current assets</b>	<b>679.5</b>	<b>520.6</b>	<b>564.5</b>
<b>TOTAL ASSETS</b>	<b>967.3</b>	<b>931.5</b>	<b>939.8</b>

# The Group's statement of financial position, cont.

(MSEK)	9/30/2020	9/30/2019	12/31/2019
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	58.9	39.3	39.3
Paid-up capital	641.3	506.5	506.5
Reserves	-	-	-
Profit brought forward	-228.8	-206.1	-226.6
<b>Equity attributable to Parent Company shareholders</b>	<b>471.4</b>	<b>339.6</b>	<b>319.2</b>
Minority interest	0.0	0.0	0.0
<b>Total equity</b>	<b>471.5</b>	<b>339.6</b>	<b>319.2</b>
<i>Long-term liabilities</i>			
Bond issues	137.1	-	-
Liabilities to credit institutions	139.0	-	114.0
Other long-term liabilities	14.0	33.8	26.0
Provisions	2.3	6.7	5.5
Deferred tax liabilities	0.5	0.5	0.5
<b>Total long-term liabilities</b>	<b>292.9</b>	<b>41.0</b>	<b>146.0</b>
<i>Current liabilities</i>			
Bond issues	138.4	367.6	368.3
Liabilities to credit institutions	-	95.9	-
Advance payments from customers	3.7	7.3	10.2
Accounts payable – trade	5.2	11.3	27.8
Provisions	11.5	22.0	19.0
Current tax liabilities	-	0.9	1.4
Invoiced unrecognised revenues	18.1	-	-
Other liabilities	5.5	15.9	13.4
Accrued costs and prepaid income	20.6	30.1	34.6
<b>Total current liabilities</b>	<b>203.0</b>	<b>550.9</b>	<b>474.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>967.3</b>	<b>931.5</b>	<b>939.8</b>

# 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			-427.0	-427.0	-	-427.0
Total profit			-427.0	-427.0	-	-427.0
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, SEPTEMBER 30, 2019</b>	<b>39.3</b>	<b>506.5</b>	<b>-206.1</b>	<b>339.6</b>	<b>0.0</b>	<b>339.6</b>
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	-447.5
Total profit			-447.5	-447.5	0.0	-447.5
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, DECEMBER 31, 2019</b>	<b>39.3</b>	<b>506.5</b>	<b>-226.6</b>	<b>319.2</b>	<b>0.0</b>	<b>319.2</b>
Equity, January 1, 2020	39.3	506.5	-226.6	319.2	0.0	319.2
Profit						
Profit this period			-2.2	-2.2	-	-2.2
Total profit			-2.2	-2.2	-	-2.2
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
<b>EQUITY, SEPTEMBER 30, 2020</b>	<b>58.9</b>	<b>641.3</b>	<b>-228.8</b>	<b>471.4</b>	<b>0.0</b>	<b>471.5</b>



