



January – June 2018

“Certain stabilization
in the housing market in Stockholm.”



Summary of April – June

- Net sales for projects run entirely by SSM totaled 73.1 MSEK (168.4).
- Operating profit was 1.4 MSEK (19.7) and the operating margin was 1.9% (11.7).
- Cash flow from operating activities was 85.9 MSEK (-230.7).
- 33 pre-purchase agreements signed during the quarter.
- The Sollentuna Hills project was split into two projects of 94 cooperative apartments and 94 rental units respectively. Production in the rental project started under SSM's own management.
- During the quarter, the company's terms and conditions for bonds were amended. As a result, the company may now start production of apartments that have a lower sales rate than today, provided the sales rate for all of the company's cooperative apartments under productions is at least 60 percent.
- SSM named finalist to develop a new city district in Sollentuna.
- Group management grew when Maria Boudrie joined as Chief Legal Officer and Christer Ljung as Chief Purchasing Officer.

Summary of January – June

- Net sales for projects run entirely by SSM totaled 168.6 MSEK (304.9).
- Operating profit was 9.3 MSEK (40.9) and the operating margin was 5.5% (13.4).
- Cash flow from operating activities was 28.7 MSEK (-232.2).
- 39 pre-purchase agreements signed during the period.
- Production started by SSM for Täby Turf and Sollentuna Hills, a total of 273 rental units. There is no revenue recognition for rental projects run under SSM's own management.
- A letter of intent was signed regarding the exclusive right to acquire 1,200 building rights in Segeltorp, Rotebro, Spånga and the central parts of Täby with a project value of 3.5 billion SEK.
- A land allocation was granted by the City of Stockholm for 100 student housing units in Brommaplan.
- An early consultation for Tellus Towers took place during the spring. A decision by the City Planning Administration from the early consultation is expected during the fall of 2018 after which an ordinary consultation will take place.

Significant events after the balance sheet date

- There were no significant events after the balance sheet date.

Key ratios¹

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2018	2017	2018	2017	2017/2018	2017
Net sales	73.1	168.4	168.6	304.9	380.0	516.2
Net sales JV	77.6	79.7	162.8	200.1	383.8	421.0
Gross profit	5.0	33.2	16.6	57.0	27.5	68.0
Operating profit	1.4	19.7	9.3	40.9	138.6	170.2
Earnings for the period	-8.5	11.5	-6.9	25.8	106.5	139.2
Gross margin, percent	6.9	19.7	9.8	18.7	7.2	13.2
Operating margin, percent	1.9	11.7	5.5	13.4	36.5	33.0
Interest coverage ratio, times	0.4	2.0	0.7	2.2	3.4	4.1
Equity ratio, %	61.5	54.9	61.5	54.9	61.5	59.2
Return on equity, percent	-3.5	7.9	-1.4	9.0	11.8	22.0
Earnings per share, before and after dilution, SEK	-0.22	0.30	-0.18	0.75	2.71	3.78
Number of acquired building rights	-	485	100	1,015	1,020	1,935
Number of completed cooperative apartments	249	-	515	255	515	255
Number of production started cooperative apartments	-	204	-	204	-	204
Number of cooperative apartments in production	899	1,415	899	1,415	899	1,414
Accumulated number of sold cooperative apartments in production	861	1,353	861	1,353	861	1,371
Share sold cooperative apartments in production, %	95.8	95.6	95.8	95.6	95.8	97.0
Number of production started rental apartments	94	-	273	-	273	-
Number of rental apartments in production	273	-	273	-	273	-

¹ SSM's operations are not affected by clear seasonal variations. However, larger 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.

CEO's comments



“In the last 18 months, we have completed approximately 770 homes in our sold-out projects, confirming the demand for smart, affordable homes in urban environments.”

Certain stabilization in a continued cautious market

The cautious atmosphere in the housing market continued into the second quarter of 2018, however with more stability. Many of our customers are finding it difficult to enter into binding agreements long before they will get access to their properties. To address this, we are working on new products that can provide customers with the level of financial comfort they desire at the time of purchase. Our sales rate continued to develop slowly but positively during the quarter, although it is significantly lower than the figures SSM and the market reported during the same quarter last year. On the reporting date, we had signed 55 pre-purchase agreements since the beginning of the year, 33 of which were entered into during the second quarter. In some of our projects where sales have started, we have not yet begun converting booking agreements into pre-purchase agreements, which has impacted the number of pre-purchase agreements that can potentially be signed during the year. Our ambition is to be able to start converting some of these projects during the second half of the year.

Increased flexibility for starting projects at an earlier stage

During the quarter, the company's terms and conditions for bonds were amended which will make it possible for SSM to start production of individual projects at an initially lower sales rate than today. One prerequisite, however, is that the sales rate for all of the company's cooperative apartments under production must be 60 percent. The possibility to start production of an individual project if the sales rate is at least 50 percent also remains. The changed terms will give us the flexibility we desire for continued growth. The sales rate in projects where production is ongoing was 95.8 percent at the end of the quarter.

Reduced activity levels impact earnings in the near future

The operating profit for the quarter totaled 1.4 MSEK, reflecting the lower level of activity in our production at the moment. During the quarter, production started for our second rental project, which includes 94 rental units. This means that during the first half of the year, we started production for a total of 273 rental apartments. Production in this project began under SSM's own management and therefore does not provide project revenue recognition. Construction of West Side Solna is continuing according to plan. Metronomen has been affected negatively by increasing cost forecasts for construction and financing, which had a negative effect of -7.1 MSEK on the quarter's profits. The quarter's strong cash flow from current operations totaled 85.9 MSEK, which is mainly attributable to the fact that significant parts of the Turbinhallen project are in the final stages of occupation and completion. The operating margin was 1.9 percent as a result of lower net profits and lower participations from joint ventures. During the quarter, we continued to optimize projects by using our own employees and successively reducing our use of consultants as well as limiting investments in development projects. Additionally, our newly-recruited Chief Purchasing Officer has intensified work to strengthen logistics and material handling in order to achieve improved cost and margin development going forward.

Well positioned for future growth

The structural housing shortage in the Greater Stockholm area is substantial, which means that the market should recover when households regain confidence in future price and supply levels and adapt to increased amortization requirements. A healthy level of amortization is positive, but at the same time, decision-makers and lenders must consider the consequences of these requirements along with their financial calculations on prospective borrowers and act accordingly. Younger homebuyers cannot leave home and families cannot adapt their housing to their life situations. Given the calibration of today's market, with SSM's affordable and space-efficient homes, we still believe that we are well positioned for when current and future Stockholmers adapt to the prevailing conditions. Our competitive customer offer is also confirmed by the fact that SSM has completed approximately 770 homes in the past 18 months, all of which are sold out.

