

Interim Report January – September 2019

“Revaluations impacted profits for the quarter, cash flow not affected.”

From Q4 2018 and according to Nasdaq's recommendation, SSM has applied the completed contract method, with retroactive application, for reporting housing cooperative projects. The company applies the percentage of completion method for rental projects.

SSM contributed an artwork to the City of Nacka's mural festival that was held Q3 2019. The piece, which is by the artist STFI is on Elverket project and symbolizes Community.

Summary of July – September 2019

- Net sales for projects run entirely by SSM increased to 140.5 MSEK (47.3).
- A review of SSM's operations and current market situation was carried out during the quarter. Based on the review, SSM intends to focus on rental projects and selected cooperative apartment projects in the near future.
- The review confirms SSM's strong core, but also led to the revaluation of several projects and participations in and receivables from joint ventures corresponding to -312.7 MSEK.
- Excluding revaluations and other non-recurring items, the operating loss was -17.7 MSEK (-0.4). Including these items, the operating loss was -377.7 MSEK (-0.4).
- Cash flow from operating activities totaled -31.1 MSEK (132.1).
- Production started in the Täby Turf project, which includes 178 rental units, and property company Willhem took over the project.
- Tenants began moving into the West Side Solna co-op project.
- SSM divested its contracting operations and began a strategic partnership with design-build company Mecon Bygg.

Summary of January – September 2019

- Net sales for projects run entirely by SSM totaled 176.2 MSEK (594.2).
- Change of CEO. Mattias Lundgren appointed Interim CEO in June 2019. Mattias has many years' experience from the real estate market and has been CFO at NCC AB and Manager of NCC Housing Sweden (Bonava).
- A review of SSM's operations and current market situation was carried out to increase short and long-term profitability.
- Excluding revaluations and other non-recurring items, the operating loss was -41.2 MSEK (85.4). Including these items, the operating loss was -416.5 MSEK (85.4)
- Cash flow from operating activities totaled -97.4 MSEK (175.2). Repurchase of SSM's own outstanding bonds at a nominal value of 31.0 MSEK

Significant events after the balance sheet date

- Mattias Lundgren appointed permanent President & CEO of SSM.

Key ratios¹

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2019	2018	2019	2018	2018/2019	2018
Net sales	140,5	47,3	176,2	594,2	234,5	652,5
Net sales JV	42,2	34,0	54,0	469,4	19,1	434,5
Operating profit	-377,7	-0,4	-416,5	85,4	-450,1	51,8
Earnings for the period	-381,6	-8,0	-427,0	61,7	-473,4	15,3
Operating margin, percent	-268,9	-0,9	-236,3	14,4	-192,0	7,9
Interest coverage ratio, times	-43,6	0,2	-13,8	2,9	-11,0	1,5
Equity ratio, %	36,5	58,0	36,5	58,0	36,5	57,0
Return on equity, percent	-287,7	-3,9	-102,9	10,5	-82,1	2,0
Earnings per share, before and after dilution, SEK	-9,72	-0,20	-10,88	1,57	-12,06	0,39
Number of housing units recognised for profit	13	15	14	242	16	244
Number of production started cooperative apartments	-204	-	-204	-	-204	-
Number of cooperative apartments in production	440	899	440	899	440	899
Accumulated number of sold cooperative apartments in production	434	869	434	869	434	871
Share sold cooperative apartments in production, %	98,6	96,7	98,6	96,7	98,6	96,9
Number of production started rental apartments	-94	-	-94	270	-94	270
Number of rental apartments in production	178	270	178	270	178	272

¹ From the fourth quarter 2018, SSM has applied a new accounting policy for housing cooperative projects. The adaptation has been adjusted retroactively which means that all revenues in housing cooperative projects are recognized when the final customer takes possession of their homes (the completed contract method). For translation effects arising from the retrospective restatement of the comparative period, see also Note 8: Retroactive recalculation of financial reports. The company applies the percentage of completion method for rental projects.

CEO's comments



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

“The revaluations have impacted profits for the quarter, but not cash flow.”

“An optimized business model that will generate cash flow and strengthen the company's equity.”

SSM's strong core confirmed by review

During the quarter, SSM conducted a comprehensive review of the situation and the company's operations with a view to optimize both its business model and business plan given the changes in the housing market in the past two years. The review considered market demand, SSM's offering, the assets in SSM's project portfolio, the capabilities of the company and SSM's financial situation and profitability. The conclusion is that SSM has a strong core in the form of its target group, housing concept, home market and location of building rights near rail-bound public transport. SSM has decided to implement measures to gradually develop this core further in the coming years.

Optimized business model has led to revaluations

Transaction volumes and prices in the Stockholm housing market have now stabilized. The credit market, however, remains challenging both for individuals who need financing to buy homes and for developers who need project financing. For this reason, SSM has adapted its policy for project financing and its sales strategy. SSM divested its contracting operations during the quarter, which has changed the conditions for allocating and capitalizing administrative costs in projects. The optimized business model has led to write-downs in ongoing projects carried forward amounting to 42.9 MSEK during the quarter. These write-downs have not impacted cash flow.

To strengthen SSM's balance sheet, the company will focus on business that generates a positive cash flow in the near future. In practice, this means prioritizing rental projects sold onwards via forward funding. A consequence of this is the closing or change of direction for certain projects, which has led to revaluations of ongoing projects carried forward amounting to 110.8 MSEK, none of which have impacted cash flow, during the quarter.

Participations in and receivables from joint ventures have also been revaluated which has led to write-downs totaling -24.8 MSEK that have not impacted cash flow. Neither the development nor progress of Tellus Towers has changed or been impacted by the above-mentioned revaluations. The joint venture company, however, has decided to update the business plan for the project. For formal reasons, this prevents the assessment of the likelihood that a future earnout will be paid, which is why this item has been set at zero.

Profits impacted by revaluations/non-recurring items

The operating loss for the quarter, adjusted for revaluations and non-recurring items, was -17.7 MSEK (-0.4). Including the above-mentioned revaluations and items, the operating loss was -377.7 MSEK (-0.4). The percentage of completion method was applied to the Täby Turf rental project and at the end of September, tenants began moving into the West Side Solna joint venture project, with 13 homebuyers taking possession of their new homes. Most of the other buyers will move in during the fourth quarter 2019 and first quarter 2020, which will have a positive impact on cash flow and participations from JV.

Evaluate alternative paths for creating long-term stable financing

The company is evaluating alternatives for creating the best possible conditions for long-term stable financing, with increasing equity and refinancing loans under discussion. Negotiations with a collective of major bondholders regarding a change in the terms and conditions and an extension of the existing bond are part of this. The company is of the view that that it should be possible to have a refinancing solution in place in time to repay the loans that are due in 2020.

Stabilized market and attractive projects

Given the stabilized co-op market, existing housing shortage and low interest rates that create a good market for rental projects along with optimized business model and more balanced financial risk-taking, I see a positive future for SSM. And from the start of 2020, I also look forward to leading the company in the position of permanent President & CEO.

Mattias Lundgren
Interim President & CEO

Housing market in Greater Stockholm

“Return of household confidence in a market with housing shortage.”

Return of household confidence in the housing market

The most recent SEB Swedish Housing Price Indicator from October 2019 indicates a significant recovery of household confidence in the housing market. Some 60 percent of households expect prices to go up, the highest figure since October 2017. According to SEB, a likely driver of prices is the increasingly established view that interest rates will remain stable.

Considerable need for housing in Greater Stockholm area

Population-wise, the Greater Stockholm area is among the fastest growing regions in Europe. Official forecasts indicate that the Stockholm region will grow from its current population of 2.3 million to 2.8 million by 2030.

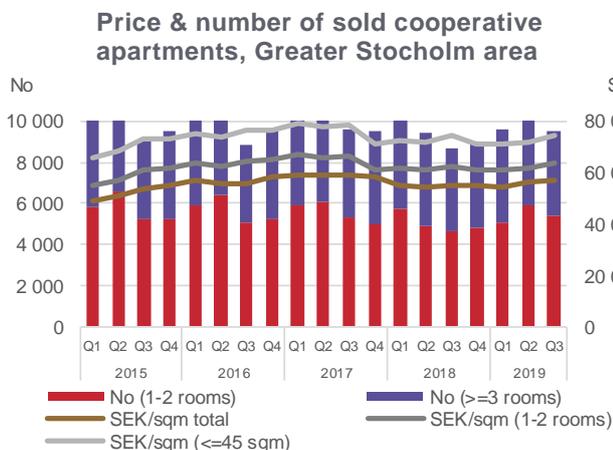
The banks' tighter mortgage credit has made it difficult for many young adults and new arrivals to Stockholm to buy their first home. Waiting lists for rentals continue to grow in pace with increases in rents for sublets. The underlying need to develop affordable homes to meet these demands is therefore substantial.