# The Group's cash flow statement

	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
(MSEK)	2020	2019	2020	2019	2019/2020	2019
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	10.5	-377.7	14.3	-416.5	15.3	-415.5
Items not affecting liquidity	-10.9	288.0	-33.3	288.2	5.8	327.3
Recognized profits in joint ventures	-9.6	30.3	-9.4	49.5	-25.9	33.0
Received dividend from joint ventures	24.0	-	24.0	-	24.0	-
Received interest	1.0	-	4.1	-	6.5	2.4
Paid interest	-12.9	-8.2	-30.8	-26.8	-55.0	-51.0
Paid income taxes	-0.4	1.4	-1.4	0.8	-1.5	0.8
Cash flow before changes in operating capital	1.6	-66.1	-32.5	-104.8	-30.7	-103.0
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in property projects	-24.9	55.6	-79.2	13.1	-100.1	-7.8
Decrease/increase in accounts receivables	8.7	-22.7	3.6	-25.2	54.7	26.0
Decrease/increase in other current receivables	-1.3	-28.3	46.9	6.2	34.4	-6.3
Decrease/increase in supplier liabilities	-16.8	6.0	-21.2	-14.6	-5.3	1.4
Decrease/increase in current liabilities	-2.6	24.3	-18.5	27.8	-22.0	24.2
Total change in operating capital	-36.8	35.0	-68.3	7.4	-38.2	37.5
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-35.2</b>	<b>-31.1</b>	<b>-100.8</b>	<b>-97.4</b>	<b>-68.9</b>	<b>-65.5</b>
<i>Cash flow from investment activities</i>						
Investments in intangible assets	-0.2	-0.3	-0.3	-1.2	-0.3	-1.3
Investments in financial assets	-1.2	-5.1	-21.0	-66.8	-62.3	-108.0
Decrease of financial assets	11.1	-	13.7	-	79.7	66.0
Cash flow from investment activities	9.7	-5.4	-7.6	-68.0	17.1	-43.3
<i>Cash flow from financing activities</i>						
Capital contributions	-	-	154.5	-	154.5	-
Increase in long-term liabilities	44.0	-	44.0	-	158.0	114.0
Amortization of long-term liabilities	-0.7	-1.6	-22.2	-4.8	-23.7	-6.2
Amortization of short-term liabilities	0.3	-0.7	-92.3	-21.8	-188.9	-118.5
Cash flow from financing activities	43.6	-2.3	84.0	-26.6	99.9	-10.7
Decrease/increase in liquid funds	18.1	-38.8	-24.4	-192.0	48.1	-119.5
Liquid funds, opening balance	112.8	121.6	155.3	274.8	82.8	274.8
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>130.9</b>	<b>82.8</b>	<b>130.9</b>	<b>82.8</b>	<b>130.9</b>	<b>155.3</b>

# Parent Company's statement of comprehensive income

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
Net sales	3.0	4.1	9.0	12.1	10.8	13.9
Costs for production and management	-	-0.1	-	-0.1	0.0	-0.1
Gross profit	3.0	4.0	9.0	12.0	10.8	13.8
Sales and administration costs	-7.1	-10.4	-19.3	-31.1	-28.1	-39.9
<b>Operating profit</b>	<b>-4.1</b>	<b>-6.4</b>	<b>-10.3</b>	<b>-19.1</b>	<b>-17.3</b>	<b>-26.1</b>
Depreciation of assets	-	-239.2	-	-239.2	-0.0	-239.2
Interest income and similar profit/loss items	8.4	7.6	25.7	35.0	32.8	42.2
Interest expenses and similar profit/loss items	-6.5	-8.7	-22.6	-26.6	-41.6	-45.7
Profit after financial items	-2.2	-246.7	-7.2	-249.9	-26.2	-268.8
Tax	-	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>-2.2</b>	<b>-246.7</b>	<b>-7.2</b>	<b>-249.9</b>	<b>-26.2</b>	<b>-268.8</b>

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)	9/30/2020	9/30/2019	12/31/2019
<b>ASSETS</b>			
<i>Fixed assets</i>			
Participations in Group companies	233.1	233.1	233.1
Receivables from Group companies	367.3	485.4	471.8
	3.0	3.0	3.0
<b>Total fixed assets</b>	<b>603.4</b>	<b>721.5</b>	<b>707.9</b>
<i>Current assets</i>			
Receivables from Group companies	162.0	42.0	57.0
Receivables from joint ventures	-	0.2	-
Tax receivables	-	0.2	-
Other assets	2.0	0.0	0.3
Prepaid expenses and accrued revenue	1.1	3.7	7.3
Cash and bank balances	77.0	10.6	0.8
<b>Total current assets</b>	<b>242.1</b>	<b>56.7</b>	<b>65.4</b>
<b>TOTAL ASSETS</b>	<b>845.5</b>	<b>778.2</b>	<b>773.2</b>
<b>EQUITY AND LIABILITIES</b>			
<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	-7.2	-249.9	-268.8
<b>Total equity</b>	<b>521.6</b>	<b>393.3</b>	<b>374.3</b>
<i>Long-term liabilities</i>			
Bond issues	137.1	-	-
<b>Total long-term liabilities</b>	<b>137.1</b>	<b>-</b>	<b>-</b>
<i>Current liabilities</i>			
Bond issues	138.4	367.6	368.3
Liabilities to Group companies	40.0	0.0	0.6
Accounts payable – trade	0.1	3.9	9.8
Other liabilities	0.1	0.2	0.1
Accrued expenses and prepaid liabilities	8.2	13.1	20.2
<b>Total current liabilities</b>	<b>186.8</b>	<b>384.9</b>	<b>398.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>845.5</b>	<b>778.2</b>	<b>773.2</b>