Mattias Roos
President & CEO

Housing market in Greater Stockholm

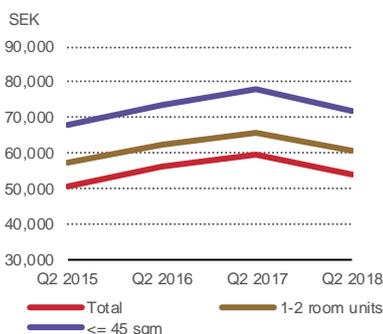
“That an increasing number of households believe prices are going up is in itself stabilizing for the housing market.”

Source: SEB, August 2018

No. of sold cooperative apartments (1-2 room units) in Greater Stockholm area



Average price for cooperative apartments in Greater Stockholm area



Source: Svensk Mäklarstatistik, July 2018

Indications of some stabilization of the housing market

SEB’s Housing Price Indicator for August 2018, states that household confidence in the real estate market is on its way back up. People in Stockholm, however, are more cautious about future price development, which is natural considering the high housing prices in the city and reports of slow sales and oversupply in some segments of the market. That households believe that prices are going up is in itself stabilizing for the housing market. At the same time, SEB has commented that many real estate agents, economists and other analysts are doubtful about price increases and that it may be too early for the situation to blow over.

On July 4, 2018, the Bank of Sweden decided to maintain the repo rate at the same level of -0.50 percent. Forecasts for the repo rate also remain unchanged, an indication as before that the rate will slowly go up towards the end of 2018.

New financial requirements result in fewer homes sold

According to Svensk Mäklarstatistik, a real estate consultancy, the total number of one- and two-room cooperative apartments sold went down during the second quarter on an annual basis as well as during the first half-year of 2018. During the second quarter, 4,915 (6,107) one- and two-room apartments were sold. The sale of units of up to 45 square meters dropped to 2,139 (2,688) and for the first half-year, the totals were 10,680 (12,006) and 4,901 (5,441) units respectively. The decrease can probably be explained by the increased amortization requirements that were introduced on March 1, 2018 as well as internal financial calculations at the banks that have made it all the more difficult for people in Stockholm to finance real estate purchases and enter the property market.

Stabilized price levels and marginal rise in prices for smaller homes

Svensk Mäklarstatistik has reported that average house prices in Stockholm County decreased from the higher comparative figures from the same quarter last year. Prices for cooperative apartments within the Greater Stockholm area decreased by -8.9 percent to SEK 54,165 (59,442) per square meter. However, prices stabilized compared with the first quarter of 2018, going down only -0.8 percent. Prices for one- and two-room apartments fell -7.6 percent to SEK 60,838 (65,831) per square meter. Prices for apartments of up to 45 square meters dropped -7.6 percent compared with the same quarter last year, totaling SEK 71,927 (77,859) per square meter. From June to July 2018, average prices increased 6.1 percent for apartments of up to 45 square meters in the Greater Stockholm area. However, it is too early to draw conclusions based on this change.



Project portfolio

OWNER ASSOCIATION WHERE PRODUCTION HAS STARTED

Project	Property	Floor area	Area	Schedule			Sales started		Booked		Sold		Sales rate ¹⁾
				Sales start	Start of production	Occupation	During Q2 2018	Total	During Q2 2018	Total ¹⁾	During Q2 2018	Total ¹⁾	
Turbinhallen ⁴⁾	205	12,871	Nacka	11/10/2015	Q4 2015	Q4 2017 - Q3 2018	-	205	-	-	-	205	100.0%
The Tube	50	2,354	Sundbyberg	10/04/2016	Q2 2016	Q1 2018 - Q3 2018	-	50	-	-	2	50	88.0%
West Side Solna ⁴⁾	252	11,906	Solna	15/10/2015	Q4 2015	Q3 2019 - Q1 2020	-	252	-	-	-	248	98.4%
Metronomen ⁴⁾	188	7,612	Telefonplan	29/05/2016	Q3 2016	Q1 2020 - Q4 2020	-	188	-	-	-	183	97.3%
Kosmopoliten	204	10,024	Kista	26/04/2017	Q2 2017	Q3 2021 - Q1 2022	-	204	-	-	1	181	88.7%
Total	899	44,767									3	867	95.8%

RENTALS WHERE PRODUCTION HAS STARTED

Täby Turf ²⁾	179	8,630	Täby		Q1 2018	2020							
Sollentuna Hills ²⁾	94	5,070	Sollentuna		Q2 2018	2020							
Total	273	13,700											

PROPERTIES FOR SALE PRIOR TO PRODUCTION START

Project	Property	Floor area	Area	Schedule			Sales started		Booked		Sold		Sales rate ¹⁾
				Sales start	Start of production	Occupation	During Q2 2018	Total	During Q2 2018	Total ¹⁾	During Q2 2018	Total ¹⁾	
Sollentuna Hills	94	5,890	Sollentuna	21/05/2017	2018	2021	-	94	-33	5	19	25	20.2%
Platform West	109	4,901	Täby	31/05/2017	2018	2020	-	109	-	-	-	48	44.0%
Täby Market	90	4,198	Täby	28/09/2017	2019	2020	-	90	-	8	-	-	n/a
Elverket i Nacka 1 ⁴⁾	168	8,401	Nacka	05/10/2017	2018	2021	-	168	-13	16	11	12	6.5%
Bromma Boardwalk	274	17,853	Mariehäll	18/10/2017	2018	2020	-	274	-	30	-	-	n/a
Tentafabriken ⁴⁾	72	1,828	Sollentuna	26/10/2017	2019	2020	-	72	2	10	-	2	n/a
Total	807	43,071						807	-44	69	30	87	21.0%

PROJECT PORTFOLIO UNDER DEVELOPMENT

Project	Apts.	Floor area	Area	Schedule		
				Sales start	Start of production	Occupation
The Loft ^{2,4)}	120	2,968	Täby		2019	2021
Tellus Lamell ^{2,4)}	18	1,475	Telefonplan		2019	2022
Tellus Towers (78) ^{3,4)}	683	28,034	Telefonplan	2019	2019	2022
Tellus Towers (58) ^{3,4)}	533	22,165	Telefonplan	2019	2019	2022
Järla Station ⁴⁾	312	13,546	Nacka	2019	2020	2023
Elverket i Nacka 2 ⁴⁾	273	10,963	Nacka	2019	2019	2021
Clustret	370	19,000	Jakobsberg	2019	2019	2022
Spånga Studios	140	5,600	Spånga	2019	2019	2021
Bromma Tracks II	90	3,900	Bromma	2019	2020	2021
Urbaniten	250	12,700	Hägersten	2019	2020	2021
Wiking	150	7,000	Sollentuna	2019	2020	2021
Bromma Square ^{2,4)}	110	5,800	Bromma		2020	2021
Bromma Square ⁴⁾	85	4,550	Bromma	2020	2020	2022
Bromma Square ⁴⁾	160	8,500	Bromma	2021	2021	2023
Akalla City	180	8,700	Akalla	2020	2020	2022
East Side Spånga	230	10,650	Spånga	2019	2020	2021
Bällstaviken	240	11,550	Ulvsunda	2019	2020	2021
Älvsjö Quarters ²⁾	516	21,000	Älvsjö		2020	2022
Kandidaten ^{2,4)}	100	2,700	Bromma		2020	2021
Total	4,560	200,801				
Total 6/30/2018	6,539	302,339				

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 development 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⁾ Number of signed booking agreements (booked) or legally-binding pre-purchase agreements (sold) indicate sales as August 27, 2018. However, all key ratios are calculated on the balance sheet date (June 30, 2018).

