SSM

Smaller spaces.
Larger living.

Q1

Interim report Jan-Mar 2017

"A good start to the year with significant growth in the project portfolio."

First quarter

- Net sales increased to 136.4 MSEK (72.9).
- Operating profit went down to 21.2 MSEK (28.5).
- Gross margin increased to 17.4% (17.2).
- Operating margin was 15.6% (39.1).
- Profit after tax totaled 14.4 MSEK (25.0).
- Earnings per share at 0.48 SEK (0.83).
- Cash flow was -1.5 MSEK (-87.8).
- Return on equity was 18.5% (54.2).
- Debt/equity ratio was 32.2% (31.7).
- Acquisition of 530 building rights in Mariehäll and Täby.

Significant events after the balance sheet date

- Stock exchange listing on Nasdaq Stockholm's main list (Mid-cap) on April 6, 2017 together with a new issue of 9,152,542 shares.
- Sales start for 387 apartments within the framework of the Kosmopoliten project in Kista Äng and the Sollentuna Hills project.
- Acquisition of 425 building rights in Spånga and Akalla, Stockholm.
- On the reporting date, there were 5,932 building rights in the portfolio.

Seasonal variations

SSM's operations are not affected by any obvious seasonal variations. However, large projects may be subject to a material effect on sales and profit/loss in individual quarters depending on when the projects are started and completed. This effect on sales and profit/loss should therefore be considered over a longer cycle, such as a twelve-month period.

Key ratios

	Jan-Mar			Apr-Mar	Jan-Dec
(MSEK)	**2017**	**2016**	**Δ**	**2016/2017**	**2016**
Net sales	136.4	72.9	87.2%	713.5	649.9
Net sales, joint ventures	120.3	144.9	-16.9%	723.8	748.4
Gross profit	23.8	12.5	90.2%	158.4	147.1
Operating profit	21.2	28.5	-25.6%	179.8	187.1
Earnings for the period	14.4	25.0	-42.6%	134.1	144.7
Gross margin, percent	17.4	17.2	0.3	22.2	22.6
Operating margin, percent	15.6	39.1	-23.6	25.2	28.8
Interest coverage ratio, times	2.3	4.8	-2.5	3.6	4.0
Equity ratio, %	32.2	31.7	0.5	32.2	29.1
Return on equity, percent	18.5	54.2	-35.6	52.2	61.0
Earnings after tax per share, before and after dilution, SEK*	0.48	0.83	-42.6%	4.45	4.81
Number of acquired building rights	530	1,801	-1,271	1,680	2,951
Number of completed apartments	255	-	255	301	46
Number of sold apartments	-	-	-	238	238
Number of started apartments	1,224	1,287	-63	1,224	1,479
Accumulated no. of sold apartments in production	1,184	1,296	-112	1,184	1,427
Share sold (in production), %	96.7	98.6	-1.9	96.7	96.5

* On January 23, 2017, the Swedish Companies Registration Office registered a share split of 100:1 and that the number of shares after the split amounts to 30,100,000. Profits and equity per share have been calculated on the basis of the number of shares after the split.

CEO's comments

"The year's planned production starts and the initial positive sales start have created good conditions for reaching our targets in 2017."

Continued substantial growth in project portfolio

During the first five months of the year, we have further expanded and strengthened our project portfolio with 955 building rights. Our focused portfolio, which in its entirety is made up of homes in semi-central locations close to good public transport, now consists of nearly 6,000 building rights that are either in the planning or production phase. Our success in acquiring building rights shows that our investment strategy works well and that the market has confidence in our expertise and capacity to develop relevant, modern and quality housing.

Good conditions for reaching our targets in 2017

The quarter's turnover is mainly attributable to our six projects where production has started. During the quarter, we completed two projects, Rosteriet and Twin House, corresponding to 255 homes, and at the end of the quarter, we had 1,224 residential units in production. During the year, our goal is to start production on about 1,000 homes while completing a further approximately 500 homes. There is a certain degree of volatility inherent in our business since construction and decisions are sometimes delayed due to formal processes beyond our control. During the first quarter, there were delays within the framework of our Metronomen and West Side Solna projects. At the beginning of May, the detailed plan for the Metronomen project was approved and we've now been able to start preparing for groundwork. For the West Side Solna project, we're waiting for a decision regarding the building permit, which is expected between the second and third quarters.

The quarter's lower profits and operating margin are chiefly due to lower profits from joint venture projects, items affecting comparability and increased central costs. To gain a fairer view of the company's development, it is therefore important to look at development over a longer cycle, which shows that our development is in line with our operative and financial targets.

Positive sales start and continued strong demand

The prevailing urbanization and low unemployment situation in Stockholm, together with the housing shortage, are benefiting our industry and leading to a strong underlying demand for housing in the Greater Stockholm area. We see a clear interest in our affordable housing in areas close to the city center and on average, there are about 25-30 stakeholders per apartment before a sales start. In April, we began selling homes in our Kosmopoliten project in Kista Äng, a development that includes 204 cooperative apartments, and we have high hopes of achieving our sales goals in the near future. Before the summer, we will also start selling homes in two other projects: Sollentuna Hills in Sollentuna, which covers about 183 cooperative apartments, and Platform West in Täby with 109 cooperative apartments.

A newly-listed company well-equipped for continued profitable growth

The planned production starts for the year and the positive start of sales mean that SSM is well equipped for continued profitable growth in 2017. On April 6, SSM was listed on Nasdaq's main list and I would therefore like to conclude by thanking our new shareholders for their demonstrated confidence in SSM and our business.

Mattias Roos
President & CEO

Housing market in Stockholm

“The demand for space-efficient and affordable housing close to good public transportation remains high.”

Development of prices for cooperative apartments in Greater Stockholm area, 2014-2017

Source: Svensk Mäklarstatistik, April 2017

High demand for affordable housing in the region

There is a significant shortage of housing in the Greater Stockholm area and the accumulated housing deficit is high. Municipalities in the region are continuing to increase investments in new construction and have planned to build several hundred thousand new homes by 2030, most of which will be developed in municipalities where SSM’s target group wishes to live. The regional housing target of 16,000 homes per year was achieved for the first time in 2016 after having remained constant at 11,000 on average for a longer period.