Increased share of new-build rental units

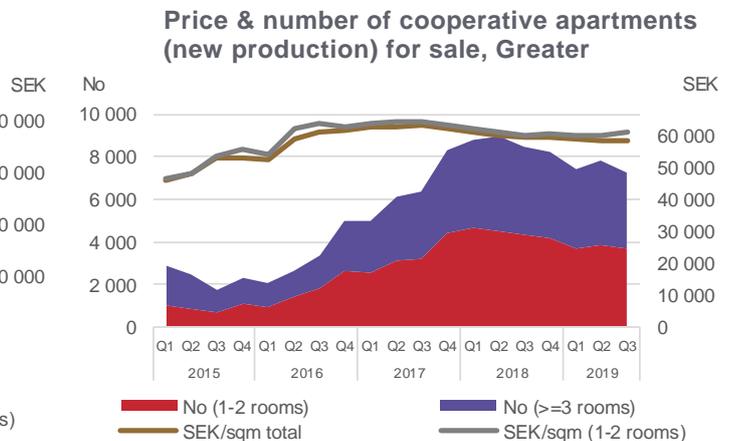
During 2018, the Stockholm Housing Agency allocated 13,455 rental apartments, which corresponds to about half of all rentals allocated in Stockholm. The share of new-build rentals allocated by the agency increased by 19.3 percent.

Increasing prices and stable transaction volumes for co-ops

According to Svensk Mäklarstatistik, a real estate consultancy, transaction volumes were stable during the third quarter compared with the same quarter in 2018. Some 9,536 cooperative apartments were sold in the Greater Stockholm area, of which 56.3 percent were one and two-room units. The average price per square meter for one and two-room apartments was 63,809 SEK (62,895) and for units of up to 45 square meters, it was 74,625 SEK (74,368). According to statistics from Booli, one of Sweden's leading search engines for real estate, 1,432 (564) new-build cooperative apartments were sold in the Greater Stockholm area during the third quarter. At the same time, there were 7,260 new-build cooperative apartments under development in the region at the end of the quarter.



Source: Svensk Mäklarstatistik, October 2019



Source: Booli, October 2019

Project portfolio

PROJECTS WHERE PRODUCTION HAS STARTED

Project	Type of tenancy	Number of homes	Floor space (m2)	Location	Start of production	Occupation	Sold		Sales rate on 30/9 2019, %
							During Q3 2019	Total	
West Side Solna (JV)	Co-op	252	11,906	Solna	Q3 2017	Q3 2019 – Q1 2020	-	252	100
Metronomen (JV)	Co-op	188	7,612	Telefonplan	Q1 2018	Q1 2020 – Q4 2020	-	182	97
Total		440	19,518					434	99
Täby Turf	Rental	178	8,713	Täby	Q3 2019	Q3 2021 – Q4 2021	n/a	178	100
Total		178	8,713					178	100

PROJECTS UNDER DEVELOPMENT

Project	Type of tenancy	Number of homes	Floor space (m2)	Location	Status	Status of land acquisition	Earliest	
							production start	occupation
Platform West	Co-op	109	4,901	Täby	City plan has legal force	Acquisition agreement	2020	2021
Sollentuna Hills	Rental	94	5,890	Sollentuna	Consultation	Acquisition agreement	2020	2023
Sollentuna Quarters	Rental	94	5,070	Sollentuna	Consultation	Acquisition agreement	2020	2023
Elverket Nacka (JV)	Rental	486	19,019	Nacka	Consultation	Land registration	2021	2023-2024
Kandidaten (JV)	Rental	77	2,300	Bromma	Planning	Land allocation	2021	2022
Spånga Studios	Rental	167	6,440	Spånga	Consultation	Land registration	2021	2024
The Loft (JV)	Rental	120	2,968	Täby	Planning	Acquisition agreement	2021	2023
Järla Station (JV)	Co-op	159	6,644	Nacka	Start	Land registration	2022	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
Urbaniten	Co-op	250	12,700	Hägersten	Consultation	Acquisition agreement	2022	2025
Tellus Towers	Rental	323	14,013	Telefonplan	Early consultation	Land reservation	2022	2025
Wiking	Rental	150	7,000	Sollentuna	Planning	Land registration	2023	2025
Järnet	Co-op	240	11,550	Ulvsunda	Prestudy	Land allocation	2024	2026
Älvsjö Quarters	Rental	516	21,000	Älvsjö	Prestudy	Land registration	2024	2027
Total		3,900	167,278					
Total		4,518	132,155					

PROJECTS UNDER EVALUATION

Project	Type of tenancy	Number of homes	Floor space (m2)	Location	Status	Status of land acquisition	Earliest	
							production start	occupation
Akalla City	Rental	190	8,700	Akalla	Planning	Land registration	n/a	n/a
Bromma Square	Co-op	355	18,850	Bromma	Prestudy	Land registration	n/a	n/a
Bromma Tracks II	Co-op	90	3,900	Bromma	Prestudy	Option	n/a	n/a
East Side Spånga	Rental	237	7,500	Spånga	Prestudy	Land registration	n/a	n/a
Tentafabriken	Co-op	72	1,828	Sollentuna	Prestudy	Acquisition agreement	n/a	n/a
Täby Market	Co-op	134	4,205	Täby	City plan has legal force	Acquisition agreement	n/a	n/a
Örjan	Rental	110	5,370	Spånga	Prestudy	Land registration	n/a	n/a

The information about each project in the 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 the quarter, SSM carried out a review of the company's operations and market situation. As a result, several existing projects have been designated to become rental projects and seven projects are under evaluation. These seven projects have been removed from the project portfolio pending results from the evaluation.

(1). Sales indicate the number of signed agreements with end customers.

(JV). SSM participates in joint ventures. SSM currently has joint venture agreements with Partners Group (Tellus Towers, Järla Station and Metronomen), Alecta (West Side Solna), Profi Fastigheter (Bromma Square), Studentbacken (Tentafabriken, The Loft and Kandidaten) and Libu Invest (Elverket Nacka). At the end of the quarter, about half of SSM's building rights were within the framework of joint venture agreements.

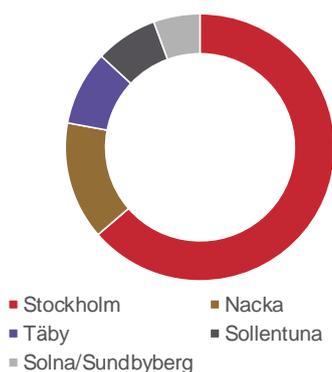
Project portfolio

“Rental project Täby Turf was taken into possession by Willhem and the move in started in the co-op project West Side Solna.”

Adjustments were made to SSM's project portfolio as a result of the business review carried out during the quarter. Among other things, the definition of projects where production has started has been changed to include only projects where construction has started. At the moment, there are three projects in production, of which one is a rental project. The sales rate in SSM's cooperative apartment projects was 98.4 percent at the end of the quarter. The Täby Turf rental project, which was sold earlier via forward funding to property company Willhem, was taken into possession by Willhem during the quarter.

Homebuyers began moving into the West Side Solna cooperative apartment project during the quarter 2019. People will continue to move in for about three quarters, culminating in the fourth quarter 2019 and first quarter 2020. Homebuyers will also start moving into cooperative apartments in the Metronomen project during most of 2020, starting in the first quarter. Täby Turf is expected to be ready for tenants to move in during the latter part of 2021.

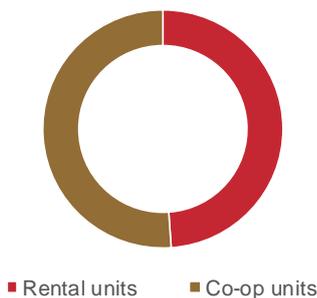
Building rights by municipality



In conjunction with the afore-mentioned review, a number of revaluations were carried out in projects under development. As a result, a larger number of building rights than before have been designated as rental projects. The Akalla City, Bromma Tracks II, Bromma Square, East Side Spånga, Tentafabriken, Täby Market and Örjan projects were removed from the project portfolio while these projects are under evaluation.

The Bromma Boardwalk project was also removed from the portfolio of projects under development. SSM acquired the Bromma Boardwalk project in March 2017. The municipality of Stockholm finalized the city plan shortly after the acquisition, but the decision was subsequently overturned when neighborhood residents launched an appeal. On December 14, 2018, the Swedish Land and Environment Court revoked the city plan for Bromma Boardwalk. As a result, SSM canceled plans to develop 268 cooperative apartments on the property. Following the court decision, SSM held discussions with Niam based on the new conditions for the project. The result is that SSM and Niam agreed that the project would be divested to Niam.

Building rights by rentals and co-op units



In January 2019, the Stockholm City Planning Committee decided to continue planning work for the Tellus Towers project. Currently, planning work is underway with the committee to produce supplementary documentation for regular consultations, which, according to the City of Stockholm, will take place during the spring 2020.

Currently, the projects that are closest to starting production are the Platform West cooperative apartment project and certain rental projects.

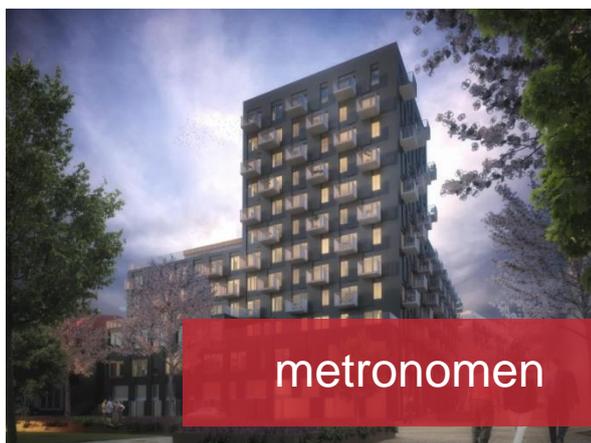
At the end of the quarter, the project portfolio included 4,518 building rights, of which 618 are in production. Of the 3,900 building rights under development, 52.0 percent are designated as rental units.