²⁾ Rental units.

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

⁴⁾ Joint ventures. SSM conducts an active joint venture strategy that strives for an equal distribution of projects run as joint ventures and by SSM alone. SSM also participates in joint ventures to acquire building rights as well as to maintain a desired level of risk within the Group. At time being SSM has joint venture agreements with Partners Group (Tellus Towers, Järla Sjö and Metronomen), Alecta (West Side Solna), Profi Fastigheter (Turbinhallen and Bromma Square), Studentbacken (The Loft and Kandidaten) and Libu Invest (Elverket i Nacka). At the end of the quarter 58.0 percent of SSM's building rights were within the framework of joint venture agreements.

Project portfolio

“Production in Sollentuna Hills, SSM’s second rental project, started during the quarter.”

SSM’s vision is to create a housing market with room for as many people as possible. To achieve this, the company produces homes with different forms of tenancy that people with normal incomes or on student allowances can afford. SSM’s homes are primarily smart one- and two-room apartments located outside of the city, close to public rail transport, which is in line with the target group’s preferences. The company’s long-term goal is to produce 60 percent cooperative apartments, 30 percent rental units and 10 percent student housing.

At the end of the quarter, there were 6,539 building rights in the project portfolio. Bromma Tracks 1, which includes 249 cooperative apartments, was completed during the quarter and the project portfolio grew by 13 building rights due to project optimization.

The Tube and Turbinhallen projects started to near completion during the quarter. Both projects are sold out and tenants gained access and began moved into The Tube during the first half-year. The final tenants will move into the projects during the third quarter of 2018.

The Sollentuna Hills project was divided into two projects of 94 cooperative apartments and 94 rental units respectively.

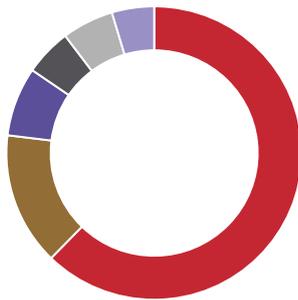
By the reporting date, SSM had signed 55 pre-purchase agreements, whereof 33 agreements during the second quarter. Sales have been primarily in the Sollentuna Hills project where the company started converting booking agreements into pre-purchase agreements at the beginning of May.

The sales rate for SSM’s homes currently in production was 95.8 percent at the end of the quarter.

Production in the company’s other rental project, Sollentuna Hills, which will have 94 units, started during the quarter. In total, production started for 273 rental apartments during the first half-year.

Of the 5,367 building rights in the portfolio where production has not started, 78.2 percent are currently intended to be developed into cooperative apartments and the remaining 21.8 percent will be developed into rental units. An additional approximately 1,000 building rights that today are planned to be developed into cooperative apartments may be converted into rental apartments. These rental apartments will still contribute positively to the company’s results after conversion.

Building rights, by municipality



- Stockholm
- Nacka
- Täby
- Sollentuna
- Jakobsberg
- Solna/Sundbyberg

Current projects

Bromma Tracks 1 (Bromma) is a property with five buildings and 249 cooperative apartments. The units are one- to five-room apartments of 31 to 82 m² of which 86 percent are one- and two room units of 31 to 61 m². These space-efficient homes are conveniently located near Brommaplan and each unit has a private balcony or patio. There is also a shared outdoor pool and a patio as well as an outdoor area with seating, greenery and opportunities for barbecuing. The property is also just a stone's throw from lush green areas and Lake Lillsjön. The project, has been run entirely by SSM and is sold out and was completed during the quarter.

bromma tracks 1



sollentuna hills

The Sollentuna Hills (Sollentuna) project is located in the growing urban area near Lake Väsjön, close to nature and sports and recreational areas. The area is being prepared for some 4,400 homes in the form of villas, townhouses and apartment buildings of varying heights with plastered facades. During the quarter, the project was divided into two separate projects of 94 cooperative apartments and 94 rental units respectively. The total floor space of the project is 10,960 m². As a result of the division, booking agreements were terminated and on the reporting date, there were 5 booking agreements and 25 signed pre-purchase agreements in the cooperative apartment project. Production in the rental project started during the quarter and tenants are expected to move in during 2020/2021. The project is being run entirely by SSM.