Demand for the type of affordable and efficient housing that SSM produces is growing, giving SSM the opportunity to continue to acquire and produce new projects according to its chosen strategy and customer segments.

Housing prices in Greater Stockholm area continuing to rise

Housing prices in Stockholm County are continuing to increase. According to Svensk Mäklarstatistik, a real estate consultancy, prices for cooperative apartments in the Greater Stockholm area went up by 4.4 percent in 2016 and continued to rise by 2.9 percent in the first quarter of 2017. The average price per square meter for a cooperative apartment in the Greater Stockholm area was SEK 60,036 (56,785) during the quarter.

Price levels during the quarter went up in municipalities where SSM has ongoing or planned production. Prices in Hägersten/Liljeholmen are continuing to increase and the average price per square meter was SEK 70,000. The increase in prices for cooperative apartments was highest in the Municipality of Täby at 4.1 percent, which corresponds to an average square meter price of SEK 47,091. The price level for cooperative apartments in Uppsala increased by 2.3 percent during the quarter, corresponding to SEK 35,690 per square meter.

SEB’s Housing Price Indicator for May 2017 shows that households’ expectations regarding housing prices are continuing to grow and have now reached the second highest level ever. According to the Bank of Sweden’s monetary policy statement on May 3, the repo rate remained unchanged at -0.5 percent. The repo rate is expected to go up in mid-2018, somewhat later than in the Bank of Sweden’s previous forecast.

Project portfolio

PROPERTIES WHERE PRODUCTION HAS STARTED

Project	Property	Floor area	Area	Sales start	Start of production	Occupation	Sales started During Q1 2017	Sales started Total	Booked During Q1 2017	Booked Total	Sold During Q1 2017	Sold Total	Sales rate[1]
The Lab[4]	266	14,456	Solna	13/04/2014	Q3 2014	Q4 2016 - Q3 2017	-	266	-	-	-	266	100%
Bromma Tracks	249	12,144	Bromma	05/10/2014	Q4 2014	Q1 - Q4 2017	-	249	-	-	-	249	100%
Turbinhallen[4]	205	12,876	Nacka	11/10/2015	Q4 2015	Q4 2017 - Q2 2018	-	201	-	-	-	201	98%
The Tube	50	2,354	Sundbyberg	10/04/2016	Q2 2016	Q2 2018	-	42	-	-	-	41	82%
West Side Solna[4]	266	12,361	Solna	15/10/2015	Q4 2015	Q3 2018 - Q2 2019	-	252	7		-	252	95%
Metronomen	188	7,612	Telefonplan	29/05/2016	Q3 2016	Q2 2019 - Q1 2020	-	188	-	-	12	175	93%
Total	**1,224**	**61,803**											

PROPERTIES FOR SALE PRIOR TO PRODUCTION START

Project	Property	Floor area	Area	Sales start	Start of production	Occupation	Sales started During Q1 2017	Sales started Total	Booked During Q1 2017	Booked Total	Sold During Q1 2017	Sold Total	Sales rate[1]
Kosmopoliten	204	10,024	Kista	26/04/2017	2019	Q4 2021	-	204		122			
Sollentuna Hills	183	10,211	Sollentuna	21/05/2017	2017	2022							
Total	**387**	**20,235**											

PROJECT PORTFOLIO UNDER DEVELOPMENT

Project	Apts.	Floor area	Area	Sales start	Start of production	Occupation
Platform West	109	4,800	Täby	2017	2017	2021
Täby Market	90	4,700	Täby	2017	2017	2019
Täby Turf[2]	185	8,900	Täby		2017	2020
The Loft[2][4]	120	2,968	Täby		2017	2020
Elverket i Nacka 1[4]	150	8,143	Nacka	2017	2017	2020
Boardwalk Bromma	260	17,200	Mariehäll	2017	2017	2020
Tentafabriken	77	1,825	Sollentuna	2017	2017	2019
Tellus Towers (78)[3]	693	28,960	Telefonplan	2017	2018	2021
Tellus Towers (58)[3]	515	21,537	Telefonplan	2017	2018	2021
Tellus lamell HR	18	1,539	Telefonplan	2017	2018	2021
Järla Station	319	15,253	Nacka	2017	2018	2020
Elverket i Nacka 2[4]	200	10,857	Nacka	2018	2019	2021
Bromma Tracks II	90	4,192	Bromma	2018	2018	2020
Spånga Studios	80	3,250	Spånga	2018	2018	2019
Bromma Square[4]	400	19,000	Bromma	2018	2019	2021
T17B	60	2,700	Telefonplan	2019	2019	2020
Älvsjö Quarters[2]	530	23,300	Älvsjö		2019	2021
Total	**3,896**	**179,124**				
Total 3/31/2017	**5,507**	**261,162**				

ACQUISITIONS AFTER THE PERIOD

Spånga	250	11,400	Spånga		2020	2021
Akalla	175	9,000	Akalla		2019	2021
TOTAL 5/18/2017	**5,932**	281,562				

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 detailed plans, government decisions and market development as well as the fact that several of the projects are in the planning phase and the plan for each project may change.

1) Refers to sold cooperative apartments in relation to the total number of apartments in the project.

2) Rental units.

3) The Tellus Towers project will be divided into cooperative apartments, rental units and hotel operations.

4) Joint ventures.

Project portfolio

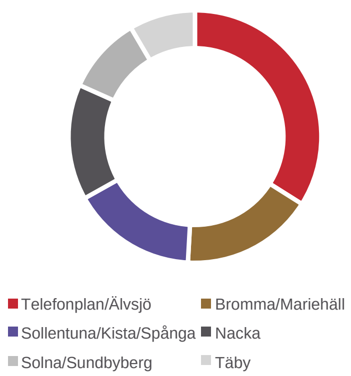
"A focused and high-quality project portfolio for tomorrow's urbanites."