Selection current projects

West Side Solna is made up of 252 centrally-located co-ops near the subway, shopping and recreation. The project has an Urban Score of 100 points. The units will be one to four-room units of 23 – 97 m², of which 91 percent will be one and two-room units of 23 – 56 m². Most of the homes will have a private balcony, and shared spaces include a terrace and an outdoor pool. The project is sold out and tenants began moving in at the end of September 2019. Tenants will continue to move in during the year, culminating in Q4 2019/ Q1 2020. As communicated earlier, there have been some disputes related to the project involving buyers seeking to terminate their pre-purchase agreements. Stockholm’s District Court denied the buyers’ claims and ruled in favor of the Brf WSS housing association. In its judgment, the District Court confirmed Brf WSS’s assessment that the pre-purchase agreements were valid and held that termination was unfounded. At the time of publishing this report, about 80 percent of the pre-purchase agreements had been signed. The housing association has started to sell the disputed units at prices at par with the original prices. The project is being run together with Alecta



west side solna



metronomen

Metronomen (Telefonplan) includes 188 cooperative apartments located at Telefonplan in a lively urban area under development. The neighborhood is also home to the Konstfack University College of Arts, Crafts and Design and the project has an Urban Score of 99 points. Some 91 percent of the units are one and two-room units of 29 – 63 m² with private balconies. Social spaces include a shared rooftop terrace. The sales rate in the project was 96.8 percent at the end of the quarter. Due to delays in the schedule for the project, some 40 buyers have begun litigation against the Brf Metronomen housing association with the intent to leave the project. The case will be heard in court in the summer of 2020. The first tenants are expected to move in at the end of Q1 2020. The project is a joint venture with Partners Group.

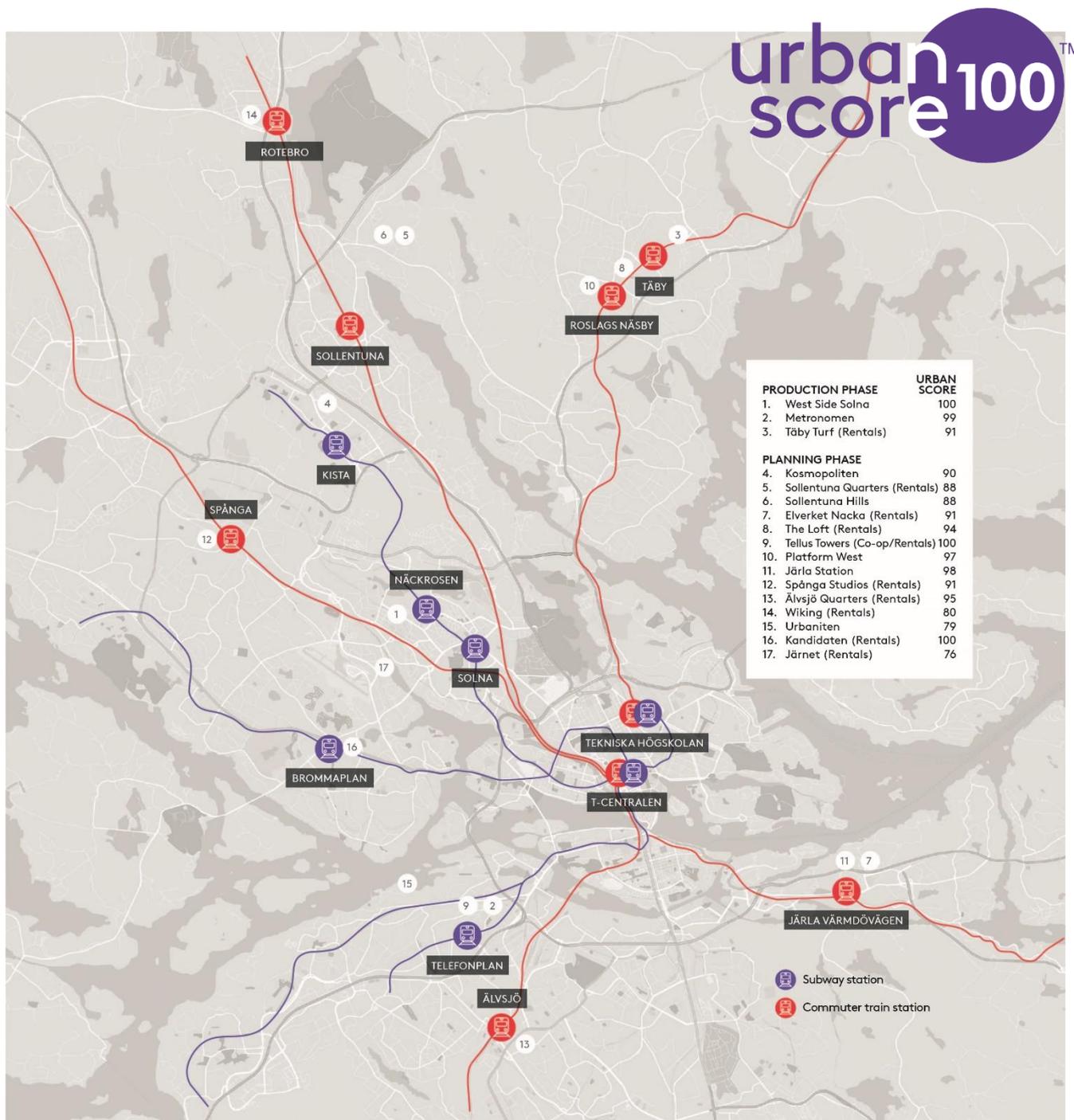
Täby Turf (Täby) which has 178 rental units, is part of the new Täby Park district that will include at least 6,000 homes. It has an attractive location close to Täby Centrum and 400 m from the Galoppfältet light rail station. The project has an Urban Score of 91 points and the architecture of the buildings will feature an exciting design including different heights and facades made of different materials including brick and plaster. The total floor space is 8,713 m² and the homes will be one to three-room units of 35 – 70 m², of which 85 percent will be one and two-room units of 35 – 48 m². The project also includes three retail premises and a daycare center for 40 – 60 children. The project was sold via forward funding to property company Willhem for 473.0 MSEK. Willhem took possession of the project in the third quarter 2019. SSM will recognize revenue from the Täby Turf project gradually during the construction period and the project will have a marginal impact on earnings for 2019. Tenants are expected to move in during 2021.



täby turf

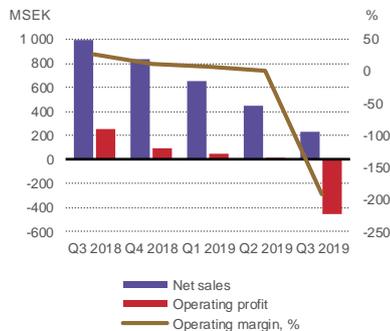
Project portfolio

SSM offers smart, affordable homes that target people age 20 to 44 with average incomes. To ensure that SSM's offering to the target group remains attractive and accessible, the company is constantly optimizing its concept. In 2018, SSM launched Urban Score, a transparent index that ranks four relevant areas for the target group: *mobility, everyday services, community and well-being*. In addition to making it easier for buyers to make informed housing decisions, Urban Score indicates the company's strategic direction in acquiring building rights. SSM's goal is for all projects to have an Urban Score higher than 75.



Comments on the results

Net sales, operating profit, operating margin, LTM



July – September 2019

Adjustment of previously-applied accounting policies for the development of cooperative apartments

From Q4 2018 and in line with Nasdaq's recommendations, SSM has applied the completed contract method, with retroactive application, for reporting housing cooperative projects. See also Note 8, Retroactive recalculation of financial reports.

Net sales and profit/loss

Net sales in the Group totaled 140.5 MSEK (47.3). Sales during the quarter mainly consisted of 120.3 MSEK in recognized revenue from the Täby Turf rental project. During the quarter, production in the project started and property company Wilhelm took possession, initiating revenue recognition according to the percentage of completion method, which is used by the company to recognize revenue from rental projects sold via forward funding. Other revenue during the quarter chiefly comprised compensation for costs for the divested Bromma Boardwalk joint venture project, time and administration invoiced to joint venture projects, and rent received from SSM's own properties.

The *gross loss* was -193.6 MSEK (10.5). The gross loss during the quarter was largely a result of the review of SSM's operations, which resulted in a decision to optimize the business model, given current market conditions. The decision 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 that affected the gross loss for the period. See also the section Revaluations of project properties and joint venture assets on pages 16 – 17. In addition to write-downs resulting from the revaluations, non-recurring costs totaling -37.5 MSEK also had a negative impact on the gross profit;

- the divestment of the Bromma Boardwalk project had a net negative effect of -15.1 MSEK on profit/loss for the current period, but with positive cash flow in the fourth quarter 2019,
- final contracting costs for the Turbinhallen and Bromma Tracks I projects had a negative effect of -17.3 MSEK on the profit/loss,
- provisions of 5.1 MSEK were made for estimated winding up costs for the Bromma Tracks II project.