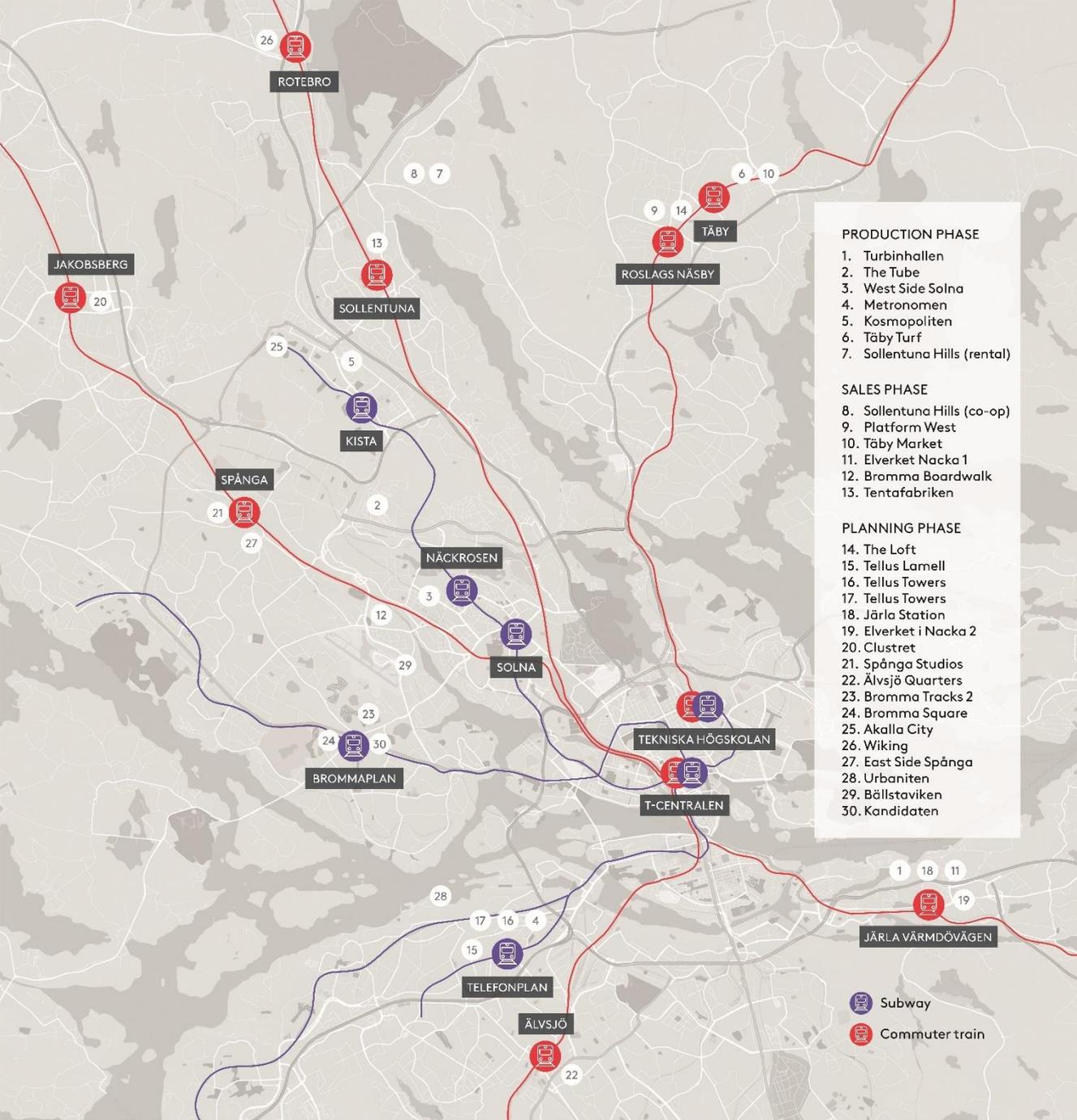
West Side Solna is made up of 252 centrally-located cooperative apartments near the subway, shopping and opportunities for recreation. The buildings will be six to eight stories high. The apartments will be one- to four-room units between 23 and 97 m², of which 91 percent will be one- and two-room units of 23 to 56 m². The total floor space of the project is 11,906 m². Most units will have a private balcony and shared spaces include a terrace and an outdoor pool. On the lower floors, there is space for cafés and stores. The project had a sales rate of 98.4 percent as at June 30, 2018. Fifty-six buyers have taken legal action to terminate their pre-purchase agreements. The housing association's position is that the agreements are legally binding. Tenants are expected to start moving in during the third quarter of 2019.

west side solna



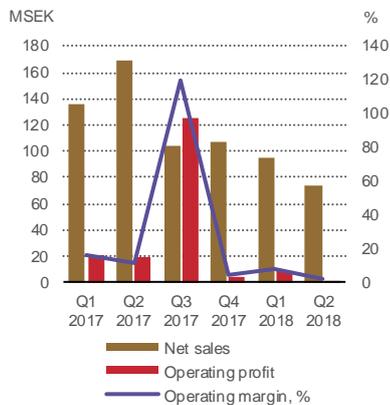
Project portfolio

All of SSM's housing projects share a geographic criterion: they are located within a comfortable distance of a metro or commuter train station. This is fully in line with demand in the company's target group – the urbanites of tomorrow.



Comments on the results

Net sales, operating profit, operating margin



April – June 2018

Net sales and operating profit/loss

Net sales in the group amounted to 73.1 MSEK during the quarter (168.4). The drop in sales was due to lower activity in wholly-owned projects and the transfer of the Metronomen project, which was wholly-owned during the comparative period, to the joint venture with Partners Group in the third quarter of 2017. Sales refer to the projects Bromma Tracks 1, The Tube and Kosmopoliten. The Sollentuna Hills production start took place under SSM's own management and did therefore not provide project revenue recognition. Invoiced construction contracts for the joint venture projects accounted for 56.4 percent (36.3) of sales and refer to the Turbinhallen project. The gross margin during the quarter was 6.9 MSEK (19.7). The reduced gross margin was due to the lower margin on SSM's own projects that were recognized between the quarters.

The cost of sales and administration dropped to -12.5 MSEK (-22.0). The previous quarter included an item affecting comparability of -7.4 MSEK in total for costs related to the IPO. Measures aimed at gradually reducing costs were implemented in the fourth quarter of 2017 and the first quarter of 2018 and resulted in cost savings in the current quarter. Measures include a general reduction in the number of consultants in SSM's production organization and reduced development costs for projects that are not yet in production.

Participations in joint ventures amounted to 0.8 MSEK (8.5). The reduced participations in the current period were mainly due to higher forecasted costs for the Metronomen project. The impact on profit/loss for the current quarter was -7.1 MSEK. Other participations primarily refer to the West Side Solna and Turbinhallen projects. Joint venture 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. See also Note 5 for summaries of the income statement and balance sheet for the joint ventures.

Other operating income was 8.1 MSEK (0.0). The valuation of the future earn-out for the Tellus Towers project, which was transferred to the joint venture with Partners Group in the third quarter of 2017, has changed the deductions for the period. In the second quarter of 2018, additional deductions of the future earn-out of 13.7 MSEK were made, of which 6.8 MSEK was taken up as income in the period. Otherwise, other operating income comprises a reversal of the profit elimination recognized in the balance sheet for the Metronomen project.

The Group's operating profit for the quarter was 1.4 MSEK (19.7), chiefly due to lower gross profits and participations in joint ventures according to the previously-provided independent variables. The operating margin was 1.9 percent (11.7).

The profit for the quarter was -8.5 MSEK (11.5). In addition to the above, it was affected by an increased net financial expense of -9.4 MSEK (-8.2) and a tax expense for the current quarter of -0.4 MSEK (0.0).



January – June 2018

Net sales and profit/loss

Net sales in the Group totaled MSEK 168.6 during the period (304.9).

The drop in sales was due to reduced activity in wholly-owned projects and the transfer of the Metronomen project, which was wholly-owned during the comparative period, to the joint venture with Partners Group in the third quarter of 2017. The gross margin in the period was 9.8 percent during the period (18.7). The reduced gross margin was due to the reduced margin on SSM's own projects that were recognized between the periods.

The cost of sales and administration dropped to -24.0 MSEK (-36.9). The same period in the previous year included items affecting comparability of -10.4 MSEK in total, of which -7.4 MSEK were costs related to the IPO. A total of -3.0 MSEK refers to costs related to the option program for the Board of Directors and the management. Measures aimed at gradually reducing costs were implemented in the fourth quarter of 2017 and the first quarter of 2018 and resulted in cost savings in the current period. Measures include a general reduction in the number of consultants in the production organization and reduced development costs for projects that are not yet in production.

Participations in joint ventures amounted to 6.0 MSEK (20.8). The reduced participations in the current period were chiefly due to higher forecasted costs for the Metronomen project. The impact on the profit/loss for the current quarter was -13.1 MSEK. See also Note 5 for summaries of the income statement and balance sheet for the joint ventures.