SSM acquires and develops housing based on the preferences of its target group. The target group, which the company has chosen to call tomorrow's urbanites, is made up of people between 20 and 44 living mainly in single or two-person households. People in this target group have active social lives and are looking for housing in areas close to the city with good public transport. Based on official statistics, the company estimates that approximately 900,000 residents in the Greater Stockholm area belong to this group.

For this reason, SSM runs housing development projects in urban metropolitan environments, which means that at the moment, the company has a clear focus on the Greater Stockholm area including Uppsala. Within this chosen geography, SSM is focusing on eight municipalities where an urban environment with good public transport already exists or where there is active development as well as the conditions needed to develop into an urban environment with good communications that satisfy the needs of the company's target group. As illustrated, SSM has a high-quality, well-focused project portfolio to match its target group's preferences.

SSM has an active acquisition strategy where approximately 85 percent of acquisitions come from private actors and direct land allotments from municipalities. Since the beginning of the year, the company has successfully continued to acquire building rights. As of May 18, SSM had acquired 955 building rights, bringing the number of rights in the portfolio to 5,932. The portfolio has an attractive distribution with 34 percent of the building rights in popular Telefonplan, 17 percent in Bromma/Mariehäll and Sollentuna/Kista /Spånga and the remaining 32 percent in Nacka/Solna/Sundbyberg and Täby.

Portfolio divided by geography



During the quarter, the Rosteriet (225 cooperative apartments in Liljeholmen) and Twin House (30 student housing units in the form of cooperative apartments) projects were completed. As of March 31, 22 percent of the quarter's total project portfolio was in production and the remaining 78 percent was under development. At the end of the quarter, there were six projects in production, corresponding to 1,224 homes.

Of the projects in production during the quarter, The Lab (266 cooperative apartments in Solna) and Bromma Tracks (249 cooperative apartments in Bromma) are expected to be finished and occupied during 2017 in addition to parts of the Turbinhallen project (205 cooperative apartments in Nacka).

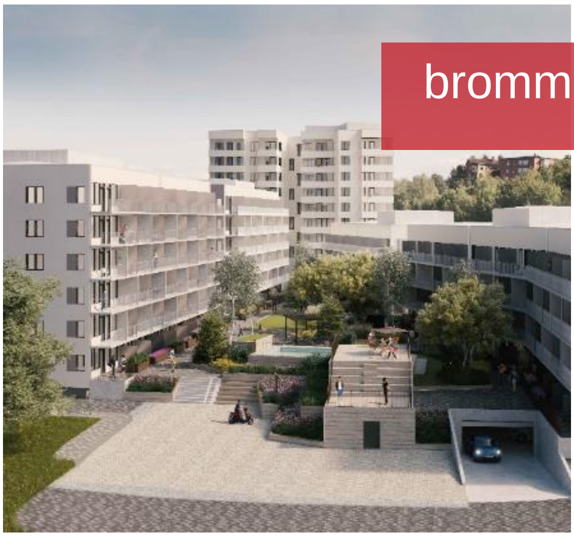
As announced earlier, in 2017, SSM plans to start production of another 1,000 new homes mainly in Sollentuna, Täby and Mariehäll. The company intends to gradually increase the number of housing starts to reach a level of 1,800 per year by 2021.

Demand is good for SSM's housing, which is reflected in a high number of stakeholders per home and an overall high sales rate. During the quarter, 12 (37) homes were sold in the Metronome project at Telefonplan and the sales rate for housing in ongoing production continued to be high at 96.7 (98.6) percent. After the balance sheet date, the sale of 204 cooperative apartments in the Kosmopoliten project in Kista began. Before the summer, SSM will also start selling 183 homes in the Sollentuna Hills project and 109 homes in Platform West.

Selection of current projects

the lab

The Lab (Solna) is made up of 266 cooperative apartments. Each high-quality and space-efficient home is inspired by Gunnar Asplund and features modern materials. The project also includes a number of common spaces such as a sun deck, relaxation area with a Jacuzzi, outdoor gym, large bike garage and bike workshop. There will also be two commercial spaces that will enliven the area. The Lab is sold out and occupation, which began during the fourth quarter of 2016 will continue until the fourth quarter of 2017. The project is a cooperation between SSM and Alecta.



bromma tracks

Bromma Tracks (Bromma) includes five buildings with a total of 249 cooperative apartments. The space-efficient homes are strategically located close to the Brommaplan hub and each unit has a balcony or patio. The project also includes a shared outdoor pool as well as a communal space with barbecues. Just a stone's throw away is a lush natural area and Lake Lillsjön. Bromma Tracks is sold out and occupancy will be ongoing throughout 2017. The project is being managed entirely by SSM.

kosmopoliten

Kosmopoliten (Kista Äng) includes 204 affordable and space-efficient cooperative apartments, almost 90 percent of which have a floor area of 30-65 m^2. Most of the apartments have a balcony or patio and future residents will also be able to enjoy modern common spaces including an outdoor gym and pool, orangery, large bike garage, car pool, charging station for electric cars and in-building cold storage facilities for grocery deliveries. Sales started on April 26, 2017 and production is expected to begin in 2019 with occupancy during the latter part of 2021. The project is being managed entirely by SSM.