Revenue for Täby Turf was recognized according to the percentage of completion method, but without profit recognition during the quarter.

The *cost of sales and administration* dropped to -19.6 MSEK (-13.7). The gross cost of overhead, salaries, depreciation and amortization fell to -28.0 MSEK (-29.6). The period contained non-recurring expenses of -1.1 MSEK related to the divestment of the contracting operations. See also Note 5, Sales and administration expenses.

Participations in joint ventures amounted to -30.3 MSEK (2.8). During the quarter, homebuyers took possession of 13 cooperative apartments, so a minor amount was recognized in initial revenue for the West Side Solna joint venture project. The decision in connection with the review resulted in a revaluation of balance sheet values for participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -24.8 MSEK. See also the section Revaluations of project properties and joint venture assets on pages 16 – 17.

In addition to the above, SSM's share of forecast cost increases of -8.7 MSEK for the Metronomen project was expensed during the period. Other than that, positive profit participation from the final recognition of revenue from the Turbinhallen joint venture project affected the quarter. See also Note 6, Participations in joint ventures, for summaries of the income statement and balance sheet for joint ventures.

Other operating expenses totaled -134.2 MSEK (0.0). The outcome for the period is attributable to the previously mentioned review of SSM's operations to reduce risk levels in the project portfolio and balance sheet. There was a revaluation of an earlier partially recognized earnout for the sale of the Tellus Towers project to the joint venture with Partners Group, leading to non-cash impairment losses totaling -134.2 MSEK. See also the section Revaluations of project properties and joint venture assets on pages 16 – 17.

The *Group's operating loss* was -377.7 MSEK (-0.4), mainly due to the review of SSM's operations. The decision resulted in a revaluation of balance sheet items for most of the Group's project properties and participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -312.7 MSEK. In addition to the above, final contracting costs for the Turbinhallen and Bromma Tracks projects, compensation for costs for the divested Bromma Boardwalk project, provisions for estimated winding up costs for the Bromma Tracks project II and negative participations from the Metronomen joint venture project had a negative effect on the profit/loss of an additional -46.2 MSEK, as previously explained.

The loss for the quarter was -381.6 MSEK (-8.0) and in addition to the above, it was affected by a net financial expense of -5.9 MSEK (-7.6) and tax income for the quarter of 2.1 MSEK (0.1).

January – September 2019

Net sales and profit/loss

Net sales in the Group totaled 176.2 MSEK (594.2). Sales chiefly consisted of 120.3 MSEK in initially recognized revenue from the Täby Turf rental project. Other revenue during the quarter primarily comprises compensation for costs spent on the divested Bromma Boardwalk joint venture project, time and administration invoiced to joint venture projects, and rent received from SSM's own properties.

The *gross loss* was -183.6 MSEK (profit: 45.3). The gross loss for the period is largely due to the review of SSM's operations. The decision 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. See also the section Revaluations of project properties and joint venture assets on pages 16 – 17. In addition to write-downs resulting from the revaluations, non-recurring costs totaling -37.5 MSEK also had a negative impact on the gross profit;

- the divestment of the Bromma Boardwalk project had a negative net effect of -15.1 MSEK on the profit/loss,
- final contracting costs for the Turbinhallen and Bromma Tracks I projects had a negative effect of -17.3 MSEK on the profit/loss,
- provisions of -5.1 MSEK were made for estimated winding up costs for the Bromma Tracks II project.

The *cost of sales and administration* dropped to -49.3 MSEK (-37.7). The gross cost of overhead, salaries, depreciation and amortization dropped to -96.4 MSEK (-106.3). Non-recurring expenses amounted to approximately -6.3 MSEK for the change of CEO and about -1.1 MSEK for the divestment of the contracting business. See also Note 5, Sales and administration expenses.

Participations in joint ventures amounted to -49.5 MSEK (70.9). During the period, homebuyers took possession of 14 cooperative apartments, so a minor amount was recognized in initial revenue for the West Side Solna joint venture project. The decision resulted in a revaluation of balance sheet values for participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -24.8 MSEK. See also the section Revaluations of project properties and joint venture assets on pages 16 – 17. In addition to the above, SSM's share of the forecast cost increases for the Metronomen project, -19.3 MSEK, were expensed during the period. See also Note 6, Participations in joint ventures, for summaries of the income statement and balance sheet for the joint ventures.

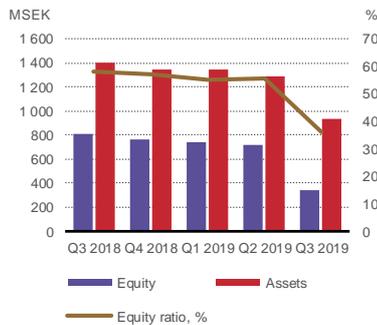
Other operating expenses totaled -134.2 MSEK (income: 6.9), also due to the previously mentioned review of SSM's operations. There was a revaluation of a previously partially recognized earnout for the sale of the Tellus Towers project to the joint venture with Partners Group, leading to non-cash impairment losses totaling -134.2 MSEK. See also the section Revaluations of project properties and joint venture assets on pages 16 – 17.

The *Group's operating loss* was -416.5 MSEK (profit: 85.4), mainly due to the review of SSM's operations. The decision resulted in a revaluation of balance sheet items for most of the Group's project properties and participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -312.7 MSEK. In addition to the above, final contracting costs for the Turbinhallen and Bromma Tracks projects, compensation for costs for the divested project Bromma Boardwalk, provisions for estimated winding up costs for the Bromma Tracks II project and negative participations from the Metronomen joint venture project had a negative effect on the result with an additional -56.8 MSEK, according to the explanation above.

The loss for the quarter was -427.0 MSEK (profit: 61.7) and in addition to the above, it was affected by a net financial expense of -13.0 MSEK (-23.1) and tax income for the quarter of 2.4 MSEK (expense: -0.6). Net financial items 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 4,518 building rights (6,564) in its project portfolio. The reduced number of building rights is mainly the result of the review of SSM's operations, which resulted in a decision to optimize the business model, given current market conditions. The decision resulted in the removal of a number of projects due to changed market conditions. At the end of the period, 618 homes (1,169) were in production. As of the third quarter 2019, the Kosmopoliten project was assigned the status "project under development" due to the change of the definition "project where production has started" which now refers to projects where construction has started. The sales rate for cooperative apartments in production was 98.6 percent (96.4). The value of cooperative apartments in production where no binding pre-purchase agreements had been signed at the end of the quarter was 24.3 MSEK (94.6). These homes are expected to be completed in 2020.

Capital tied up in project properties and completed properties was 305.9 MSEK (511.4) as at September 30, 2019. The change from the end of one accounting period to the end of the next is chiefly due to the review of SSM's operations that was carried out in the third quarter. The decision 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. See also the section Revaluations of project properties and joint venture assets on page 14. 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.

Capital tied up in joint ventures and claims on joint ventures amounted to 285.0 MSEK (346.4) on September 30, 2019. These balance sheet values were also affected by the review of SSM's operations in the third quarter, according to the above. The decision resulted in a revaluation of balance sheet values for participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -159.0 MSEK. See also the section Revaluations of project properties and joint venture assets on page 14. Between the periods, an additional capital contribution of 80.0 MSEK was made to the joint venture with Partners Group, chiefly to finance production in the Metronomen project.

Other financial assets increased by 40.2 MSEK, as remaining rental and leasing commitments are now included in the balance sheet, according to the new IFRS 16 rules. Cash and cash equivalents went down to 82.8 MSEK as at September 30, 2019 (340.1), chiefly due to capital contributions according to the above and the negative cash flow generated by operating activities before the change in working capital between the end of one accounting period until the end of the next. The asset side of the balance sheet contracted by 471.1 MSEK compared with September 30, 2018, primarily due to revaluations that entailed non-cash impairment losses totaling -312.7 related to the value of assets on the balance sheet. The Group's equity was SEK 339.6 MSEK (813.1) on the balance sheet date, and the debt/equity ratio was 36.5 percent (58.0).

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 463.5 MSEK (525.4) on the balance sheet date, of which the bond loan accounted for 367.6 MSEK (395.7). SSM's own outstanding bonds were repurchased for a nominal amount of 31.0 MSEK in the second quarter of 2019. The average volume-weighted repurchase price was 70.4 percent. Outstanding bonds are reported as a current liability, as the loan is due in May 2020. SSM does not currently have a solution in place to refinance the bond. The company is evaluating different alternatives for creating the best possible conditions for long-term stable financing, with including increasing equity and refinancing loans under discussion. Negotiations with a collective of major bondholders regarding a change in the terms and conditions and an extension of the existing bond are part of this. Loans from credit institutions are reported as current liabilities and are due in full at year-end. There is an ongoing dialogue with a financial counterparty that is positive to refinancing the property credits in full, beginning after year-end, but the final credit agreement is yet to be negotiated. Cash and cash equivalents amounted to 82.8 MSEK (340.1) on September 30, 2019. Even if the extension of short-term financing has not yet been finalized, the company is of the view that it should be possible to have a refinancing solution in place in time to repay the loans that are due in 2020. Accordingly, the CEO and the Board of Directors have determined that the principle of a going concern shall be applied when preparing the financial statements.

