

Interim Report January – June 2019

“Refined operations, increased focus on near-term profitability and growth in rental business.”

From Q4 2018 and according to Nasdaq's recommendation, SSM has applied the completed contract method, with retroactive application, for reporting housing cooperative projects.

Summary of April – June 2019

- Change of CEO, Mattias Lundgren, former CFO at NCC AB with many years' experience in the real estate and housing industry appointed Interim CEO on June 10, 2019.
- Repurchase of outstanding SSM bonds for a nominal value of 31.0 MSEK, volume-based average price at 70.4 percent.
- Net sales for projects run entirely by SSM totaled 20.4 MSEK (321.5).
- Operating loss was -26.3 MSEK (profit 51.1), impacted by non-recurring items of -6.3 MSEK related to the change of CEO.
- Cash flow from operating activities amounted to -34.3 MSEK (131.7).
- 6 (33) pre-purchase agreements signed. The lower number of pre-purchase agreements is due to the high number of unsold cooperative apartments in projects where production has started.

Summary of January – June 2019

- Net sales for projects run entirely by SSM totaled 35.8 MSEK (546.9).
- Operating loss was -38.8 MSEK (profit 85.8), impacted by non-recurring items of -6.3 MSEK related to the change of CEO.
- Cash flow from operating activities amounted to -66.3 MSEK (43.1).
- 33 (39) pre-purchase agreements signed.
- 119 redesigned cooperative apartments with a maximum price of 2.0 MSEK relaunched at beginning of year.
- The Stockholm City Planning Committee decided to continue planning for Tellus Towers. Consultations are planned in Q4 2019.
- A cost-efficiency program was introduced to reduce overhead costs by 50.0 percent, or 25.0 MSEK, in 2019.
- Change of CEO on June 10 to Mattias Lundgren, former CFO at NCC AB with many years' experience in the real estate and housing industry.

Significant events after the balance sheet date

- SSM decided to focus its core business on project development and divesting its contracting operations. At the same time, the company entered into a strategic partnership with design-build contractor Mecon Bygg. The change is intended to reduce SSM's fixed costs and strengthen the company's long-term competitiveness and profitability. The changes will have a marginal effect on profits in 2019.

Key ratios¹

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2019	2018	2019	2018	2018/2019	2018
Net sales	20.4	321.5	35.8	546.9	141.3	652.5
Net sales JV	5.3	252.3	11.8	435.4	11.0	434.5
Operating profit	-26.3	51.1	-38.8	85.8	-72.8	51.8
Earnings for the period	-25.5	41.2	-45.5	69.6	-99.8	15.3
Operating margin, percent	-129.0	15.9	-108.4	15.7	-51.5	7.9
Interest coverage ratio, times	-1.5	4.3	-1.2	4.1	-1.3	1.5
Equity ratio, %	55.9	50.8	55.9	50.8	55.9	57.0
Return on equity, percent	-13.9	20.6	-0.1	0.2	-12.9	2.0
Earnings per share, before and after dilution, SEK	-0.65	1.05	-1.16	1.77	-2.54	0.39
Number of housing units recognised for profit	-	133	1	227	18	244
Number of production started cooperative apartments	-	-	-	-	-	-
Number of cooperative apartments in production	644	899	644	899	644	899
Accumulated number of sold cooperative apartments in production	622	861	622	861	622	871
Share sold cooperative apartments in production, %	96.6	95.8	96.6	95.8	96.6	96.9
Number of production started rental apartments	-	94	-	270	-	270
Number of rental apartments in production	272	273	272	273	272	272
Sales value of housing units sold for the period	14	120	99	148	804	853
Value of sold housing units, not yet recognised for profit	3,326	2,596	3,326	2,596	3,326	3,230

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

CEO's comments



“Having the right product in the right market instills confidence in SSM's development going forward.”

“Non-recurring items impacted profits for the quarter.”

“Focus on long-term, stable financing, optimizing our business model and business plan.”

Having the right product in the right market instills confidence

SSM's Q2 Report 2019 will be the company's ninth report as a listed company and my first as interim CEO. And at this time, I can say that the turbulence in the housing market that started shortly after SSM was listed on the stock exchange in 2017 remains challenging. However, housing prices have stabilized and during the second quarter, there were signs of an imminent increase in the number of transactions in the market. My view is that SSM's focus on urbanites together with offering a sustainable product – smaller and affordable housing near rail-bound public transport – means that we have a competitive position in the Stockholm market for cooperative apartments, rental apartments and condominiums.