Selection of current projects

täby market & täby turf

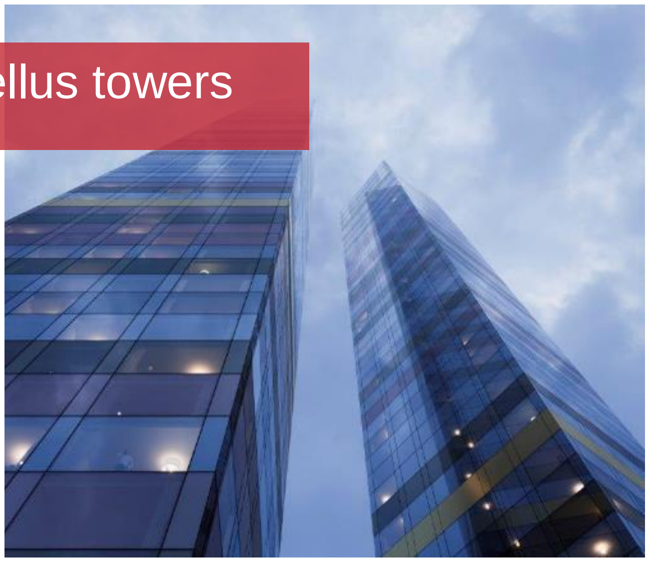
Täby Market & Täby Turf (Täby Park) include 270 homes of which 180 are rental units (Täby Turf). The project is part of Stockholm's new Täby Park district that will offer at least 6,000 homes. The project is attractively located 400 m from the Roslagsbanan light rail station Galoppfältet and will feature exciting architecture of various heights with materials including wood, brick and cement. In addition to the bike garage, bike workshop and car pool, the project also includes common spaces such as rooftop terraces with suns decks, pools and conservatories as well as a garden area with plants and cultivation plots. Sales are expected to start during 2017 with occupation in the latter part of 2020. The project will be managed entirely by SSM.

boardwalk bromma

In March 2017, SSM acquired the Boardwalk Bromma project in Mariehäll. SSM plans to develop 260 cooperative apartments. The project will be managed entirely by SSM. Sales are expected to start in 2018 with occupation during 2020.

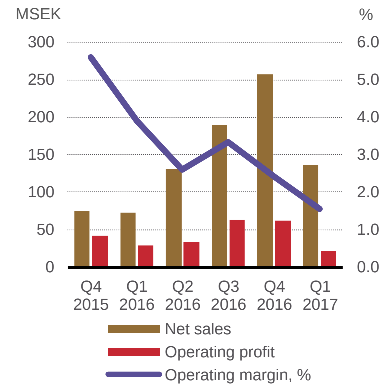
tellus towers

When they are completed, Tellus Towers (Telefonplan) will be among the tallest apartment buildings in Northern Europe with two skyscrapers of 78 and 58 floors respectively and approximately 1,200 homes of which 370 will be rental units. The buildings, which also include a seven-story structure, have been designed by award-winning architect Gert Wingårdh according to Chinese architect Gary Chang's concept of maximizing and using smaller spaces. In addition to stores, cafés and grocery stores, there will be a restaurant, sky bar, spas and two rooftop pools. The project is currently pending consultation and sales are expected to start in 2018 with occupancy from 2021. The project will be run through collaborations.

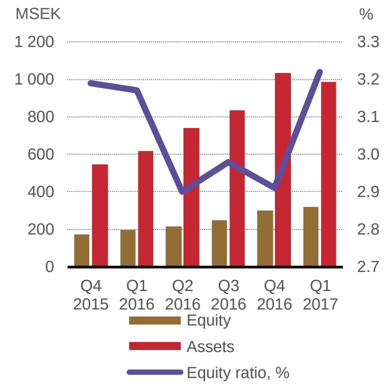


Comments on the period January – March 2017

Net sales, operating profit, operating margin



Equity, balance sheet total and debt/equity ratio



Net sales and operating profit/loss

Net sales in the Group, which applies the percentage of completion method for all projects, grew to 136.4 MSEK (72.9) in the period. The revenue is mainly attributable to recognized revenue within project operations and invoiced construction contracts related to JV-projects. Project sales chiefly refer to the Bromma Tracks, Metronomen and The Tube projects. The increase in sales compared with the previous year is due to the higher level of activity both in wholly-owned projects and in invoiced construction contracts related to JV-projects. The gross margin grew slightly between the periods.

The cost of sales and administration amounted to -14.9 MSEK (-3.5). The current period includes items affecting comparability totaling 10.3 MSEK. 5.3 MSEK includes costs for the option program for the Board of Directors and management of 3.0 MSEK and provisions for annual bonuses of 2.3 MSEK that were not present in the comparative period. The remaining 5.0 MSEK is overhead costs that were balanced in the comparative period but that with the new application of the accounting principles has been expensed for the current period. Expensing involves only a deferral during the lifetime of the project and does not change the total profitability of the project. The increase is otherwise due to the larger central organization required to handle growth and increased requirements posed on the company as a listed company.

Participations in joint ventures amounted to 12.4 MSEK (19.5). The lower outcome in the current period is due to reduced activity within JV-projects such as Rosteriet, which has been completed, and The Lab, which is approaching completion. There was also a certain delay in the West Side Solna project that resulted in lower costs incurred and an ensuing reduced deduction in the current quarter. Deductions from new JV-projects have not yet been made to the same extent. JV-projects are accounted for using the equity method, which means that revenues are not recognized in the consolidated accounts but only in SSM's share of the profit.

The Group's operating profit for the quarter dropped to 21.2 MSEK (28.5) mainly as a result of the increased cost of sales and administration and reduced participations from JV-projects. The operating margin was 15.6 percent (39.1). Profit after tax was 14.4 MSEK (25.0) and in addition to the above, it was affected by a weaker net financial income as direct result of the increased debt portfolio.

Financial position and cash flow

On the balance sheet date, SSM had 5,507 building rights in its portfolio. Capital tied up in project properties and joint ventures was 382.2 MSEK (348.5) on March 31, 2017. The increase on the asset side of the balance sheet between the periods is primarily attributable to an increase in the number of building rights, an increase in recognized receivables related to projects in production and a low proportion of completed projects. The Group's equity was 317.9 MSEK (195.9) on the balance sheet date and the debt/equity ratio was 32.2 percent (31.7).

SSM's operations are capital intensive and access to capital is a basic condition required to develop the Group further. The Group currently uses two external sources of funding: bonds and loans from credit institutions. The Group's interest-bearing liabilities totaled 524.2 MSEK (341.8) on the balance sheet date, of which the bond loan accounted for 391.4 MSEK (197.2). Cash and cash equivalents amounted to 46.1 MSEK (7.3) on March 31, 2017. In addition, the company has access to unused credit facilities of 320 MSEK (12).