# 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			-249.9	-249.9
Total profit			-249.9	-249.9
Total transactions with shareholders	-	-	-	-
<b>EQUITY, SEPTEMBER 30, 2019</b>	<b>39.3</b>	<b>506.5</b>	<b>-152.5</b>	<b>393.3</b>
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	-	-	-	-
<b>EQUITY, DECEMBER 31, 2019</b>	<b>39.3</b>	<b>506.5</b>	<b>-171.5</b>	<b>374.3</b>
Equity, January 1, 2020	39.3	506.5	-171.5	374.3
Profit				
Profit this period			-7.2	-7.2
Total profit			-7.2	-7.2
Transactions with shareholders				
New issue	19.6	134.9		154.5
Total transactions with shareholders	19.6	134.9	-	154.5
<b>EQUITY, SEPTEMBER 30, 2020</b>	<b>58.9</b>	<b>641.3</b>	<b>-178.6</b>	<b>521.6</b>

# Parent Company's cash flow statement

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2020	2019	2020	2019	2019/2020	2019
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-4.1	-245.5	-10.3	-258.3	221.9	-26.1
Items not affecting liquidity	-	239.2	-	239.2	-239.2	-
Received interest	8.4	7.3	25.7	25.9	32.8	33.0
Paid interest	-6.3	-7.2	-23.2	-24.4	-41.6	-42.8
Paid income taxes	-	-0.1	-	-0.0	0.2	0.2
Cash flow before changes in operating capital	-1.9	-6.4	-7.8	-17.7	-25.9	-35.8
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in other current receivables	-123.3	-0.1	-100.6	10.4	-122.9	-11.9
Decrease/increase in supplier liabilities	-0.1	2.6	-9.7	0.3	-3.8	6.2
Decrease/increase in current liabilities	40.3	-1.6	27.5	-3.0	35.0	4.5
Total change in operating capital	-83.1	0.9	-82.8	7.8	-91.8	-1.2
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-85.1</b>	<b>-5.4</b>	<b>-90.6</b>	<b>-9.9</b>	<b>-117.7</b>	<b>-37.0</b>
<i>Cash flow from investment activities</i>						
Investments in financial assets	138.3	23.7	104.5	14.0	121.8	31.2
Decrease of financial assets	-	-11.5	-	-	-	-
Cash flow from investment activities	138.3	12.2	104.5	14.0	121.8	31.2
<i>Cash flow from financing activities</i>						
Capital contributions	-	-	154.5	-	154.5	-
Amortization of long-term liabilities	-	-	-	-	-	-
Amortization of short-term liabilities	-	-0.7	-92.3	-21.8	-92.3	-21.8
Cash flow from financing activities	-	-0.7	62.2	-21.8	62.2	-21.8
Decrease/increase in liquid funds	53.3	6.0	76.2	-17.8	66.3	-27.6
Liquid funds, opening balance	23.7	4.6	0.8	28.4	10.6	28.4
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>77.0</b>	<b>10.6</b>	<b>77.0</b>	<b>10.6</b>	<b>77.0</b>	<b>0.8</b>