Non-recurring items impacted profits for the quarter

No (133) tenants moved into the company's housing projects during the quarter, which is why no income was reported. Sales during the quarter consisted of rental income from project properties and invoicing of time and costs to our joint venture partners. SSM's share of profits from joint ventures was negative during the quarter and amounted to -14.2 MSEK (40.6) due to cost increases in the Metronomen project and The Lab, a project that is now completed. Income is expected from the West Side Solna joint venture project between the fourth quarter 2019 and first quarter 2020 as tenants take possession of their homes and the Metronomen JV-project, which is expected to report income mainly in the fourth quarter 2020.

The operating loss for the quarter was -26.3 MSEK (profit 51.1) which is due to the fact that no tenants moved in during the period. The quarter was also impacted by non-recurring items of -6.3 MSEK related to the change of CEO. SSM's repurchasing of its own outstanding bonds had a positive effect on net interest income, generating a capital gain of 8.9 MSEK.

Measures to reduce the company's central costs are ongoing and SSM also recently entered into a strategic partnership with design-build contractor Mecon Bygg to further reduce fixed labor costs.

Conditions to create value and profitability both short and longterm

I've been active in the real estate and housing industry for 20 years and see a great opportunity for SSM's employees and management to realize the potential that exists in SSM's portfolio of building rights so as to gradually increase profitability. Our top priority now is to create conditions for long-term stable financing of the company. In August, we began working on optimizing our business model and business plan to adapt to changes in the market. Along with this, there are a number of items to evaluate and manage mainly in terms of operating and accounting as well as project-related receivables.

Mattias Lundgren

Interim President & CEO

Housing market in Greater Stockholm

“Increased transaction volumes and stable price levels during the quarter.”

Substantial need for homes in the region

Population-wise, the Greater Stockholm area is among the fastest growing regions in Europe. Official forecasts indicate that the Stockholm region will grow from its current population of 2.3 million to 2.8 million by 2030. The underlying need for housing will therefore be significant over time, mainly for homes that the population of Stockholm can afford.

The Stockholm Housing Agency's waiting list is continuing to grow. At the end of 2018, 635,730 people were on the waiting list for rentals, 89,000 of whom were actively seeking. The agency allocated 13,455 rental units, of which an increasing proportion – some 19.3 percent – were newly produced rental units. The agency currently allocates about half of all available rentals in the Greater Stockholm area.

Consumer confidence in housing market restored

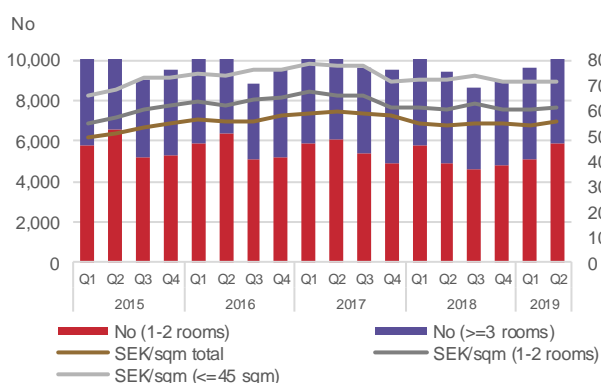
SEB's Swedish Housing Price Indicator from July 2019 indicates that consumer confidence in the housing market is returning. Households' higher price expectations together with recent sales statistics suggest that the housing market will be relatively stable in the next months, according to SEB's report.

Increased transaction volume and stable price levels

Svensk Mäklarstatistik, a real estate consultancy, reports that transaction volumes increased by 17.5 percent during the second quarter compared with the same quarter last year. A total of 11,077 cooperative apartments were sold in Stockholm, 53.4 percent of which were one and two-room units. The average price per square meter for cooperative apartments increased to 56,107 SEK (54,480 in Q1 2019). For one and two-room units, the average price per square meter was 61,404 SEK (60,707 in Q1 2019) and for homes of up to 45 square meters, it was 71,512 SEK (71,135 in Q1 2019).