Cash flow from operating activities amounted to -1.5 MSEK (-87.8) in the period, including primarily positive changes to the Group's project properties comprised of sales of properties to housing cooperatives. Cash flow from investing activities amounted to -16.3 MSEK (0.0) in the period of January-March 2017, and cash flow from financing activities was 0.0 MSEK (42.4).

Related party transactions

Over the period, SSM did not engage in any material transactions with related parties, except customary transactions between Group companies and joint ventures. These transactions were carried out on market terms.

Seasonal variations

SSM's operations are not affected by any obvious seasonal variations. However, large projects may be subject to a material effect on sales and profit/loss in individual quarters, depending on when the projects are started and completed. This effect on sales and profit/loss should therefore be considered over a longer cycle, such as a twelve-month period.

Parent Company

Operations in the Parent Company were limited in both the current period and the comparative period. Profit/loss for the year amounted to -1.7 MSEK (-0.6). The assets primarily comprised claims on Group companies and totaled 327.8 MSEK (166.4) at the end of the quarter. Equity was 73.8 MSEK (70.2) on the balance sheet date. The Parent Company had three employees (0) at the end of the quarter, including the CEO.

Employees

The average number of employees in the SSM Group was 64 (53) at the end of the period, 26 (22) of which were women. The increase in the number of employees is a result of growth in project activities, a larger central organization to handle the growth and increased requirements posed on the company as a listed company.

Risks and uncertainties

SSM's operations are affected by a number of external factors, the effects of which on the profit/loss and financial position can be controlled to a varying degree. When assessing the Company's future development, it is important to consider the risk factors alongside any opportunities for profit growth.

The greatest risks in the Group's operations are strategic risks such as deteriorating macroeconomic developments and a reduced demand for housing, and operational risks such as price and project risks. SSM is also exposed to a number of financial risks including those related to the

Group's liquidity and the loan financing of the operations. The aim of the Group's risk management is to identify, measure, control and limit risks in the operations. Additional information about the risks to which the company is exposed is presented on pages 43-45 in the 2016 Annual Report and in Note 15.

Shares and share capital

The company's registered share capital was 30.1 MSEK, divided into a total of 30,100,000 registered shares. There is one share class in the company and each share has a quota value of 1 SEK (1). On January 23, 2017, the Swedish Companies Registration Office registered a share split of 100:1. The number of shares after the split is 30,100,000. The shares in the company have been issued pursuant to Swedish law and are denominated in SEK. The shares are fully paid and freely transferable. Each share in the company confers a right to the holder to one vote at the general meeting, and each shareholder is entitled to vote for all shares in the company held by such shareholders. All shares confer an equal entitlement to dividends and to the company's assets and potential surplus in the event of liquidation. At the end of the quarter, all shares in the company were held by Eurodevelopment Holding AG.

Events after the reporting period

SSM was listed on Nasdaq Stockholm on April 6, 2017. The offer comprised a total of 9,813,136 shares, 9,152,542 of which were newly-issued shares offered by the company and 660,594 were existing shares offered by selling shareholders. To cover a potential overallotment, Eurodevelopment Holding AG undertook to sell no more than 15 percent of the total number of shares in the offering, corresponding to no more than 1,471,970 shares. The overallotment option for 604,350 existing shares was used. This means that 867,620 shares, borrowed by Joint Global Coordinated from the main owners to cover the overallotment in connection with the offer, will be returned.

The Group's statement of comprehensive income

(MSEK)	Jan-Mar 2017	Jan-Mar 2016	Apr-Mar 2016/2017	Jan-Dec 2016
Net sales	136.4	72.9	713.5	649.9
Expenses for production and management	-112.6	-60.4	-555.1	-502.8
Gross profit	**23.8**	**12.5**	**158.4**	**147.1**
Sales and administration expenses	-14.9	-3.5	-47.8	-36.4
Earnings from joint ventures	12.4	19.5	69.2	76.4
Operating profit	**21.2**	**28.5**	**179.8**	**187.1**
Financial income	3.8	2.7	12.9	11.9
Financial expenses	-10.6	-6.5	-53.6	-49.5
Net financial items	**-6.9**	**-3.8**	**-40.7**	**-37.6**
Pre-tax profit	**14.4**	**24.7**	**139.1**	**149.5**
Tax	-0.0	0.3	-5.0	-4.8
EARNINGS FOR THE PERIOD	**14.4**	**25.0**	**134.1**	**144.7**
Profit attributable to				
Parent company shareholders	14.4	25.0	134.0	144.7
Minority interest	-	-0.0	0.0	0.0
PROFIT FOR THE PERIOD	14.4	25.0	134.1	144.7
Earnings per share, before and after dilution (SEK)	0.48	0.83	4.45	4.81
Number of shares at end of period*	30,100,000	30,100,000	30,100,000	30,100,000
Average number of shares during the period*	30,100,000	30,100,000	30,100,000	30,100,000

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.

*On January 23, 2017, the Swedish Companies Registration Office registered a share split of 100:1 and that the number of shares after the split amounts to 30,100,000. Profits and equity per share have been calculated on the basis of the number of shares after the share split.