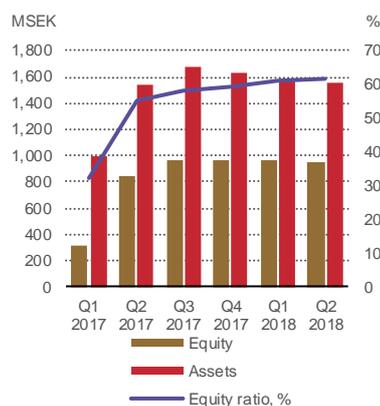
Other operating income was 10.6 MSEK (0.0). In the second quarter of 2018, an additional deduction of the future earn-out of 13.7 MSEK was made for the transfer of the Tellus Towers project to the joint venture with Partners Group, of which 6.8 MSEK was taken up as income in the period. Otherwise, Other operating income comprises a reversal of the profit elimination recognized in the balance sheet for the Metronomen project.

The Group's operating profit for the quarter was 9.3 MSEK (40.9), chiefly due to lower gross profits and participations in joint ventures according to the previously-provided independent variables. The operating margin was 5.5 percent (13.4).

Profit for the period was -6.9 MSEK (25.8). Net financial expenses were -15.5 MSEK (-15.1) while the tax expense between the quarters was -0.7 MSEK (0.0).

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 6,539 building rights (5,996) in its project portfolio. Of these, 1,172 were homes in production. The sales rate for cooperative apartments in production was 95.8 percent. The value of unsold homes in production was 94.6 MSEK the end of the quarter. These homes are expected to be completed in 2019/2022 based on current production planning.

Capital tied up in project properties, completed homes, joint ventures and claims on joint ventures was 898.4 MSEK (646.8) on June 30, 2018. The increase between the periods is mainly due to an increase in the number of building rights and in claims on joint ventures. Assets on the balance sheet went up marginally to 14.4 MSEK compared with June 30, 2017. The Group's equity was SEK 955.7 MSEK (845.4) on the balance sheet date and the debt/equity ratio was 61.5 percent (54.9), giving SSM a stable financial position.

Financing and debts

SSM's operations are capital intensive and access to capital is a basic prerequisite for developing 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 were 492.0 MSEK (554.4) on the balance sheet date, of which the bond loan accounted for 395.0 MSEK (392.1). Cash and cash equivalents amounted to 373.2 MSEK (348.5) on June 30, 2018. In addition, the company has access to unused credit facilities of 20.0 MSEK (20.0).

Cash flow

Cash flow from operating activities was 28.7 MSEK (-232.2) in the six-month period and 85.9 MSEK (-230.7) in the quarter. The positive cash flow in the current period was primarily due to the reduction of the Group's current receivables from joint ventures and housing associations. Cash flow from investing activities was 34.6 MSEK (-28.7) in the first six months of 2018, largely due to repayments from the Turbinhallen joint venture project.

Terms and conditions of the bond loan

On June 20, 2018, SSM obtained the bondholders' consent to amend the project undertaking of the terms and conditions of the bond such that SSM may start the production of a project if the sales rate for all SSM's cooperative apartments in production amounts to at least 60 percent. If SSM cannot reach this threshold, SSM may still initiate the production of projects if binding pre-purchase agreements have been signed for at least 50 percent of all cooperative apartments in the relevant project.

Seasonal variations

SSM's operations are affected by seasonal variations to a minor degree. However, major projects may have a material effect on sales and profit/loss in individual quarters, depending on when the projects are commenced and completed. This effect on sales and profit/loss should therefore be considered over a longer life cycle, such as a twelve-month period.

Parent Company

The Parent Company had limited operations in the period January–June 2018 and the comparative period alike. Profit for the period was -3.4 MSEK (-11.7).

The assets chiefly comprise participations in and receivables from Group companies, which amounted to 892.2 MSEK (681.6) at the end of the period. Equity was SEK 593.8 MSEK (580.4) on the balance sheet date.

The parent company had 3 employees (3) at the end of the period, of which the CEO was one.

Personnel

The average number of employees in the Group during the quarter was 71 (69) of which 26 (27) were women. For the period January to June 2018, there were 72 (68) employees of which 27 (26) were women. The number of employees is related to production volumes. Since the fourth quarter 2017, SSM has gradually decreased its use of consultants and a greater share of work within SSM's project organization has been carried out by SSM's own employees.

Transactions with related parties

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

Risks and uncertainties

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

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 71 – 73 of SSM's Annual Report 2017 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.

Events after the reporting period

There were no significant events after the balance sheet date.

The Group's statement of comprehensive income

(MSEK)	Not	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
		2018	2017	2018	2017	2017/2018	2017
Net sales	4	73.1	168.4	168.6	304.9	380.0	516.2
Expenses for production and management		-68.1	-135.2	-152.1	-247.8	-352.5	-448.2
Gross profit		5.0	33.2	16.6	57.0	27.5	68.0
Sales and administration expenses		-12.5	-22.0	-24.0	-36.9	-60.8	-73.8
Earnings from joint ventures	5	0.8	8.5	6.0	20.8	34.7	49.5
Other income		8.1	-	10.6	-	137.1	126.5
Operating profit		1.4	19.7	9.3	40.9	138.6	170.2
Financial income		3.0	3.4	7.1	7.1	13.2	13.3
Financial expenses		-12.5	-11.6	-22.6	-22.3	-44.6	-44.2
Net financial items		-9.4	-8.2	-15.5	-15.1	-31.4	-31.0
Pre-tax profit		-8.0	11.5	-6.2	25.8	107.2	139.2
Tax		-0.4	0.0	-0.7	-	-0.7	-0.1
EARNINGS FOR THE PERIOD		-8.5	11.5	-6.9	25.8	106.5	139.2
Profit attributable to							
Parent company shareholders		-8.5	11.5	-6.9	25.8	106.4	139.1
Minority interest		0.0	-	0.0	-	0.1	0.0
PROFIT FOR THE PERIOD		-8.5	11.5	-6.9	25.8	106.5	139.2
Earnings per share, before and after dilution (SEK)		-0.22	0.30	-0.18	0.75	2.71	3.78
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	38,752,403	39,252,542	34,426,202	39,252,542	36,820,223

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



The Group's statement of financial position

(MSEK)	6/30/2018	6/30/2017	12/31/2017
ASSETS			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	1.4	0.9	0.9
Total intangible assets	1.4	0.9	0.9
<i>Tangible assets</i>			
Machinery and equipment	0.4	0.4	0.5
Total tangible assets	0.4	0.4	0.5
<i>Financial assets</i>			
Participations in joint ventures	168.2	208.0	206.8
Receivables from joint ventures	223.7	75.4	212.5
Other long-term receivables	140.3	157.6	135.2
Total financial assets	532.2	441.0	554.5
Total fixed assets	534.0	442.3	555.9
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	448.6	360.3	396.8
Completed homes	17.1	-	31.1
Total inventories	465.8	360.3	427.9
<i>Other current assets</i>			
Accounts receivable	22.1	43.3	19.3
Recognized, non-invoiced revenue	74.5	86.4	70.9
Receivables from joint ventures	40.8	3.1	131.2
Tax receivables	0.4	1.1	0.5
Other receivables	24.0	236.5	101.5
Prepaid costs and accrued income	18.2	17.4	8.7
Liquid funds	373.2	348.5	310.2
Total current assets	1,019.0	1,096.4	1,070.1
TOTAL ASSETS	1,553.1	1,538.7	1,626.0



The Group's statement of financial position, cont.