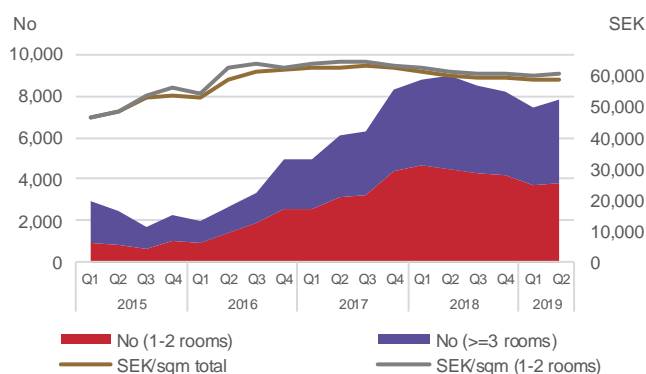
According to statistics from Booli, one of Sweden's leading search engines for apartments, 1,593 (1,515) cooperative apartments (new production) were sold in the Greater Stockholm area during the second quarter. At the same time, there were 7,800 cooperative apartments (new production) for sale. At the end of July 2019, the corresponding number was 7,064.

Price & number of sold cooperative apartments, Greater Stockholm area



Source: Svensk Mäklarstatistik, July 2019

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



Source: Booli, July 2019

Project portfolio

	Property	Floor area	Area	Schedule			Sales started	Sold¹		Sales rate 3/30/2019, %
				Sales start	Start of production	Occupation	Total	During Q2 2019	Total	
OWNER ASSOCIATION WHERE PRODUCTION HAS STARTED										
West Side Solna (JV)	252	11,906	Solna	15/10/2015	Q4 2015	Q3 2019 - Q1 2020	252	-	252	100.0
Metronomen (JV)	188	7,612	Telefonplan	29/05/2016	Q3 2016	Q1 2020 - Q4 2020	188		182	96.8
Kosmopoliten	204	10,122	Kista	26/04/2017	Q2 2017	Q1 2023 - Q2 2023	204	1	188	92.2
Total	644	29,640					644	1	622	96.6
RENTALS WHERE PRODUCTION HAS STARTED										
Täby Turf	178	8,713	Täby		Q1 2018	Q2 2021 - Q3 2021				
Sollentuna Quarters	94	5,070	Sollentuna		Q2 2018	Q3 2021 - Q4 2021				
Total	272	13,783								
OWNER ASSOCIATION APARTMENTS FOR SALE PRIOR TO PRODUCTION START										
Sollentuna Hills	94	5,890	Sollentuna	21/05/2017	2020	2021 - 2022	94	3	47	50.0
Platform West	109	4,901	Täby	31/05/2017	2019	2021	109	1	68	62.4
Täby Market	134	4,205	Täby	13/05/2019	2020	2022	134	-	-	n/a
Elverket i Nacka (JV)	486	19,019	Nacka	11/02/2019	2020 - 2021	2022 - 2023	244	-	18	7.4
Tentafabriken (JV)	72	1,828	Sollentuna	26/10/2017	2020	2021	72	1	19	26.4
Total	895	35,843					653	5	152	23.3
OWNER ASSOCIATION UNDER DEVELOPMENT										
Järla Station (JV)	312	13,546	Nacka	2020	2021	2023	-	-	-	n/a
Urbaniten	250	12,700	Hägersten	2020	2021	2023	-	-	-	n/a
Tellus Towers (58) (JV)	228	9,627	Telefonplan	2020	2022	2025	-	-	-	n/a
Tellus Towers (78) (JV)	683	28,034	Telefonplan	2020	2022	2025	-	-	-	n/a
Bromma Tracks II	90	3,900	Bromma	2021	2022	2024	-	-	-	n/a
Bromma Square (JV)	85	4,550	Bromma	2023	2022	2025	-	-	-	n/a
Järnet	240	11,550	Ulvsunda	2022	2023	2025	-	-	-	n/a
Bromma Square (JV)	160	8,500	Bromma	2024	2023	2027	-	-	-	n/a
Bromma Boardwalk	268	17,002	Mariehäll	-	-	-	-	-	-	n/a
Total	2,316	109,409								
RENTALS UNDER DEVELOPMENT										
The Loft (JV)	120	2,968	Täby	n/a	2021	2022	n/a	n/a	n/a	n/a
Akalla City	190	8,700	Akalla	n/a	2020	2022	n/a	n/a	n/a	n/a
Spånga Studios	166	6,397	Spånga	n/a	2020	2022	n/a	n/a	n/a	n/a
Wiking	150	7,000	Sollentuna	n/a	2021	2023	n/a	n/a	n/a	n/a
East Side Spånga	237	7,500	Spånga	n/a	2022	2024	n/a	n/a	n/a	n/a
Älvsjö Quarters	516	21,000	Älvsjö	n/a	2023	2025	n/a	n/a	n/a	n/a
Kandidaten (JV)	77	2,300	Bromma	n/a	2022	2023	n/a	n/a	n/a	n/a
Bromma Square (JV)	110	5,800	Bromma	n/a	2022	2024	n/a	n/a	n/a	n/a
Tellus Lamell (JV)	18	1,475	Telefonplan	n/a	2022	2024	n/a	n/a	n/a	n/a
Tellus Towers (58) (JV)	305	12,538	Telefonplan	n/a	2022	2025	n/a	n/a	n/a	n/a
Örjan	110	5,370	Spånga	n/a	2023	2025	n/a	n/a	n/a	n/a
Total	1,999	81,048								
Total 6/30/2019	6,126	269,723								