The Group's statement of financial position

(MSEK)	31/03/2017	31/03/2016	31/12/2016
ASSETS			
Fixed assets			
Intangible assets			
Software	1.1	1.3	1.4
Total intangible assets	1.1	1.3	1.4
Tangible assets			
Machinery and equipment	0.4	0.3	0.4
Total tangible assets	0.4	0.3	0.4
Financial assets			
Participations in joint ventures	199.5	149.7	187.1
Receivables from joint ventures	73.6	19.7	69.1
Other long-term receivables	145.3	74.1	203.8
Total financial assets	418.4	243.5	460.0
Deferred tax receivables	-	5.2	-
Total fixed assets	**419.9**	**250.3**	**461.9**
Current assets			
Inventories			
Warehouse property	182.7	198.8	208.8
Total inventories	182.7	198.8	208.8
Other current assets			
Accounts receivable	12.7	6.5	29.4
Recognized, non-invoiced revenue	68.0	64.5	163.4
Receivables from joint ventures	-	0.1	3.1
Tax receivables	0.5	0.1	0.5
Other receivables	235.2	61.2	81.0
Prepaid costs and accrued income	21.7	29.0	24.0
Liquid funds	46.1	7.3	63.9
Total current assets	**567.0**	**367.5**	**574.0**
TOTAL ASSETS	**986.9**	**617.8**	**1,035.8**

The Group's statement of financial position, cont.

(MSEK)	31/03/2017	31/03/2016	31/12/2016
EQUITY AND LIABILITIES			
Equity			
Share capital	30.1	30.1	30.1
Profit brought forward	287.8	165.8	271.2
Equity attributable to Parent Company shareholders	**317.9**	**195.9**	**301.3**
Minority interest	0.0	0.0	0.0
Total equity	**317.9**	**195.9**	**301.3**
Long-term liabilities			
Bond issues	391.4	197.2	390.7
Liabilities to credit institutions	132.8	144.6	132.8
Other long-term liabilities	-	-	49.6
Provisions	14.4	6.2	14.4
Deferred tax liabilities	1.1	1.4	1.1
Total long-term liabilities	**539.7**	**349.4**	**588.6**
Current liabilities			
Advance payments from customers	-	5.9	-
Accounts payable – trade	50.8	26.4	43.3
Provisions	2.7	1.5	2.8
Current tax liabilities	1.3	0.2	1.6
Bank overdraft	-	8.3	-
Other liabilities	52.1	18.9	62.7
Accrued costs and prepaid income	22.3	11.3	35.5
Total current liabilities	**129.3**	**72.5**	**146.0**
TOTAL LIABILITIES AND EQUITY	**986.9**	**617.8**	**1,035.8**

The Group's statement of changes in equity

(MSEK)	Share capital	Profit brought forward	Total	Minority interest	Total equity
	Attributable to Parent Company shareholders				
Equity, January 1, 2016	30.1	143.3	173.4	0.2	173.5
Profit					
Profit this period		25.0	25.0	-0.0	50.0
Total profit		25.0	25.0	-0.0	25.0
Transactions with shareholders					
Paid dividend		-2.5	-2.5	-0.1	
Total transactions with shareholders		-2.5	-2.5	-0.1	-2.6
EQUITY, MARCH 31, 2016	**30.1**	**165.8**	**195.9**	**0.0**	**195.9**
Equity, January 1, 2016	30.1	143.3	173.4	0.2	173.5
Profit					
Profit for the year		144.7	144.7	0.0	144.7
Total profit		144.7	144.7	0.0	144.7
Transactions with shareholders					
Paid dividend		-18.5	-18.5	-0.1	-18.6
Share-based payments		1.7	1.7	-	1.7
Total transactions with shareholders		-16.8	-16.8	-0.1	-17.0
EQUITY, DECEMBER 31, 2016	**30.1**	**271.2**	**301.3**	**0.0**	**301.3**
Equity, January 1, 2017	30.1	271.2	301.3	0.0	301.3
Profit					
Profit this period		14.4	14.4	-	14.4
Total profit		14.4	14.4	-	14.4
Transactions with shareholders					
Share-based payments		2.3	2.3	-	2.3
Total transactions with shareholders		2.3	2.3	-	2.3
EQUITY, MARCH 31, 2017	**30.1**	**287.8**	**317.9**	**0.0**	**317.9**

The Group's cash flow statement

(MSEK)	Jan-Mar 2017	Jan-Mar 2016	Apr-Mar 2016/2017	Jan-Dec 2016
Cash flow from current activities				
Operating profit before financial expenses	21.2	28.5	179.8	187.1
Items not affecting liquidity	3.1	1.1	4.4	2.4
Recognized profits in joint ventures	-12.4	-19.5	-69.3	-76.4
Received dividend from joint ventures	-	-	62.0	62.0
Received interest	0.0	2.7	-0.6	2.1
Paid interest	-8.6	-6.5	-32.9	-30.8
Paid income taxes	-0.3	-3.0	0.6	-2.0
Cash flow before changes in operating capital	3.0	3.3	144.0	144.4
Cash flow from changes in operating capital				
Decrease/increase in property projects	71.8	-86.4	-37.0	-195.3
Decrease/increase in accounts receivables	16.6	-4.7	-6.3	-27.7
Decrease/increase in other current receivables	-76.6	-7.5	-94.3	-25.3
Decrease/increase in supplier liabilities	7.5	-6.7	29.0	14.8
Decrease/increase in current liabilities	-23.9	14.3	31.5	69.7
Total change in operating capital	-4.5	-91.1	-77.1	-163.8
CASH FLOW FROM CURRENT ACTIVITIES	**-1.5**	**-87.8**	**66.9**	**-19.4**
Cash flow from investment activities				
Investments in intangible assets	-	-	-1.0	-1.0
Investments in tangible assets	-	-	-0.4	-0.4
Investments in financial assets	-39.5	-	-261.1	-221.5
Decrease of financial assets	23.3	-	32.3	9.0
Cash flow from investment activities	-16.3	-	-230.2	-213.9
Cash flow from financing activities				
Dividend	-	-2.6	-16.0	-18.6
Increase in long-term liabilities	-	45.0	471.1	516.1
Amortization of long-term liabilities	-	-	-253.0	-253.0
Cash flow from financing activities	-	42.4	202.1	244.5
Decrease/increase in liquid funds	-17.8	-45.4	38.8	11.2
Liquid funds, opening balance	63.9	52.7	7.3	52.7
LIQUID FUNDS AT THE END OF THE PERIOD	**46.1**	**7.3**	**46.1**	**63.9**