## 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 Olof Palmes gata 13A, PO box 517, 111 37 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	9/30/2020	9/30/2019	12/31/2019
Bond issue	275.4	367.6	368.3
Liabilities to credit institutions	139.0	95.9	114.0
Other long-term liabilities	14.0	33.8	26.0
<b>TOTAL LIABILITIES</b>	<b>428.5</b>	<b>497.3</b>	<b>508.3</b>
<b>Fair value</b>			
Bond issue	276.8	369.0	369.0
Liabilities to credit institutions	139.0	96.3	114.0
Other long-term liabilities	14.0	33.8	26.0
<b>TOTAL LIABILITIES</b>	<b>429.8</b>	<b>499.2</b>	<b>509.0</b>

#### 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	Jul-Sep		Jan-Sep		2019
	2020	2019	2020	2019	
Project revenue, contracted	22.0	129.3	91.8	135.2	147.8
Sale of other construction services	2.5	5.9	17.6	26.0	34.6
Sale of other construction goods	4.9	1.1	16.1	2.3	13.0
Other revenue	2.6	4.1	10.0	12.8	16.9
<b>NETTOOMSÄTTNING</b>	<b>32.0</b>	<b>140.5</b>	<b>135.6</b>	<b>176.2</b>	<b>212.3</b>
Total revenue from large customers	28.7	127.3	124.4	151.6	173.3
No. of large customers (>10% of revenue)	2	3	2	4	4

#### Note 5 Sales and administration expenses

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

	Jul-Sep		Jan-Sep		2019
	2020	2019	2020	2019	
Overhead costs	-9.3	-10.1	-22.7	-27.7	-35.2
Salaries	-7.0	-16.8	-40.1	-64.3	-80.0
Administrative costs, balanced	1.8	0.9	6.0	18.6	20.8
Salaries, balanced	1.9	7.6	12.8	28.5	34.3
Depreciations/amortization	-1.5	-1.1	-4.5	-4.4	-8.7
<b>Sales and administration costs</b>	<b>-14.2</b>	<b>-19.6</b>	<b>-48.5</b>	<b>-49.3</b>	<b>-68.8</b>

During the quarter, administration and salary costs totaled -16.3 MSEK (26.9). State aid due to the Covid-19 pandemic had an impact of 0.9 MSEK on salary costs during the quarter. In total, the company has received 2.2 MSEK in state aid during the year for furloughed employees and from reduced social security contributions.

#### 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-Sep	
	2020	2019
<b>Summarized income statement</b>		
Net Sales	294.9	36.1
Costs for production and management	-235.8	-38.1
Other operating expenses	-2.6	-0.2
<b>Operating profit/loss</b>	<b>56.5</b>	<b>-2.2</b>
Financial income	0.0	0.0
Financial expenses	-0.0	-4.4
<b>Profi/loss before tax</b>	<b>56.5</b>	<b>-6.6</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>56.5</b>	<b>-6.6</b>
<b>Summarized balance sheet</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
<b>Current assets</b>		
Liquid funds	127.9	94.3
Projektfastigheter	188.3	637.7
Other receivables	12.3	8.3
<b>Total current assets</b>	<b>328.5</b>	<b>740.3</b>
Current liabilities	-4.0	-15.6
<b>Total current liabilities</b>	<b>-4.0</b>	<b>-15.6</b>
Long-term financial debt	-221.9	-667.1
Other long-term liabilities	-3.5	-10.7
<b>Total assets and long-term liabilities</b>	<b>-225.4</b>	<b>-677.8</b>
<b>Net assets</b>	<b>99.1</b>	<b>46.9</b>

**STUDENT HILL (ended 2020)**

Consolidated share amounts to 50%

	Jan-Sep	
	2020	2019
<b>Summarized income statement</b>		
Net Sales	-	-
Costs for production and management	-0.1	-1.2
Other operating expenses	-0.1	-0.1
<b>Operating profit/loss</b>	<b>-0.2</b>	<b>-1.3</b>
Financial income	-	0.1
Financial expenses	-0.5	-0.4
<b>Profi/loss before tax</b>	<b>-0.7</b>	<b>-1.6</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-0.7</b>	<b>-1.6</b>
<b>Summarized balance sheet</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
<b>Current assets</b>		
Liquid funds	-	3.9
Other receivables	-	26.6
<b>Total current assets</b>	<b>-</b>	<b>30.5</b>
Current liabilities	-	-30.2
<b>Total current liabilities</b>	<b>-</b>	<b>-30.2</b>
Fixed assets	-	0.9
Long-term financial debt	-	-1.2
<b>Total assets and long-term liabilities</b>	<b>-</b>	<b>-0.3</b>
<b>Net assets</b>	<b>-</b>	<b>-0.0</b>