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

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

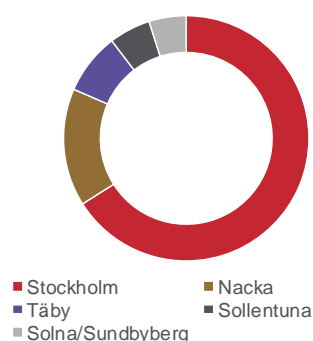
(2). At year-end, the Land and Environment Court of Appeal revoked the city plan for Bromma Boardwalk. The six signed pre-purchase agreements in the project have been terminated and SSM is currently engaged in a dialog with the seller based on the new conditions for the project.

(JV). 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. SSM currently has joint venture agreements with Partners Group (Tellus Towers, Järla Station and Metronomen), Alecta (West Side Solna), Profi Fastigheter (Bromma Square), Studentbacken (Tentafabriken, The Loft and Kandidaten) and Libu Invest (Elverket Nacka). At the end of the quarter, 50.5 percent of SSM's building rights were within the framework of joint venture agreements.

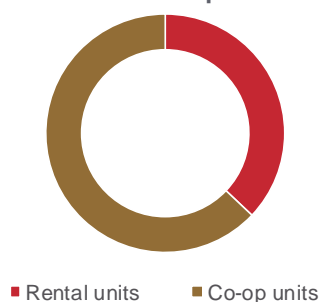
Project portfolio

“Tenants will begin moving into West Side Solna in late September, culminating in Q4 2019/Q1 2020.”

Building rights by municipality



Building rights by rentals and co-op units



SSM has a clear vision: to put home ownership within the reach of more people. This is why SSM produces housing with different types of tenancy that Stockholmers with normal incomes or on student allowances can afford. Most of the homes are smart one and two-room units located near the city, close to rail-bound public transport, in line with the preferences of the target group.

Young adults and single-person households are continuing to find it difficult to find housing at a reasonable cost or rent. The increased amortization requirements that were introduced in 2018 have further locked people in this group out of the Stockholm housing market. To make it easier for people to enter the market, SSM focused its strategy on producing more rental units while at the same time further optimizing its cooperative apartment offering. The aim is for 70.0 percent of SSM's cooperative apartments for sale to be priced at less than 2.0 MSEK.

SSM currently has five projects in production, two of which are rental projects. The sales rate for SSM's cooperative apartments in ongoing production was 96.6 percent at the end of the quarter. Homes in the Täby Turf project are being sold via forward funding to property company Willhem.

Tenants are expected to start moving into West Side Solna during the third quarter 2019, culminating in the fourth quarter 2019 and first quarter 2020. Tenants will also start moving into Metronomen during 2020, starting in the first quarter. Täby Turf is expected to be ready for tenants to move in towards the end of 2021.

Platform West, which has a sales rate of 62.4 percent, is the project that is closest to starting production. During the first six months of the year, SSM redesigned and relaunched 119 smart and affordable homes in Elverket Nacka and Täby Market, of which 68.9 percent cost less than 2.0 MSEK. Interest in Elverket Nacka has been high and about 30 booking agreements have been signed.

In January 2019, the Stockholm City Planning Committee decided to continue planning for Tellus Towers. SSM is currently working with the committee to produce supplementary documentation for the regular consultations scheduled for Q4 2019.

At year-end, the project portfolio included 6,126 building rights, of which 916 are in production. Of the 5,210 building rights that are now being developed, 38.4 percent will be rental units.