Parent Company's statement of comprehensive income

	Jan-Mar		Apr-Mar	Jan-Dec
(MSEK)	**2017**	**2016**	**2016/2017**	**2016**
Net sales	5.0	-	5.0	-
Gross profit	5.0	-	5.0	-
Sales and administration costs	-6.1	-0.0	-16.8	-10.7
Operating profit	**-1.1**	**-0.0**	**-11.8**	**-10.7**
Earnings from Group companies	-	-	46.0	46.0
Interest income and similar profit/loss items	8.1	3.9	30.3	26.0
Interest expenses and similar profit/loss items	-8.7	-4.4	-44.9	-40.6
Profit after financial items	-1.7	-0.6	19.6	20.7
Tax	-	-	-	-
PROFIT FOR THE PERIOD	**-1.7**	**-0.6**	**19.6**	**20.7**

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)	31/03/2017	31/03/2016	31/12/2016
ASSETS			
Fixed assets			
Participations in Group companies	92.3	92.3	92.3
Receivables from Group companies	327.8	166.4	330.7
Other assets	-	9.0	-
Total fixed assets	**420.1**	**267.6**	**423.0**
Current assets			
Receivables from Group companies	45.0	-	45.0
Prepaid expenses and accrued revenue	10.3	-	3.6
Cash and bank balances	3.9	0.0	10.2
Total current assets	**59.3**	**0.0**	**59.0**
TOTAL ASSETS	**479.4**	**267.6**	**481.9**

(MSEK)	31/03/2017	31/03/2016	31/12/2016
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	30.1	30.1	30.1
Unrestricted equity	45.4	40.7	24.7
Profi/loss for the period	-1.7	-0.6	20.7
Total equity	**73.8**	**70.2**	**75.5**
Long-term liabilities			
Other long-term liabilities	391.4	197.2	390.7
Total long-term liabilities	**391.4**	**197.2**	**390.7**
Current liabilities			
Liabilities to Group companies	-	0.1	-
Accounts payable – trade	0.5	-	1.9
Other liabilities	6.2	-	0.0
Accrued expenses and prepaid liabilities	7.5	0.1	13.9
Total current liabilities	**14.2**	**0.2**	**15.8**
TOTAL EQUITY AND LIABILITIES	**479.4**	**267.6**	**481.9**

Parent Company's changes in equity

	Restricted equity	Unrestricted equity	
(MSEK)	Share capital	Profit brought forward	Total equity
Equity, January 1, 2016	30.1	43.2	73.3
Profit			
Profit this period		-0.6	-0.6
Total profit		-0.6	-0.6
Transactions with shareholders			
Paid dividend		-2.5	-2.5
Total transactions with shareholders		-2.5	-2.5
EQUITY, MARCH 31, 2016	**30.1**	**40.1**	**70.2**
Equity, January 1, 2016	30.1	43.2	73.3
Profit			
Profit for the year		20.7	20.7
Total profit		20.7	20.7
Transactions with shareholders			
Paid dividend		-18.5	-18.5
Total transactions with shareholders		-18.5	-18.5
EQUITY, DECEMBER 31, 2016	**30.1**	**45.4**	**75.5**
Equity, January 1, 2017	30.1	45.4	75.5
Profit			
Profit this period		-1.7	-1.7
Total profit		-1.7	-1.7
Transactions with shareholders			
Total transactions with shareholders		-	-
EQUITY, MARCH 31, 2017	**30.1**	**43.7**	**73.8**

Parent Company's cash flow statement

	Jan-Mar		Apr-Mar	Jan-Dec
(MSEK)	2017	2016	2016/2017	2016
Cash flow from current activities				
Operating profit before financial expenses	-1.1	-0.0	-11.8	-10.7
Items not affecting liquidity	-	-	-0.2	-0.2
Received interest	8.1	3.9	30.3	26.0
Paid interest	-8.7	-4.0	-27.3	-22.6
Cash flow before changes in operating capital	-1.7	-0.2	-9.1	-7.6
Cash flow from changes in operating capital				
Decrease/increase in other current receivables	-6.6	-	-10.2	-3.6
Decrease/increase in supplier liabilities	-1.4	-0.0	0.5	1.8
Decrease/increase in current liabilities	-0.2	-0.0	9.1	9.3
Total change in operating capital	-8.2	-0.1	-0.7	7.5
CASH FLOW FROM CURRENT ACTIVITIES	**-9.9**	**-0.2**	**-9.8**	**-0.1**
Cash flow from investment activities				
Investments in financial assets	2.9	-	-167.8	-170.7
Decrease of financial assets	-	2.7	6.3	9.0
Received dividend from Group companies	-	-	10.0	10.0
Cash flow from investment activities	2.9	2.7	-151.5	-151.7
Paid out dividend	-	-2.5	-16.0	-18.5
Increase in long-term liabilities	0.7	-	389.2	388.5
Amortization of long-term liabilities	-	-	-208.0	-208.0
Cash flow from financing activities	0.7	-2.5	165.2	162.0
Decrease/increase in liquid funds	-6.3	-0.0	3.9	10.2
Liquid funds, opening balance	10.2	0.0	10.2	0.0
LIQUID FUNDS AT THE END OF THE PERIOD	**3.9**	**0.0**	**14.1**	**10.2**

Notes

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 Kungsgatan 57A, 111 22 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 region.

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

SSM Holding AB (publ) applies IFRS (International Financial Reporting Standards) as adopted by the European Union, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. 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 the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies and methods of calculations were used in this interim report as in the latest Annual Report.

IFRS 15 Revenue from Contracts with Customers

It is mandatory to apply the new standards, IFRS 15 Revenue from Contracts with Customers, for financial years beginning on January 1, 2018 or later. The Group has carried out an evaluation of the effects of the standard and has assessed that it will not have any material impact on the Group's financial reports. Further information about IFRS 15 is provided in a note in the 2016 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 borrowing are as follows:

The fair value of current borrowing corresponds to its carrying value since the discount is not significant. 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 per category in the Annual Report. The difference between the carrying amount and the fair value consists of the transaction costs related to each loan, accrued over the duration of the loan.