Cash flow

Cash flow from operating activities was -97.4 MSEK (175.2) for the period January to September 2019 and -100.2 MSEK for the rolling 12-month period from August 2018 to September 2019. The review of SSM's operations that was conducted during the quarter and the revaluations of several project properties and participations in and receivables from joint ventures have not affected the cash flow. Instead, the negative cash flow during the 9-month period and the rolling 12-month period is due to the negative cash flow from operating activities before the change in working capital. In SSM's investment operations, an additional 80.0 MSEK capital contribution was made to the joint venture with Partners Group, mainly to finance production within the Metronomen project over a 12-month period. Cash flow from financing activities during the period from January to September 2019 was -26.6 MSEK (-205.9). Amortizations during the period are chiefly due to the repurchase of SSM's own outstanding bonds, which was carried out at a value of 21.8 MSEK in the second quarter 2019.

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 and when the end customers, that is, the homebuyers, take possession of their apartments. 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 – September 2019 and the comparative period alike. As part of the review of SSM's operations, the Parent Company's participations in Group companies were also revalued, leading to non-cash impairment losses totaling -239.2 MSEK. The loss for the period was -249.9 MSEK (-1.0).

Assets chiefly comprise participations in and receivables from Group companies and amounted to 778.2 MSEK (1,004.5) at the end of the period. The asset side on the balance sheet contracted by 226.3 MSEK compared with September 30, 2018, primarily due to impairment losses totaling -239.2 MSEK related to the Parent Company's participations in Group companies. Equity was SEK 393.3 MSEK (596.2) on the balance sheet date.

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

Employees

The average number of employees in the Group was 54 people (70) during the quarter, of which 23 people (24) were women. For the period January–September 2019, the average number of employees was 58 people (71), of which 24 people (26) were women. The reduction compared with the comparative period is chiefly due to the strategic cooperation that was initiated with design-build contractor Mecon Bygg while SSM's own contracting business was divested during the third quarter. The lower production volume has also meant a reduced number of employees through natural retirement.

Transactions between related parties

SSM did not engage in any material transactions with related parties during the quarter, except for 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 risks associated with the external environment and strategic, operational and financial risks that may 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 conducted in the third quarter 2019 resulted in a decision to optimize the business model, given current market conditions, to meet identified risks and challenges better. See also the CEO's comments on page 2 of this report.

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 provided on pages 58 – 62 of SSM's 2018 Annual Report as well as in Note 15.

Shares and share capital

The company's registered share capital on the balance sheet date was 39.3 MSEK divided into a total of 39,252,542 registered shares. There is one share class in the company and each share has a quota value of 1 SEK (1).

At the end of the period, shares corresponding to 68.9 percent of the capital and votes in the company were held by Eurodevelopment Holding AG. No other owner held more than 10.0 percent of the capital and votes.

Revaluation of project properties and joint venture assets

A review of SSM's operations was conducted during the quarter and resulted in a decision to optimize the business model, given current market conditions.

Capitalization of interest. A new assessment for the capitalization of interest was introduced in the third quarter, which means a more prudent view on the buildup of values from project properties on the balance sheet. The reason for this is new policy decisions according to the updated and adopted finance policy for loan-financed project development and the fact that "projects where production has started" are now defined as projects where construction has started.

Capitalization of overheads/administration. A new assessment for capitalization of overheads/administration was introduced in the third quarter, which means a more restrictive view on the buildup of values in project properties on the balance sheet in line with the adopted policy decision on a project organization that is outsourced to Mecon Bygg and a transition to external design-build contracts for construction. The change meant that centrally placed resources were reduced, which can be seen in the number of employees in the Group, and that SSM therefore cannot justify that a value is put on the company's overhead/administration costs during the project's development stage. Instead, overheads/administration costs should be expensed on an ongoing basis.

A review of direct project costs for the Group's development projects was conducted to identify items that can no longer be considered to create value and should therefore be expensed. This includes identified sunk costs for design made to no purpose after the review of each development project's spent and capitalized design costs.

The decision resulted in a revaluation of balance sheet items for most of the Group's project properties and participations in and receivables from joint ventures, leading to non-cash impairment losses totaling -312.7 MSEK.

Below is an overview of and background to the revaluations that affected the balance sheet values for projects and joint venture assets.

The revaluations that have been made are based on a changed market situation for ongoing projects that are undergoing further development and have resulted in write-downs of SEK -58.8 million for the Group's *Project Properties*.

In addition to the above, five projects were identified for a more comprehensive revaluation of recognized project values based on the changed project direction. These projects are:

Akalla City – a rental project with a development property where SSM has taken possession. The project will be written down to a level with an external building rights valuation.

Bromma Tracks II – a cooperative apartment project in an uncertain legal situation. The recognized project values will be written down by 100 percent.

East Side Spånga – a rental project with a development property where SSM has taken possession. The project will be written down to a level with an external building rights valuation.

Täby Market – a cooperative apartment project with a low sales rate. The recognized project values will be written down by 100 percent.

Örjan – a rental project at the early development stage. The project is still being developed but has been removed from the project portfolio until the investment decision is confirmed after a land allocation is received. Development costs have been written down by 100 percent.

The revaluations of the five projects above resulted in impairment losses of -94.9 MSEK for the Group's *Project properties*.

In total, the revaluation of the Group's *Project properties* has resulted in estimated impairment losses of -153.7 MSEK.

Earnout for Tellus Towers. The increased time horizons for the project's implementation compared with the original business plan that was adopted when the Tellus Towers project was sold to the joint venture with Partners Group in the third quarter 2017 have led to a decision in the joint venture company to update the business plan for the project. Pending the new business plan, there is no documentation on which to base the assessment of the likelihood of an earnout, so it has been assumed to be zero. This revaluation resulted in impairment losses of -134.2 MSEK for the *Receivables from joint ventures* item on the Group's balance sheet.

The project is still considered attractive, so development is continuing. No sunk costs for design made to no purpose have been identified in the project.

Participations in and receivables from JV. A revaluation of the participations in and receivables from joint ventures was made based on the underlying projects in addition to Tellus Towers. This has resulted in adjusted balance sheet items based on a new assessment for the capitalization of interest and overheads/administration and identified design made to no purpose. The impairment loss for the Group's balance sheet items *Participations in joint ventures* and *Receivables from joint ventures* is -24.8 MSEK.

IFRS 8 – segment reporting

Until now, SSM has only had one operating segment: housing development through cooperative apartments. As SSM is now expanding its product mix to include rental projects, in the future, SSM may have two segments. It is the Executive Management Team's way of monitoring and governing the operations that determines whether the company is considered to have one or several segments. If and when the company's operations are monitored and governed based on several segments, the company shall include segment reporting in its financial reports. The Executive Management Team continues to monitor the operations based on the principle of one operating segment, so there will be no change in 2019. The company has initiated an analysis of its accounting and reporting principles, which also includes the need for segment reporting as of the first quarter 2020.

Significant events after the reporting period

Mattias Lundgren, who has been SSM's interim CEO since June 2019, was recruited as SSM's permanent President & CEO.

The Group's statement of comprehensive income

(MSEK)	Not	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
		2019	2018	2019	2018	2018/2019	2018
Net sales	4	140,5	47,3	176,2	594,2	234,5	652,5
Expenses for production and management		-334,1	-36,8	-359,8	-548,9	-431,3	-620,4
Gross profit		-193,6	10,5	-183,6	45,3	-196,8	32,0
Sales and administration expenses	5	-19,6	-13,7	-49,3	-37,7	-63,0	-51,4
Earnings from joint ventures	6	-30,3	2,8	-49,5	70,9	-56,1	64,3
Other income/-cost		-134,2	-	-134,2	6,9	-134,2	6,9
Operating profit		-377,7	-0,4	-416,5	85,4	-450,1	51,8
Financial income		2,7	2,3	16,1	9,4	18,9	12,2
Financial expenses		-8,6	-10,0	-29,1	-32,5	-39,1	-42,5
Net financial items		-5,9	-7,6	-13,0	-23,1	-20,1	-30,3
Pre-tax profit		-383,6	-8,0	-429,5	62,2	-470,3	21,4
Tax		2,1	0,1	2,4	-0,6	-3,2	-6,2
EARNINGS FOR THE PERIOD		-381,6	-8,0	-427,0	61,7	-473,4	15,3
Profit attributable to							
Parent company shareholders		-381,6	-8,0	-427,0	61,6	-473,4	15,3
Minority interest		0,0	-0,0	-	0,0	0,0	0,0
PROFIT FOR THE PERIOD		-381,6	-8,0	-427,0	61,7	-473,4	15,3
Earnings per share, before and after dilution (SEK)		-9,72	-0,20	-10,88	1,77	-12,06	0,39
Number of shares at end of period		39 252 542	39 252 542	39 252 542	39 252 542	39 252 542	39 252 542
Average number of shares during the period		39 252 542	39 252 542	39 252 542	39 252 542	39 252 542	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)	2019-09-30	2018-09-30	2018-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Software	4,0	2,2	2,9
Total intangible assets	4,0	2,2	2,9
<i>Tangible assets</i>			
Machinery and equipment	0,2	0,3	0,3
Total tangible assets	0,2	0,3	0,3
<i>Financial assets</i>			
Participations in joint ventures	138,0	107,5	140,3
Receivables from joint ventures	147,0	238,9	253,5
Other financial assets	40,2	-	-
Other long-term receivables	81,6	95,0	102,0
Total financial assets	406,7	441,4	495,8
Total fixed assets	410,9	443,9	499,0
Current assets			
<i>Inventories</i>			
Warehouse property	303,2	511,4	467,0
Completed homes	2,8	-	-
Total inventories	305,9	511,4	467,0
<i>Other current assets</i>			
Accounts receivable	67,5	16,5	42,3
Recognized, non-invoiced revenue	10,5	-	1,0
Receivables from joint ventures	17,8	74,2	16,9
Tax receivables	1,1	0,9	1,0
Other receivables	26,6	8,9	32,7
Prepaid costs and accrued income	8,3	6,7	9,6
Liquid funds	82,8	340,1	274,8
Total current assets	520,6	958,7	845,2
TOTAL ASSETS	931,5	1 402,6	1 344,2