Selection current projects

Platform West (Täby) consists of 109 cooperative apartments at Täby's main communication hub at the junction of the Roslags Näsby light rail station in a new green, vibrant urban area under development with schools, squares and parks. 86 percent of the homes will be 26 – 50 m² and most will have their own balcony or patio. Shared spaces include a rooftop terrace and lush inner courtyard. The ground floor includes plans for commercial space on the new square, with possibilities for outdoor dining. The building will comply with the Sweden Green Building Council's Silver standards. The sales rate for the project was 62.4 percent as at June 30, 2019. Production is expected to start towards the end of 2019 with tenants moving in 2021.

platform west



elverket nacka



Elverket Nacka (Nacka Stad) includes 486 redesigned cooperative apartments attractively located in the new emerging Nacka City area in western Sicklaön, just outside of Stockholm. The area will eventually be accessible via the blue line of the Stockholm subway. The project includes nine buildings of five to nine stories. 88 percent of the units will be 24 – 59 m² and most will have a private balcony. Sales have started for 244 units with a focus on signing booking agreements. At the moment, about 30 agreements have been signed. Tenants are expected to start moving in during 2022. The project is being run together with Libu Invest.

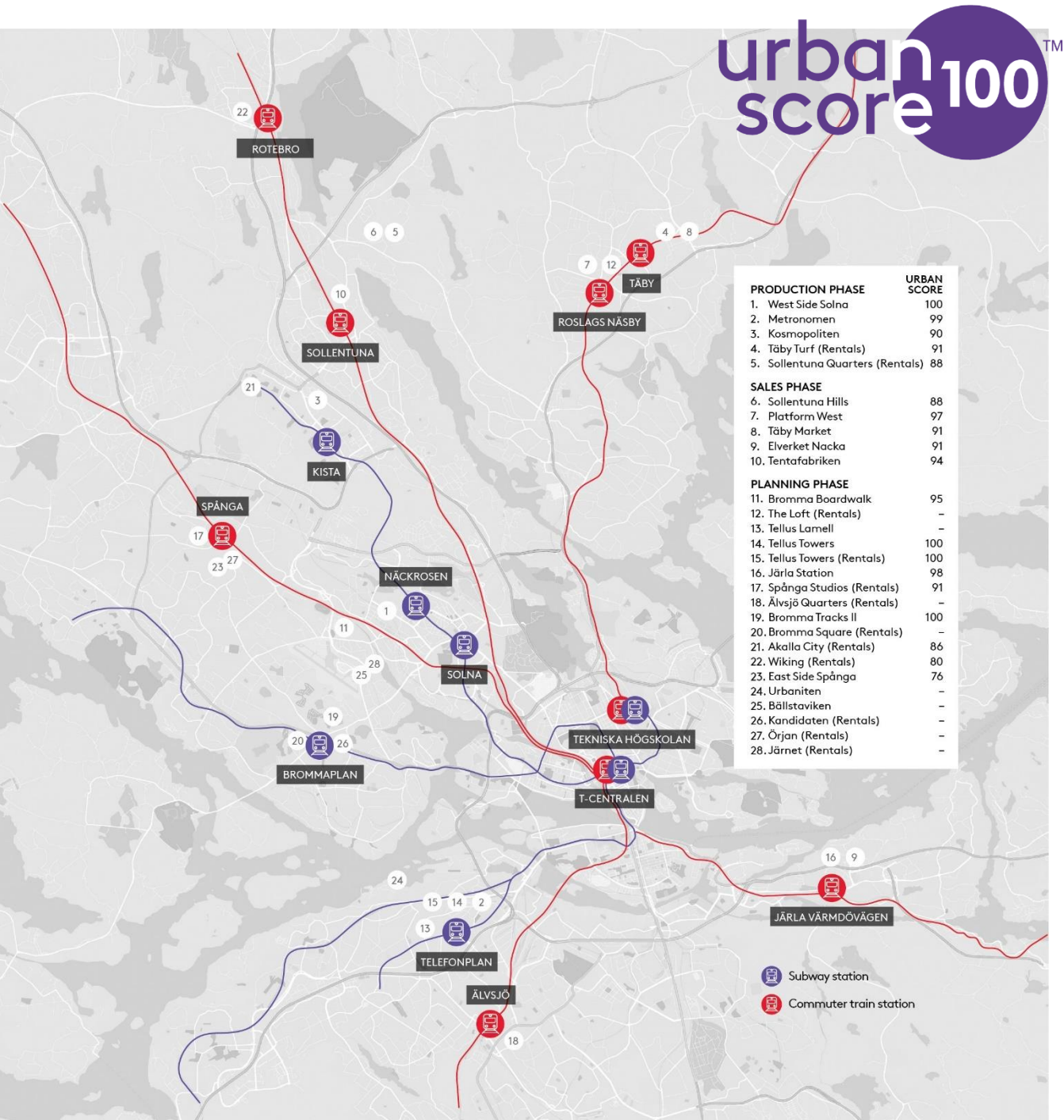
West Side Solna is made up of 252 centrally-located co-op units near the subway, shopping and recreation. The units will be one to four-room units of 23 – 97 m², of which 91 percent will be one and two-room units of 23 – 56 m². Most units will have a private balcony and shared spaces include a terrace and an outdoor pool. On the lower floors, there is space for cafés and stores. The project is sold out and tenants are expected to start moving in at the end of September 2019 culminating in Q4 2019/ Q12020. The project is being run together with Alecta. In May, Stockholm's District Court announced its decision in the dispute between the Brf WSS housing association and buyers that had signed a pre-purchase agreement. The court denied the buyers' claims and ruled in favor of Brf WSS. In its judgment, the District Court confirmed Brf WSS's assessment that the pre-purchase agreement was valid and held that the termination was unfounded. The buyers have appealed the decision and the court has granted a retrial. The court has also scheduled hearings in the remaining cases between Brf WSS and buyers seeking to cancel their pre-purchase agreements in September and October 2020. SSM considers the financial effect on the company will be marginal in the event that Brf WSS loses the disputes in question.