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

(MSEK)	Reported value 31/03/2017	31/03/2016	31/12/2016
Bond issue	391.4	197.2	390.7
Liabilities to credit institutions	132.8	144.6	132.8
Other long-term liabilities	-	-	49.6
TOTAL LONG-TERM LIABILITIES	**524.2**	**341.8**	**573.1**

(MSEK)	Fair value 31/03/2017	31/03/2016	31/12/2016
Bond issue	400.0	200.0	400.0
Liabilities to credit institutions	133.0	145.0	133.0
Other long-term liabilities	-	-	49.6
TOTAL LONG-TERM LIABILITIES	**533.0**	**345.0**	**582.6**

Note 4 Net sales and major customers

Group-wide information. Distribution of revenues from all products and services:

Analysis of revenue by revenue type	Jan-Mar 2017	2016	2016
Project revenue, contracted	126.7	69.6	612.0
Sale of other construction services	7.7	2.9	29.9
Sale of other construction goods	0.3	0.1	2.5
Other revenue	1.7	0.3	5.6
TOTAL	**136.4**	**72.9**	**650.0**

The Group has its registered office in Sweden. The revenue is wholly attributable to customers in Sweden.

For January to March 2017, revenue of 115.7 MSEK is attributable to Bromma Tracks, Metronomen and Turbinhallen. For January to March 2016, revenue of 54.2 MSEK is attributable to three individual customers.

Note 5 Assets pledged as security and contingent liabilities

Shares in SSM Fastigheter AB have been pledged as collateral for issued bonds, the Group-wide value is 244.1 MSEK (125.7) and there are restricted funds of 0.0 MSEK (90). Mortgages have been pledged totaling 33.0 MSEK (42.2) and floating charges totaling 23.7 MSEK (20.0). A promissory note of 60.9 MSEK (42.4) has been pledged as security for a loan from a credit institution.

Contingent liabilities

Guarantees of 894.7 MSEK (961.8) have been pledged to housing cooperatives and 77.4 MSEK (5.0) to joint ventures. In addition, there are commitments under construction contracts and agreements to acquire unsold apartments in production that has been completed. From time to time, SSM is a party in a dispute. No ongoing dispute is estimated to have a material effect on the position or result of the Group.

Signatures of the Board of Directors

The Board of Directors and the CEO affirm 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, May 17, 2017

Anders Janson
Chairman

Bo Andersson
Member

Per Berggren
Member

Sheila Florell
Member

Ulf Morelius
Member

Ulf Sjöstrand
Member

Jonas Wikström
Member

Mattias Roos
President & CEO

Auditor's report

This report has not been reviewed by SSM's auditors.

Definitions of key ratios

No. of employees
Number of contracted employees.

Return on total capital
Profit after financial items in relation to adjusted equity.

No. of shares
Number of registered shares at the end of the period, less repurchased shares, which have no voting rights or right to dividend.

Leverage
Interest-bearing liabilities as a percentage of total assets.

Gross margin
Gross profit divided by net sales.

Gross profit
Net sales minus expenses for production and management.

Equity per share
Shareholders' equity divided by no. of shares.

Changes compared to the same period previous year
Percentage change in amounts from the same period previous year. Marginal measures are presented in percentage units.

Adjusted equity
Shareholders' equity plus untaxed reserves less deferred tax liability.

Liquidity
Current assets excluding inventories in relation to current liabilities

Net debt
Interest-bearing liabilities including pension liabilities and accrued interest less cash and cash equivalents, interest-bearing current and non-current receivables and capital investment shares.

Net sales joint ventures
Total net sales in SSM's joint ventures.

Net profit margin
Profit after financial items in relation to net sales.

Earnings per share after tax
Net profit after tax in relation to average number of outstanding shares.

Return on equity
Profit after tax divided by average shareholders' equity.

Return on total capital
Profit after financial items and interest expenses as a percentage of average total capital.

Interest coverage
Profit after financial income in relation to financial costs.

Operating margin
Operating income as a percentage of net sales.

Operating profit
Earnings before financial items.

Gearing
Total debt relative to equity.

Equity ratio
Equity in relation to total assets.

No. of apartments in construction
Number of apartments started, and not completed.

No. of apartments started
Number of apartments for which SSM has started revenue recognition.

No. of apartments completed
Number of apartments in projects that have been closed out.

Project optimization
Changes in no. of building rights in previously acquired projects.

Building right
Forecasted no. of developable apartments within the company's project portfolio.

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 it.

Accumulated no. of sold apartments
Total number of apartments in production that are sold through binding contracts.

Sold apartments
Number of apartments that have been sold on through binding contracts.

Percentage of sold apartments in production
Accumulated number of sold apartments in relation to number of apartments under construction.

SSM applies the European Securities and Markets Authority's (ESMA) Alternative Performance Measures. These guidelines aim to make alternative key ratios in financial statements more understandable, reliable and comparable, thus promoting their usefulness. According to these guidelines, alternative key ratios are financial measurements of historical or future financial performance, financial position or cash flow that are not defined or specified in the applicable financial reporting rules: IFRS and the Annual Accounts Act. Reconciliation of alternative key ratios can be found at ssmlivinggroup.com

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 and its goal is to produce 60 percent cooperative apartments, 30 percent rental apartments and 10 percent student housing. SSM is the leading residential developer in its niche in the Greater Stockholm area and has nearly 6,000 building rights in its project portfolio. In 2017, SSM aims to start production of 1,000 homes and gradually increase the number of housing starts to reach a level of at least 1,800 per year by 2021. SSM was listed on Nasdaq Stockholm (Mid-cap) on April 6, 2017.

Financial targets & dividend policy
SSM's financial goals aim to maintain long-term, stable 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 of the year's profits after tax

Financial calendar

Interim report Q2 2017	August 17, 2017
Interim report Q3 2017	November 15, 2017

SSM's financial reports can be downloaded at www.ssmlivinggroup.com.

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