The Group's statement of financial position, cont.

(MSEK)	2019-09-30	2018-09-30	2018-12-31
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	39,3	39,3	39,3
Paid-up capital	506,5	506,5	506,5
Profit brought forward	-206,1	267,3	220,9
Equity attributable to Parent Company shareholders	339,6	813,0	766,7
Minority interest	0,0	0,0	0,0
Total equity	339,6	813,1	766,7
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Bond issues	-	395,7	396,4
Liabilities to credit institutions	-	118,7	-
Other long-term liabilities	33,8	-	-
Provisions	6,7	10,1	7,7
Deferred tax liabilities	0,5	0,5	0,5
Total long-term liabilities	41,0	524,9	404,6
<i>Current liabilities</i>			
Liabilities to joint ventures	-	0,1	0,1
Bond issues	367,6	-	-
Liabilities to credit institutions	95,9	11,1	96,6
Advance payments from customers	7,3	-	-
Accounts payable – trade	11,3	18,9	27,5
Provisions	22,0	2,0	12,5
Current tax liabilities	0,9	2,9	2,5
Other liabilities	15,9	6,8	10,6
Accrued costs and prepaid income	30,1	22,8	23,1
Total current liabilities	550,9	64,6	172,9
TOTAL EQUITY AND LIABILITIES	931,5	1 402,6	1 344,2

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, 2018	39,3	506,5	205,7	751,4	0,0	751,5
Profit						
Profit this period			61,7	61,7	-	61,7
Total profit			61,7	61,7	-	61,7
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, SEPTEMBER 30, 2018	39,3	506,5	267,3	813,1	0,0	813,1
Equity, January 1, 2018	39,3	506,5	205,7	751,4	0,0	751,5
Profit						
Profit for the year			15,3	15,3	0,0	15,3
Total profit			15,3	15,3	0,0	15,3
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, DECEMBER 31, 2018	39,3	506,5	220,9	766,7	0,0	766,7
Equity, January 1, 2019	39,3	506,5	220,9	766,7	0,0	766,7
Profit						
Profit for the year			-427,0	-427,0	-	-427,0
Total profit			-427,0	-427,0	-	-427,0
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, SEPTEMBER 30, 2019	39,3	506,5	-206,1	339,6	0,0	339,6

The Group's cash flow statement

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2019	2018	2019	2018	2018/2019	2018
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-377,7	-0,4	-416,5	85,4	-450,1	51,8
Items not affecting liquidity	288,0	1,2	288,2	-9,0	281,4	-15,8
Recognized profits in joint ventures	30,3	-2,8	49,5	-70,9	56,1	-64,3
Received dividend from joint ventures	-	5,0	-	87,2	-0,0	87,2
Received interest	-	0,1	-	1,7	0,0	1,7
Paid interest	-8,2	-9,4	-26,8	-32,0	-35,7	-40,9
Paid income taxes	1,4	0,4	0,8	-0,1	0,6	-0,3
Cash flow before changes in operating capital	-66,1	-6,1	-104,8	62,3	-147,7	19,3
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in property projects	55,6	164,4	13,1	197,5	79,4	263,8
Decrease/increase in accounts receivables	-22,7	-0,1	-25,2	11,4	-51,0	-14,4
Decrease/increase in other current receivables	-28,3	16,3	6,2	10,4	-17,2	-13,1
Decrease/increase in supplier liabilities	6,0	-17,6	-14,6	-47,8	-6,5	-39,7
Decrease/increase in current liabilities	24,3	-24,8	27,8	-58,6	42,8	-43,5
Total change in operating capital	35,0	138,2	7,4	112,9	47,5	153,1
CASH FLOW FROM CURRENT ACTIVITIES	-31,1	132,1	-97,4	175,2	-100,2	172,4
<i>Cash flow from investment activities</i>						
Investments in intangible assets	-0,3	-0,7	-1,2	-1,7	-2,1	-2,6
Investments in financial assets	-5,1	-9,2	-66,8	-59,8	-97,5	-90,6
Decrease of financial assets	-	-0,0	-	86,2	2,9	89,1
Cash flow from investment activities	-5,4	-9,9	-68,0	24,7	-96,7	-4,1
<i>Cash flow from financing activities</i>						
Increase in long-term liabilities	-	-0,3	-	0,4	-0,9	-0,5
Amortization of long-term liabilities	-1,6	-163,5	-4,8	-206,2	-37,6	-239,1
Amortization of short-term liabilities	-0,7	-	-21,8	-	-21,8	-
Cash flow from financing activities	-2,3	-163,8	-26,6	-205,9	-60,4	-239,6
Decrease/increase in liquid funds	-38,8	-41,7	-192,0	-6,0	-257,3	-71,3
Liquid funds, opening balance	121,6	381,8	274,8	346,1	340,1	346,1
LIQUID FUNDS AT THE END OF THE PERIOD	82,8	340,1	82,8	340,1	82,8	274,8

Parent Company's statement of comprehensive income

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2019	2018	2019	2018	2018/2019	2018
Net sales	4,1	5,3	12,1	15,3	18,0	21,2
Costs for production and management	-0,1	-	-0,1	-	-0,3	-0,2
Gross profit	4,0	5,3	12,0	15,3	17,8	21,0
Sales and administration costs	-10,4	-8,7	-31,1	-21,6	-43,0	-33,5
Operating profit	-6,4	-3,4	-19,1	-6,3	-25,3	-12,5
Earnings from Group companies	-	-	-	-	50,0	50,0
Depreciation of assets	-239,2	-	-239,2	-	-239,2	-
Interest income and similar profit/loss items	7,6	14,8	35,0	31,9	47,2	44,1
Interest expenses and similar profit/loss items	-8,7	-8,9	-26,6	-26,6	-35,7	-35,6
Profit after financial items	-246,7	2,4	-249,9	-1,0	-202,9	46,0
Tax	-	-	-	-	-0,0	-0,0
PROFIT FOR THE PERIOD	-246,7	2,4	-249,9	-1,0	-202,9	46,0

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)	2019-09-30	2018-09-30	2018-12-31
ASSETS			
<i>Fixed assets</i>			
Participations in Group companies	233,1	472,3	472,3
Receivables from Group companies	485,4	457,6	503,0
	3,0	3,0	3,0
Total fixed assets	721,5	932,9	978,3
<i>Current assets</i>			
Account receivables	-	-	0,2
Receivables from Group companies	42,0	32,0	50,0
Receivables from joint ventures	0,2	-	0,6
Tax receivables	0,2	0,2	0,2
Other assets	0,0	1,3	-
Prepaid expenses and accrued revenue	3,7	16,8	1,9
Cash and bank balances	10,6	21,4	28,4
Total current assets	56,7	71,6	81,2
TOTAL ASSETS	778,2	1 004,5	1 059,5
(MSEK)			
EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital	39,3	39,3	39,3
Share premium	506,5	506,5	506,5
Share-based payments	-	4,6	4,6
Unrestricted equity	97,4	46,8	46,8
Profit/loss for the period	-249,9	-1,0	46,0
Total equity	393,3	596,2	643,1
<i>Long-term liabilities</i>			
Bond issues	-	395,7	396,4
Total long-term liabilities	-	395,7	396,4
<i>Current liabilities</i>			
Bond issues	367,6	-	-
Liabilities to Group companies	0,0	-	1,7
Accounts payable – trade	3,9	2,4	3,6
Other liabilities	0,2	0,8	5,1
Accrued expenses and prepaid liabilities	13,1	9,4	9,6
Total current liabilities	384,9	12,6	20,0
TOTAL EQUITY AND LIABILITIES	778,2	1 004,5	1 059,5