**PROFI Turbinhallen (ended 2019)**

Consolidated share amounts to 50%

	Jan-Sep	
<b>Summarized income statement</b>	<b>2020</b>	<b>2019</b>
Net Sales	-	1.3
Costs for production and management	-	-0.9
<b>Operating profit/loss</b>	-	<b>0.4</b>
<b>Profi/loss before tax</b>	-	<b>0.4</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	-	<b>0.4</b>

<b>Summarized balance sheet</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
<b>Current assets</b>		
Liquid funds	-	4.2
Other receivables	-	7.1
<b>Total current assets</b>	-	<b>11.3</b>
Fixed assets	-	0.1
<b>Total assets and long-term liabilities</b>	-	<b>0.1</b>
<b>Net assets</b>	-	<b>11.4</b>

**PARTNERS GROUP**

Consolidated share amounts to 50%

	Jan-Sep	
<b>Summarized income statement</b>	<b>2020</b>	<b>2019</b>
Net Sales	152.7	-
Costs for production and management	-165.2	-40.2
Other operating expenses	-1.7	-2.0
<b>Operating profit/loss</b>	<b>-14.2</b>	<b>-42.2</b>
Financial income	0.0	0.0
Financial expenses	-0.6	-0.1
<b>Profi/loss before tax</b>	<b>-14.8</b>	<b>-42.3</b>
Tax on profit/loss for the year	-0.1	-0.1
<b>Profit/loss for the year</b>	<b>-14.9</b>	<b>-42.4</b>

<b>Summarized balance sheet</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
<b>Current assets</b>		
Liquid funds	210.8	35.4
Projektfastigheter	355.8	605.0
Other receivables	150.5	19.0
<b>Total current assets</b>	<b>717.1</b>	<b>659.4</b>
Current liabilities	-500.5	-403.5
<b>Total current liabilities</b>	<b>-500.5</b>	<b>-403.5</b>
Other long-term liabilities	-0.3	-0.8
<b>Total assets and long-term liabilities</b>	<b>-0.3</b>	<b>-0.8</b>
<b>Net assets</b>	<b>216.4</b>	<b>255.1</b>

**PROFI Bromma Square (ended 2019)**

Consolidated share amounts to 50%

	Jan-Sep	
	2020	2019
<b>Summarized income statement</b>		
Net Sales	-	15.4
Costs for production and management	-	-2.8
Other operating expenses	-	-1.0
<b>Operating profit/loss</b>	-	<b>11.6</b>
Financial income	-	0.1
Financial expenses	-	-6.4
<b>Profit/loss before tax</b>	-	<b>5.3</b>
Tax on profit/loss for the year	-	-1.6
<b>Profit/loss for the year</b>	-	<b>3.7</b>
<b>Summarized balance sheet</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
<b>Current assets</b>		
Liquid funds	-	10.0
Other receivables	-	3.0
<b>Total current assets</b>	-	<b>13.0</b>
Current liabilities	-	-16.5
<b>Total current liabilities</b>	-	<b>-16.5</b>
Fixed assets	-	275.5
Long-term financial debt	-	-231.7
Other long-term liabilities	-	-7.2
<b>Total assets and long-term liabilities</b>	-	<b>36.7</b>
<b>Net assets</b>	-	<b>33.2</b>