(MSEK)	6/30/2018	6/30/2017	12/31/2017
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	39.3	39.3	39.3
Paid-up capital	506.5	506.9	506.5
Profit brought forward	409.9	299.3	416.8
Equity attributable to Parent Company shareholders	955.6	845.4	962.6
Minority interest	0.0	0.0	0.0
Total equity	955.7	845.4	962.6
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Bond issues	395.0	392.1	393.5
Liabilities to credit institutions	97.0	162.3	97.1
Other long-term liabilities	-	0.4	0.7
Provisions	9.6	13.4	12.5
Deferred tax liabilities	0.5	1.6	0.5
Total long-term liabilities	502.1	569.7	504.3
<i>Current liabilities</i>			
Accounts payable – trade	36.6	61.6	66.8
Provisions	2.6	2.3	4.3
Current tax liabilities	2.2	1.6	2.0
Other liabilities	12.5	42.7	59.1
Accrued costs and prepaid income	41.4	15.3	26.8
Total current liabilities	95.3	123.6	159.1
TOTAL EQUITY AND LIABILITIES	1,553.1	1,538.7	1,626.0

The Group's statement of changes in equity

(MSEK)	Attributable to Parent Company shareholders					
	Share capital	Other paid-in capital	Profit brought forward	Total	Minority interest	Total equity
Equity, January 1, 2017	30.1		271.2	301.3	0.0	301.3
Profit						
Profit this period			25.8	25.8	-	25.8
Total profit			25.8	25.8	-	25.8
Transactions with shareholders						
Share-based payments			2.3	2.3		2.3
Total transactions with shareholders	9.2		2.3	518.3	-	518.3
EQUITY, JUNE 30, 2017	39.3	506.8	299.3	845.4	0.0	845.4
Equity, January 1, 2017	30.1		271.2	301.3	0.0	301.3
Profit						
Profit for the year			139.1	139.1	0.0	139.2
Total profit			139.1	139.1	0.0	139.2
Transactions with shareholders						
New issue at IPO	9.2	530.8		540.0		540.0
Transaction costs in connection with IPO		-24.3		-24.3		-24.3
Share-based payments			6.5	6.5	-	6.5
Total transactions with shareholders	9.2	506.5	6.5	522.1	-	522.1
EQUITY, DECEMBER 31, 2017	39.3	506.5	416.8	962.5	0.1	962.6
Equity, January 1, 2018	39.3	506.5	416.8	962.5	0.1	962.6
Profit						
Profit this period			-6.9	-6.9	-	-6.9
Total profit			-6.9	-6.9	-	-6.9
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, MARCH 31, 2018	39.3	506.5	409.9	955.6	0.1	955.7



The Group's cash flow statement

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2018	2017	2018	2017	2017/2018	2017
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	1.4	19.7	9.3	40.9	138.6	170.2
Items not affecting liquidity	-11.4	1.0	-13.5	4.0	-134.7	-117.2
Recognized profits in joint ventures	-0.8	-8.5	-6.0	-20.8	-34.7	-49.5
Received dividend from joint ventures	82.2	-	82.2	-	124.2	42.0
Received interest	1.5	0.1	1.6	0.1	2.0	0.5
Paid interest	-11.7	-11.7	-21.1	-20.3	-42.8	-42.0
Paid income taxes	0.2	-0.3	-0.5	-0.6	-0.5	-0.6
Cash flow before changes in operating capital	61.4	0.3	52.0	3.3	52.1	3.3
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in property projects	-2.1	-196.0	-41.6	-124.2	-194.5	-277.1
Decrease/increase in accounts receivables	-15.4	-30.5	-2.8	-13.9	21.2	10.1
Decrease/increase in other current receivables	62.1	2.7	85.0	-73.9	210.1	51.2
Decrease/increase in supplier liabilities	-2.9	10.8	-30.2	18.3	-71.9	-23.4
Decrease/increase in current liabilities	-17.3	-17.9	-33.7	-41.8	44.6	36.5
Total change in operating capital	24.5	-231.0	-23.3	-235.4	9.5	-202.7
CASH FLOW FROM CURRENT ACTIVITIES	85.9	-230.7	28.7	-232.2	61.6	-199.3
<i>Cash flow from investment activities</i>						
Investments in intangible assets	-0.8	-0.0	-1.0	-0.0	-1.8	-0.8
Investments in tangible assets	-	-	-	-	-0.5	-0.5
Investments in financial assets	-50.6	-27.5	-50.6	-67.0	-171.8	-188.2
Decrease of financial assets	80.3	15.1	86.2	38.4	202.4	154.6
Cash flow from investment activities	28.9	-12.4	34.6	-28.7	28.3	-34.9
<i>Cash flow from financing activities</i>						
Capital contributions	-	516.0	-	516.0	-0.4	515.7
Increase in long-term liabilities	-	29.4	-	29.4	35.5	64.9
Amortization of long-term liabilities	-0.3	-	-0.3	-	-100.3	-100.0
Cash flow from financing activities	-0.3	545.4	-0.4	545.4	-65.2	480.6
Decrease/increase in liquid funds	114.5	302.3	62.9	284.6	24.7	246.3
Liquid funds, opening balance	258.7	46.1	310.2	63.9	348.5	63.9
LIQUID FUNDS AT THE END OF THE PERIOD	373.2	348.5	373.2	348.5	373.2	310.2



Parent Company's statement of comprehensive income

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2018	2017	2018	2017	2017/2018	2017
Net sales	5.0	5.0	10.0	10.0	21.3	21.3
Gross profit	5.0	5.0	10.0	10.0	21.3	21.3
Sales and administration costs	-7.0	-15.6	-12.8	-21.6	-32.1	-40.9
Operating profit	-2.0	-10.6	-2.8	-11.6	-10.8	-19.6
Earnings from Group companies	-	-	-	-	20.0	20.0
Interest income and similar profit/loss items	8.5	10.0	17.1	18.1	35.8	36.8
Interest expenses and similar profit/loss items	-8.7	-8.8	-17.7	-17.6	-35.8	-35.7
Profit after financial items	-2.3	-9.4	-3.4	-11.1	9.1	1.4
Tax	-	-	-	-	0.0	0.0
PROFIT FOR THE PERIOD	-2.3	-9.4	-3.4	-11.1	9.1	1.4