Parent Company's changes in equity

(MSEK)	Restricted equity		Unrestricted equity	
	Share capital	Paid-in capital	Profit brought forward	Total equity
Equity, January 1, 2018	39,3	506,5	51,4	597,2
Profit				
Profit this period			-1,0	-1,0
Total profit			-1,0	-1,0
Total transactions with shareholders	-	-	-	-
EQUITY, September 30, 2018	39,3	506,5	50,4	596,2
Equity, January 1, 2018	39,3	506,5	51,4	597,2
Profit				
Profit for the year			46,0	46,0
Total profit			46,0	46,0
Total transactions with shareholders	-	-	-	-
EQUITY, DECEMBER 31, 2018	39,3	506,5	97,4	643,1
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	-	-	-	-
EQUITY, SEPTEMBER 30th, 2019	39,3	506,5	-152,5	393,3

Parent Company's cash flow statement

(MSEK)	Jul-Sep		Jan-Sep		Oct-Sep	Jan-Dec
	2019	2018	2019	2018	2018/2019	2018
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-245,5	-3,4	-258,3	-6,3	-264,5	-12,5
Items not affecting liquidity	239,2	-	239,2	-	239,2	-
Received interest	7,3	14,8	25,9	31,9	38,0	44,1
Paid interest	-7,2	-8,2	-24,4	-24,5	-32,7	-32,8
Paid income taxes	-0,1	0,0	-0,0	0,0	0,0	0,0
Cash flow before changes in operating capital	-6,4	3,2	-17,7	1,2	-20,0	-1,1
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in other current receivables	-0,1	17,8	10,4	3,3	7,8	0,7
Decrease/increase in supplier liabilities	2,6	0,0	0,3	-0,6	1,5	0,6
Decrease/increase in current liabilities	-1,6	-5,5	-3,0	-8,3	3,2	-2,2
Total change in operating capital	0,9	12,3	7,8	-5,7	12,5	-0,9
CASH FLOW FROM CURRENT ACTIVITIES	-5,4	15,5	-9,9	-4,5	-7,5	-2,1
<i>Cash flow from investment activities</i>						
Investments in financial assets	23,7	-37,7	14,0	-54,8	18,6	-50,2
Decrease of financial assets	-11,5	-	-	-	-	-
Cash flow from investment activities	12,2	-37,7	14,0	-54,8	18,6	-50,2
<i>Cash flow from financing activities</i>						
Amortization of short-term liabilities	-0,7	-	-21,8	-	-21,8	-
Cash flow from financing activities	-0,7	-	-21,8	-	-21,8	-
Decrease/increase in liquid funds	6,0	-22,2	-17,8	-59,3	-10,7	-52,2
Liquid funds, opening balance	4,6	43,6	28,4	80,6	21,4	80,6
LIQUID FUNDS AT THE END OF THE PERIOD	10,6	21,4	10,6	21,4	10,6	28,4

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 operations of the Parent Company comprise Group-wide functions and the organization of the CEO and administrative staff. The organization of project and property management is performed 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 the latest annual report.

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 2018 Annual Report.

Effects of new IFRS standards;

IFRS 16 Leases has replaced IAS 17 Leases and has been applied from January 1, 2019. The Group has applied the simplified transition method, the modified retrospective approach, and has not restated comparative figures. The lease model for lessees in IFRS 16 means that nearly all leases are recognized in the statement on financial position. The right-of-use assets (the lease asset) and the liability are measured as the present value of all future lease payments. The income statement includes depreciation of the right-of-use assets and interest expenses. Short-term leases (12 months or less) and leases with low-value underlying assets are not included in the statement on financial position. These have been included in operating profit/loss in the same way as operating leases. Cash flow from financing activities is charged when the lease liability is amortized. For lessors, IFRS 16 does not entail any material changes.

The new standard affects the Group's reporting of operating leases. Operating leases refer to cars and office premises. Leases for premises contain indexation of future rents and certain other variable fees. Other than that, only low-value leases have been identified, such as leases for office equipment and similar. Rights-of-use assets are measured using an amount corresponding to the lease liability (adjusted for prepaid and accrued leasing fees). In its application of IFRS 16, the Group has used the following practical solutions, which are allowed according to the standard:

The same discount rate has been used for a portfolio of leases with reasonably similar characteristics:

Operating leases with a remaining term of less than 12 months from January 1, 2019 have been reported as short-term leases;

Direct acquisition costs for rights-of-use assets have been eliminated during the transition; and

Historical information has been used when determining the term of a lease where there is an option to extend or terminate the lease.

The Group has also decided not to apply IFRS 16 to agreements that have not been identified as leases in accordance with IAS 17 and IFRIC 4.

SSM is also a lessee of site leaseholds, which means changes to the reporting under IFRS 16. The change does not have any impact on profit/loss, but site leasehold fees are reclassified on the income statement from an operating expense in *Expenses for production and management* to an estimated financial item in net financial expenses. The balance sheet is also affected, as the present value of future site leasehold fees is recognized as an asset and a liability.

As of September 30, 2019, the Group reports rights-of-use assets totaling 40.2 MSEK, January 1, 2019 44.0 MSEK. The reporting of leases with SSM as the lessor remain unchanged in all material respects.

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 Financial instruments by category in SSM's 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 in the period.

Reported value	2019-09-30	2018-09-30	2018-12-31
Bond issue	367,6	395,7	396,4
Liabilities to credit institutions	95,9	129,7	96,6
Other long-term liabilities	33,8	-	-
TOTAL LIABILITIES	497,3	525,4	493,0
Fair value	2019-09-30	2018-09-30	2018-12-31
Bond issue	369,0	400,0	400,0
Liabilities to credit institutions	96,3	129,7	96,7
Other long-term liabilities	33,8	-	-
TOTAL LIABILITIES	499,2	529,7	496,7

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		2018
	2019	2018	2019	2018	
Project revenue, contracted	129,3	32,3	135,2	544,6	580,7
Sale of other construction services	5,9	8,8	26,0	33,0	42,0
Sale of other construction goods	1,1	2,4	2,3	3,9	13,0
Other revenue	4,1	3,8	12,8	12,7	16,8
TOTAL	140,5	47,3	176,2	594,2	652,5
Total revenue from large customers	127,3	38,8	151,6	544,3	580,4
No. of large customers (>10% of revenue)	3	3	4	3	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		2018
	2019	2018	2019	2018	
Overhead costs	-10.1	-13.7	-27.7	-34.9	-49.8
Salaries	-16.8	-15.7	-64.3	-70.8	-91.1
Administration, balanced	0.9	10.3	18.6	32.1	41.5
Time, balanced	7.6	5.6	28.5	36.5	48.8
Depreciations/amortization	-1.1	-0.2	-4.4	-0.6	-0.8
Sales and administration costs	-19.6	-13.7	-49.3	-37.7	-51.4

The second quarter was impacted by non-recurring items of -6.3 MSEK related to the change of CEO. The third quarter included non-recurring items of -1.1 MSEK from divesting SSM's contracting operations.

Note 6 Participations in joint ventures

Joint venture 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 JV entities.

ALECTA

Consolidated share amounts to 30,0%

Summarized income statement	Jan-Sep	
	2019	2018
Net Sales	36,1	-
Costs for production and management	-38,1	-7,8
Other operating expenses	-0,2	-0,8
Operating profit/loss	-2,2	-8,6
Financial income	0,0	-
Financial expenses	-4,4	-1,6
Profit/loss before tax	-6,6	-10,2
Tax on profit/loss for the year	-	-
Profit/loss for the year	-6,6	-10,2

Summarized balance sheet	2019-09-30	2018-09-30
Current assets		
Liquid funds	94,3	63,7
Projektfastigheter	637,7	417,5
Other receivables	8,3	2,8
Total current assets	740,3	484,0
Current liabilities	-15,6	-18,1
Total current liabilities	-15,6	-18,1
Fixed assets	-	-
Long-term financial debt	-667,1	-410,8
Other long-term liabilities	-10,7	-
Total assets and long-term liabilities	-677,8	-410,8
Net assets	46,9	55,1

STUDENT HILL

Consolidated share amounts to 50,0%

Jan-Sep

Summarized income statement	2019	2018
Net Sales	-	-
Costs for production and management	-1,2	-2,5
Other operating expenses	-0,1	-
Operating profit/loss	-1,3	-2,5
Financial income	0,1	-
Financial expenses	-0,4	-0,2
Profi/loss before tax	-1,6	-2,6
Tax on profit/loss for the year	-	-
Profit/loss for the year	-1,6	-2,6

Summarized balance sheet	2019-09-30	2018-09-30
Current assets		
Liquid funds	3,9	2,9
Other receivables	26,6	22,3
Total current assets	30,5	25,3
Current liabilities	-30,2	-24,9
Total current liabilities	-30,2	-24,9
Fixed assets	0,9	0,9
Long-term financial debt	-1,2	-1,3
Other long-term liabilities	-	-
Total assets and long-term liabilities	-0,3	-0,4
Net assets	-0,0	0,0

PROFI Turbinhallen

Consolidated share amounts to 50,0%

	Jan-Sep	
Summarized income statement	2019	2018
Net Sales	1,3	454,5
Costs for production and management	-0,9	-275,1
Other operating expenses	-	-
Operating profit/loss	0,4	179,4
Financial income	-	-
Financial expenses	-	-3,0
Profi/loss before tax	0,4	176,4
Tax on profit/loss for the year	-	-
Profit/loss for the year	0,4	176,4