**LIBU Elverket**

Consolidated share amounts to 50%

	Jan-Sep	
	2020	2019
<b>Summarized income statement</b>		
Net Sales	1.6	1.2
Costs for production and management	-1.5	-0.8
Other operating expenses	-	-0.0
<b>Operating profit/loss</b>	<b>0.0</b>	<b>0.3</b>
Financial income	6.7	-
Financial expenses	-6.8	-2.5
<b>Profit/loss before tax</b>	<b>-0.0</b>	<b>-2.2</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-0.0</b>	<b>-2.2</b>
<b>Summarized balance sheet</b>	<b>9/30/2020</b>	<b>9/30/2019</b>
<b>Current assets</b>		
Liquid funds	0.3	0.4
Projektfastigheter	473.2	430.4
Other receivables	0.6	3.7
<b>Total current assets</b>	<b>474.1</b>	<b>434.5</b>
Current liabilities	-	-8.5
<b>Total current liabilities</b>	-	<b>-8.5</b>
Long-term financial debt	-472.7	-424.2
<b>Total assets and long-term liabilities</b>	<b>-472.7</b>	<b>-424.2</b>
<b>Net assets</b>	<b>1.4</b>	<b>1.8</b>



## CLEAR REAL ESTATE ÄLVSJÖ QUARTERS (started 2020)

Consolidated share amounts to 50%

	Jan-Sep	
	2020	2019
<b>Summarized income statement</b>		
Net Sales	1.1	-
Costs for production and management	-0.4	-
<b>Operating profit/loss</b>	<b>0.6</b>	-
<b>Profit/loss before tax</b>	<b>0.4</b>	-
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>0.4</b>	-
<b>Summarized balance sheet</b>		
	9/30/2020	9/30/2019
<b>Current assets</b>		
Liquid funds	1.0	-
Warehouse properties	65.8	-
Other receivables	0.8	-
<b>Total current assets</b>	<b>67.6</b>	-
Current liabilities	-0.8	-
<b>Total current liabilities</b>	<b>-0.8</b>	-
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-</b>	-
<b>Net assets</b>	<b>66.7</b>	-

## Note 7 Assets pledged as security and contingent liabilities

The Group	9/30/2020	9/30/2019	12/31/2019
Pledged collateral for own debt			
Share pledge	-50.1	-53.7	-55.1
Property pledge	170.2	97.2	97.2
Pledged loans	54.9	-	28.2
Company mortgage	-	23.7	-
Blocked funds	3.0	3.0	3.0
<b>Total</b>	<b>177.9</b>	<b>70.2</b>	<b>73.3</b>
Contingencies	22.4	17.1	72.8
Surety for other's debt	88.3	172.4	124.0
Surety for down payments	7.5	14.2	14.2
<b>Total</b>	<b>118.2</b>	<b>203.7</b>	<b>211.0</b>
<b>Parent company</b>			
Pledged collateral for own debt			
Share pledge	233.1	233.1	233.1
Blocked funds	3.0	3.0	3.0
<b>Total</b>	<b>236.1</b>	<b>236.1</b>	<b>236.1</b>

Shares in subsidiaries of SSM Holding AB were pledged as collateral for issued bonds. The recognized Group value was -50.1 MSEK (-53.7). Suretyships of 88.3 MSEK (172.4) 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 SSM's Annual Report 2019 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 or 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, November 11, 2020

Anders Janson  
Chairman

Per Berggren  
Member

Sheila Florell  
Member

Krister Karlsson  
Member

Bengt Kjell  
Member

Jonas Wikström  
Member

Mattias Lundgren  
President & CEO

# Auditor's report

SSM Holding AB (publ) corp. reg. no. 556533-3902

## Introduction

We have reviewed the condensed interim financial information (interim report) of SSM Holding AB (publ) as of September 30, 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm November 11, 2020

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling  
Authorized Public Accountant

# 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](http://ssmlivinggroup).



Smaller spaces.  
Larger living.

## 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 Q4 2020	February 23, 2021
Interim Report Q1 2021	May 19, 2021
AGM 2021	May 19, 2021
Interim Report Q2 2021	August 26, 2021
Interim Report Q3 2021	November 18, 2021

Download SSM's financial reports at [ssmlivinggroup.com](https://ssmlivinggroup.com)

### Get in touch

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