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



Parent Company's statement of financial position

(MSEK)	6/30/2018	6/30/2017	12/31/2017
ASSETS			
<i>Fixed assets</i>			
Participations in Group companies	472.3	92.3	472.3
Receivables from Group companies	419.9	589.3	402.8
	3.0	-	3.0
Total fixed assets	895.2	681.6	878.1
<i>Current assets</i>			
Receivables from Group companies	55.1	67.0	51.4
Tax receivables	0.2	0.0	0.2
Other assets	0.8	-	-
Prepaid expenses and accrued revenue	11.9	10.0	1.8
Cash and bank balances	43.6	226.2	80.6
Total current assets	111.6	303.2	134.1
TOTAL ASSETS	1,006.8	984.8	1,012.2
(MSEK)			
EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital	39.3	39.3	39.3
Share premium	506.5	506.9	506.5
Share-based payments	4.6	-	4.6
Unrestricted equity	46.8	45.4	45.4
Profit/loss for the period	-3.4	-11.1	1.4
Total equity	593.8	580.4	597.2
<i>Long-term liabilities</i>			
Other long-term liabilities	395.0	392.1	393.5
Total long-term liabilities	395.0	392.1	393.5
<i>Current liabilities</i>			
Liabilities to Group companies	0.6	3.2	-
Accounts payable – trade	2.4	0.2	3.0
Other liabilities	0.9	0.1	4.9
Accrued expenses and prepaid liabilities	14.2	8.8	13.7
Total current liabilities	18.1	12.3	21.5
TOTAL EQUITY AND LIABILITIES	1,006.8	984.8	1,012.2



Parent Company's changes in equity

(MSEK)	Restricted equity		Unrestricted equity	
	Share capital	Paid-in capital	Profit brought forward	Total equity
Equity, January 1, 2017	30.1		45.4	75.5
Profit				
Profit this period			-11.1	-11.1
Total profit			-11.1	-11.1
Transactions with shareholders				
Total transactions with shareholders	9.2		-	516.0
EQUITY, JUNE 30, 2017	39.3		34.3	580.4
Equity, January 1, 2017	30.1		45.4	75.5
Profit				
Profit for the year			1.4	1.4
Total profit			1.4	1.4
Transactions with shareholders				
New issue at IPO	9.2	530.8		540.0
Transaction costs in connection with IPO		-24.3		-24.3
Share-based payments			4.6	4.6
Total transactions with shareholders	9.2	506.5	4.6	520.3
EQUITY, DECEMBER 31, 2017	39.3	506.5	51.4	597.2
Equity, January 1, 2018	39.3	506.5	51.4	597.2
Profit				
Profit this period			-3.4	-3.4
Total profit			-3.4	-3.4
Total transactions with shareholders	-	-	-	-
EQUITY, JUNE 30, 2018	39.3	506.5	48.0	593.8



Parent Company's cash flow statement

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2018	2017	2018	2017	2017/2018	2017
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-2.0	-10.6	-2.8	-11.6	-10.8	-19.6
Items not affecting liquidity	-	-	-	-	4.6	4.6
Received interest	8.5	10.0	17.1	18.1	35.8	36.8
Paid interest	-8.0	-7.4	-16.2	-16.1	-33.0	-32.8
Paid income taxes	0.7	-	-0.0	-	-0.1	-0.1
Cash flow before changes in operating capital	-0.9	-8.0	-2.0	-9.6	-3.6	-11.2
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in other current receivables	-5.6	0.3	-14.5	-6.3	-12.8	-4.6
Decrease/increase in supplier liabilities	-0.2	-0.3	-0.6	-1.7	2.2	1.2
Decrease/increase in current liabilities	1.5	-1.6	-2.8	-1.8	3.6	4.6
Total change in operating capital	-4.3	-1.6	-18.0	-9.9	-7.0	1.2
CASH FLOW FROM CURRENT ACTIVITIES	-5.1	-9.6	-20.0	-19.5	-10.6	-10.1
<i>Cash flow from investment activities</i>						
Investments in financial assets	-12.5	-283.5	-17.1	-280.6	-171.7	-435.2
Cash flow from investment activities	-12.5	-283.5	-17.1	-280.6	-171.7	-435.2
Capital contributions	-	516.0	-	516.0	-0.4	515.7
Increase in long-term liabilities	-	-0.7	-	-	-	-
Cash flow from financing activities	-	515.3	-	516.0	-0.4	515.7
Decrease/increase in liquid funds	-17.6	222.3	-37.1	215.9	-182.6	70.4
Liquid funds, opening balance	61.2	3.9	80.6	10.2	226.2	10.2
LIQUID FUNDS AT THE END OF THE PERIOD	43.6	226.2	43.6	226.2	43.6	80.6

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, 111 23 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

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.

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 Annual Report 2017.

Effects of new IFRS standards

IFRS 9, Financial instruments, is effective as of January 1, 2018. The new standard includes principles for the classification and valuation of financial assets and liabilities, depreciation of financial instruments and hedge accounting. Earlier analysis has shown that the application of IFRS 9 will not have a material impact on the company's financial reporting.

IFRS 15, Revenue from Contracts with Customers, was applied from January 1, 2018 and it is a new regulation for assessing undertakings and transaction prices as well as when a company shall recognize revenue. SSM has carefully analyzed the Group's project development agreements with housing associations to assess how revenue from the project development of residential properties should be recognized. According to SSM's assessment, agreements concluded with housing cooperatives shall be recognized as combined agreements, as pricing and risks are regarded as a whole and considered to constitute a distinct performance undertaking. Since SSM builds properties that are owned and controlled by the housing association during the project, the assessment is that revenue should be recognized over time. This means that in all material aspects, for the total revenue from the project development, i.e. the sale of land and construction, the same principles are used for the percentage of completion method as those used earlier. For this reason, SSM will not apply IFRS 15 retroactively and will therefore not recalculate comparative figures in its 2018 financial reports.

IFRS 16, Leases, will be effective for the financial year starting on January 1, 2019. The standard will replace IAS 17 Leases and associated interpretations. The standard requires that assets and liabilities attributable to all leases, with some exceptions, be recognized in the balance sheet.

This accounting principle is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time has an obligation to pay for this right. The Group has initiated an evaluation of the effects of IFRS 16 and an analysis of the effects on the company's financial reporting is expected to be completed during 2018.

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.