Summarized balance sheet	2019-09-30	2018-09-30
Current assets		
Liquid funds	4,2	43,8
Projektfastigheter	-	230,8
Other receivables	7,1	1,4
Total current assets	11,3	276,0
Current liabilities	-	-1,6
Total current liabilities	-	-1,6
Fixed assets	0,1	-
Long-term financial debt	-	-239,7
Other long-term liabilities	-	-
Total assets and long-term liabilities	0,1	-239,7
Net assets	11,4	34,7

PARTNERS GROUP

Consolidated share amounts to 50,0%

	Jan-Sep	
Summarized income statement	2019	2018
Net Sales	-	0,1
Costs for production and management	-40,2	-22,2
Other operating expenses	-2,0	-1,6
Operating profit/loss	-42,2	-23,7
Financial income	0,0	-
Financial expenses	-0,1	-0,4
Profi/loss before tax	-42,3	-24,1
Tax on profit/loss for the year	-0,1	-
Profit/loss for the year	-42,4	-24,1

Summarized balance sheet	30/09/2019	30/09/2018
Current assets		
Liquid funds	35.4	15.1
Projektfastigheter	605.0	529.5
Other receivables	19.0	6.0
Total current assets	659.4	550.6
Current liabilities	-403.5	-68.6
Total current liabilities	-403.5	-68.6
Fixed assets	-	-
Long-term financial debt	-	-325.5
Other long-term liabilities	-0.8	-
Total assets and long-term liabilities	-0.8	-325.5
Net assets	255.1	156.5

PROFI Bromma Square

Consolidated share amounts to 50,0%

Jan-Sep

Summarized income statement	2019	2018
Net Sales	15,4	14,8
Costs for production and management	-2,8	-4,5
Other operating expenses	-1,0	-1,0
Operating profit/loss	11,6	9,2
Financial income	0,1	-
Financial expenses	-6,4	-7,0
Profi/loss before tax	5,3	2,3
Tax on profit/loss for the year	-1,6	-0,5
Profit/loss for the year	3,7	1,7

Summarized balance sheet	2019-09-30	2018-09-30
Current assets		
Liquid funds	10,0	4,4
Other receivables	3,0	3,0
Total current assets	13,0	7,3
Current liabilities	-16,5	-10,1
Total current liabilities	-16,5	-10,1
Fixed assets	275,5	252,5
Long-term financial debt	-231,7	-234,5
Other long-term liabilities	-7,2	-2,5
Total assets and long-term liabilities	36,7	15,6
Net assets	33,2	12,8

LIBU Elverket

Consolidated share amounts to 50,0%

	Jan-Sep	
Summarized income statement	2019	2018
Net Sales	1,2	-
Costs for production and management	-0,8	2,2
Other operating expenses	-0,0	-0,0
Operating profit/loss	0,3	2,2
Financial income	-	-
Financial expenses	-2,5	-4,3
Profi/loss before tax	-2,2	-2,1
Tax on profit/loss for the year	-	-
Profit/loss for the year	-2,2	-2,1
Summarized balance sheet	2019-09-30	2018-09-30
Current assets		
Liquid funds	0,4	1,9
Projektfastigheter	430,4	410,8
Other receivables	3,7	-
Total current assets	434,5	412,7
Current liabilities	-8,5	-0,9
Total current liabilities	-8,5	-0,9
Fixed assets	-	-
Long-term financial debt	-424,2	-413,9
Other long-term liabilities	-	-
Total assets and long-term liabilities	-424,2	-413,9
Net assets	1,8	-2,0

Note 7 Assets pledged as security and contingent liabilities
Assets pledged as security

Shares in SSM Fastigheter AB have been pledged as collateral for issued bonds and the Group-wide value is -53.7 MSEK (216.9). Mortgages have been pledged totaling 97.2 MSEK (97.2) and floating charges totaling 23.7 MSEK (23.7).

Contingent liabilities

Guarantees of 347.4 MSEK (238.9) have been pledged to housing cooperatives that are not consolidated in the Group. The above refers to housing cooperatives that are controlled by joint ventures and are consolidated as part of the relevant joint venture. Guarantees of 17.1 MSEK (10.3) have been pledged to joint ventures. 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.

Note 8 Retroactive recalculation of financial reports

Due to the changed consolidation principle for housing associations, the point in time that SSM recognize project revenue and project costs has been affected. Revenue arising out of the construction and transfer of a residential property is recognized at the point in time when control is transferred to the homebuyer, which is usually when the individual owner of a cooperative apartment takes possession of the home. At this point in time, SSM's right to receive the purchase price for the cooperative apartment in question also arises. The recognized revenue is based on the actual revenue per home sold within the housing cooperative project and is recognized when the owner of each home takes possession. Recognized revenue per sold home is based on the home's proportion of the property's total cost at completion of the project. During the construction period, accrued costs are recognized as inventory assets in project properties, and the housing association's liabilities are recognized as short-term or long-term interest-bearing liabilities in SSM's balance sheet. SSM considers that the point in time when the housing association receives the final investment on its long-term interest-bearing financing as the moment when control of the housing association is no longer considerable, and the housing association should no longer be included in the Group's consolidated accounts.

Additional information on the adjustment of previously applied accounting principles for the housing development of cooperative apartments was presented in SSM's Annual Report 2018, Note 30, *Retrospective recalculation of financial reports* and in a press release published February 6, 2019 entitled *SSM applies new accounting principle for housing development through housing associations*.

Translation effects from the retrospective restatement of the comparative period for the *Group's statement of comprehensive income* for July – September and January – September 2018 and the *Group's statement of financial position* on September 30, 2018 are set out below.

	Before adjustment	Adjustment	After adjustment
	Jul-Sep		Jul-Sep
	2018		2018
Net sales	52,4	-5,1	47,3
Expenses for production and mgmt	-41,0	4,2	-36,8
Gross Profit	11,4	-1,0	10,5
Sales and administration expenses	-13,7	-	-13,7
Other income	2,8	-2,8	-
Earnings from joint ventures	2,4	0,4	2,8
Operating profit	2,9	-3,3	-0,4
Net financial items	-7,6	-	-7,6
Pre-tax profit	-4,7	-3,3	-8,0
Tax	0,1	-	0,1
Earnings for the period	-4,6	-3,3	-8,0
Earnings per share, before and after dilution (SEK)	-0,12		-0,20
Average number of shares during the period	39 252 542		39 252 542

	Before adjustment	Adjustment	After adjustment
	Jan-Sep 2018		Jan-sep 2018
Net sales	221,1	373,2	594,2
Expenses for production and mgmt	-193,1	-355,9	-548,9
Gross Profit	28,0	17,3	45,3
Sales and administration expenses	-37,7	-	-37,7
Other income	13,4	-6,6	6,9
Earnings from joint ventures	8,4	62,5	70,9
Operating profit	12,2	73,2	85,4
Net financial items	-23,1	-	-23,1
Pre-tax profit	-10,9	73,2	62,2
Tax	-0,6	-	-0,6
Earnings for the period	-11,5	73,2	61,7
Earnings per share, before and after dilution (SEK)	-0,29		1,57
Average number of shares during the period	39 252 542		39 252 542

	Before adjustment	Adjustment	After adjustment
	2018-09-30		2018-09-30
ASSETS			
Intangible assets	2,2	-	2,2
Tangible assets	0,3	-	0,3
Holdings in joint ventures	170,5	-63,1	107,5
Receivables from joint ventures	238,9	-	238,9
Other non-current receivables	146,6	-51,6	95,0
Project properties	494,3	17,0	511,4
Accounts receivables	16,5	-	16,5
Recognized, non-invoiced revenue	59,3	-59,3	-
Other receivables	44,7	46,0	90,7
Cash and cash equivalents	334,0	6,1	340,1
Total assets	1 507,3	-104,7	1 402,6
LIABILITIES AND EQUITY			
Total equity	951,0	-138,0	813,1
Other provisions	10,1	-	10,1
Bond issues	395,7	0,0	395,7
Liabilities to credit institutions	96,9	32,8	129,7
Accounts payable – trade	18,9	0,0	18,9
Other liabilities	11,8	0,4	12,3
Accrued costs and prepaid income	22,8	-0,0	22,8
Total liabilities and equity	1 507,3	-104,7	1 402,6

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 describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, November 18, 2019

Anders Janson
Chairman

Bo Andersson
Member

Per Berggren
Member

Sheila Florell
Member

Ulf Morelius
Member

Ulf Sjöstrand
Member

Jonas Wikström
Member

Peter Wågström
Member

Mattias Lundgren
Interim 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 30 September 2019 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.

Other matter

We would like to draw attention to the disclosure on pages 2 and 13 in the interim report on the status of the company's financial situation. We have not modified our statement in this regard.

Stockholm November 18, 2019

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.



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 >20 percent
- Debt/equity ratio >30 percent
- Return on equity >25 percent
- Interest coverage ratio >2 x

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 2019	February 20, 2020
Interim Report Q1 2020	May 14, 2020
AGM 2020	May 14, 2020
Interim Report Q2 2020	August 27, 2020
Interim Report Q3 2020	November 19, 2020

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