Reported value	6/30/2018	6/30/2017	12/31/2017
Bond issue	395.0	392.1	393.5
Liabilities to credit institutions	97.0	162.3	97.1
Other long-term liabilities	-	0.4	0.7
TOTAL LONG-TERM LIABILITIES	492.0	554.8	491.3

Fair value	6/30/2018	6/30/2017	12/31/2017
Bond issue	400.0	400.0	400.0
Liabilities to credit institutions	97.2	162.4	97.2
Other long-term liabilities	-	0.4	0.7
TOTAL LONG-TERM LIABILITIES	497.2	562.8	497.9

Note 4 Net sales and major customers

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

Analysis of revenue by revenue type	Apr-Jun		Jan-Jun		2017
	2018	2017	2018	2017	
Project revenue, contracted	56.4	162.2	134.0	288.9	481.5
Sale of other construction services	11.8	2.9	24.2	10.6	21.7
Sale of other construction goods	0.6	0.4	1.5	0.7	1.8
Other revenue	4.3	2.9	8.9	4.6	11.1
TOTAL	73.1	168.4	168.6	304.8	516.2
Total revenue from large customer	60.6	143.1	147.3	258.8	446.7
No. of large customers (>10% of revenue)	4	4	4	3	4

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

Note 5 Holdings in joint ventures

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%

	Jan-Jun	
Summarized income statement	2018	2017
Net Sales	103.0	152.8
Costs for production and management	-80.0	-135.0
Other operating expenses	-0.2	-0.0
Operating profit/loss	22.8	17.7
Depreciation, amortization and impairment	-	-
Financial income	2.9	13.2
Financial expenses	-0.9	-1.5
Profi/loss before tax	24.9	29.5
Tax on profit/loss for the year	-	-
Profit/loss for the year	24.9	29.5
Summarized balance sheet	6/30/2018	6/30/2017
Current assets		
Liquid funds	64.0	60.7
Other receivables	76.7	217.7
Total current assets	140.7	278.4
Current liabilities	-25.3	-28.2
Total current liabilities	-25.3	-28.2
Fixed assets	194.5	132.4
Long-term financial debt	-85.8	-47.0
Other long-term liabilities	-	-
Total assets and long-term liabilities	108.7	85.5
Net assets	224.1	335.6

STUDENT HILL

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2018	2017
Net Sales	-	3.8
Costs for production and management	-2.1	-2.4
Other operating expenses	-	-0.1
Operating profit/loss	-2.1	1.3
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-0.2	-0.1
Profi/loss before tax	-2.3	1.2
Tax on profit/loss for the year	-	-
Profit/loss for the year	-2.3	1.2



Summarized balance sheet	6/30/2018	6/30/2017
Current assets		
Liquid funds	3.1	10.1
Other receivables	21.4	6.4
Total current assets	24.5	16.5
Current liabilities	-	-4.6
Total current liabilities	-23.7	-4.6
Fixed assets	0.9	0.9
Long-term financial debt	-1.3	-4.4
Other long-term liabilities		
Total assets and long-term liabilities	-0.3	-3.5
Net assets	0.4	8.3

PROFI Turbinhallen

Consolidated share amounts to 50%

Jan-Jun

Summarized income statement	2018	2017
Net Sales	29.1	33.8
Costs for production and management	-1.8	-13.0
Other operating expenses	-0.0	-0.0
Operating profit/loss	27.3	20.8
Depreciation, amortization and impairment	-	-
Financial income	1.9	1.9
Financial expenses	-3.0	-2.9
Profi/loss before tax	26.3	19.8
Tax on profit/loss for the year	-	-
Profit/loss for the year	26.3	19.8

Summarized balance sheet	6/30/2018	6/30/2017
Current assets		
Liquid funds	13.9	0.0
Other receivables	37.5	-
Total current assets	51.4	0.0
Current liabilities	-10.0	-0.0
Total current liabilities	-10.0	-0.0
Fixed assets	0.1	251.5
Long-term financial debt	-	-127.2
Other long-term liabilities	-	-
Total assets and long-term liabilities	0.1	124.2
Net assets	41.4	124.2



PARTNERS GROUP

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2018	2017
Net Sales	20.8	-
Costs for production and management	-46.5	-
Other operating expenses	-1.0	-
Operating profit/loss	-26.7	-
Depreciation, amortization and impairment	-	-
Financial income	0.1	-
Financial expenses	-0.4	-
Profi/loss before tax	-27.0	-
Tax on profit/loss for the year	0.8	-
Profit/loss for the year	-26.2	-
Summarized balance sheet	6/30/2018	6/30/2017
Current assets		
Liquid funds	40.8	-
Other receivables	177.1	-
Total current assets	217.9	-
Current liabilities	-62.9	-
Total current liabilities	-62.9	-
Fixed assets	6.1	-
Long-term financial debt	-0.4	-
Other long-term liabilities	-	-
Total assets and long-term liabilities	5.6	-
Net assets	160.7	-

PROFI Bromma Square

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2018	2017
Net Sales	9.9	9.6
Costs for production and management	-2.7	-2.5
Other operating expenses	-0.7	-0.7
Operating profit/loss	6.5	6.5
Depreciation, amortization and impairment	-	-
Financial income	-	0.0
Financial expenses	-4.7	-1.8
Profi/loss before tax	1.7	4.7
Tax on profit/loss for the year	-0.5	-1.7
Profit/loss for the year	1.2	3.1



Summarized balance sheet	6/30/2018	6/30/2017
Current assets		
Liquid funds	15.1	34.0
Other receivables	2.7	3.5
Total current assets	17.8	37.5
Current liabilities	-10.4	-27.9
Total current liabilities	-10.4	-27.9
Fixed assets	252.7	250.9
Long-term financial debt	-245.1	-248.0
Other long-term liabilities	-2.7	-2.2
Total assets and long-term liabilities	4.9	0.7
Net assets	12.3	10.3

Note 6 Assets pledged as security and contingent liabilities

Shares in SSM Fastigheter AB have been pledged as collateral for issued bonds and the Group-wide value is 361.9 MSEK (265.0). Mortgages have been pledged totaling 97.2 MSEK (44.2) and floating charges totaling 23.7 MSEK (23.7).

Contingent liabilities

Guarantees of 258.3 MSEK (699.4) have been pledged to housing cooperatives and 10.3 MSEK (10.3) 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 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, August 27, 2018

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

Auditors' 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 rights to a dividend.

Leverage

Interest-bearing liabilities as a percentage of total assets.

Gross margin

Gross profit divided by net sales.

Gross profit

Net sales less expenses for production and management.

Equity per share

Shareholders' equity divided by the total number 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 the 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.

Debt/equity ratio

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 the number of building rights in previously-acquired projects.

Building right

The forecasted number 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 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 about 6,500 building rights in its project portfolio. SSM aims to gradually increase the number of housing starts to reach at least 2,000 units per year by 2022. SSM was listed on Nasdaq Stockholm (Mid-cap) 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 of the year's profits after tax

Financial calendar

Interim report Q3 2018	November 14, 2018
Interim report Q4 2018	February 21, 2019
Interim report Q1 2019	May 15, 2019

Download SSM's financial reports at ssmlivinggroup.com

Get in touch

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The information in this report is such that SSM Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:30 CET on August 28, 2018.

SSM

www.ssmlivinggroup.com