west side solna

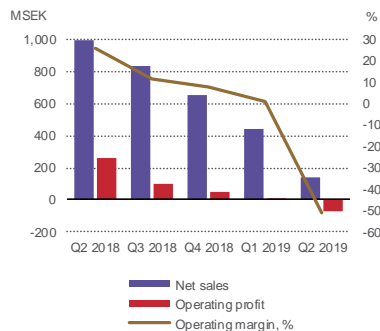
Project portfolio

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



Comments on the results

Net sales, operating profit, operating margin, LTM



April – June 2019

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

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

Net sales and profit/loss

Net sales in the Group totaled 20.4 MSEK (321.5). Sales were lower due to the fact that no end customers took possession of their cooperative apartments, which means that no revenue was recognized for SSM's own projects. Also, no construction contract-related sales were invoiced during the quarter. Other revenue chiefly comprises time and administration invoiced to joint venture projects and rent received from SSM's own properties. The *gross profit* was 5.0 MSEK (16.1) and the gross margin was 24.6 percent (5.0). The gross profit and strong gross margin were due to the positive net for other income and expenses.

The *cost of sales and administration* dropped to -17.2 MSEK (-12.5). The gross cost of overhead, salaries, depreciation and amortization was reduced to -36.8 MSEK (-41.8). Non-recurring expenses in connection with the change of CEO totaled approximately -6.3 MSEK during the quarter. See also Note 5, Sales and administration expenses.

Participations in joint ventures amounted to -14.2 MSEK (profit 40.6). The negative participations during the period were primarily due to forecast cost increases in the Metronomen project, of which SSM's share was -10.6 MSEK, and increased costs for The Lab in connection with the final inspection of the project, of which SSM's share was -2.6 MSEK. See also Note 6 for summaries of the income statement and balance sheet for the joint ventures.

The *Group's operating loss* was -26.3 MSEK (profit 51.1), which was mainly due to the fact that no end customers – that is, cooperative apartment buyers – took possession of their apartments during the quarter and thus, no revenue was recognized for SSM's own projects or joint venture projects. In addition, negative participations from the Metronomen and The Lab joint venture projects affected the bottom line, according to the explanation above. The operating margin was -129.0 percent (15.9).

The *loss for the quarter* was -25.5 MSEK (profit 41.2), and in addition to the above, it was affected by a net financial income of 0.9 MSEK (-9.4). Net financial items included a capital gain of 8.9 MSEK from the repurchase of SSM's own bonds.

January – June 2019

Net sales and profit/loss

Net sales in the Group totaled 35.8 MSEK (546.9). Other revenue during the period chiefly comprises time and administration invoiced to joint venture projects and rent received from SSM's own properties. The *gross profit* was 10.0 MSEK (34.8) and the gross margin was 28.1 percent (6.4). The gross profit and strong gross margin during the period were due to the positive net for other income and expenses.

The *cost of sales and administration* dropped to -29.7 MSEK (-24.0). The gross cost for overhead, salaries, depreciation and amortization was reduced to -68.4 MSEK (-76.6). Non-recurring expenses in connection with the change of CEO were approximately -6.3 during the second quarter. See also Note 5, Sales and administration expenses.

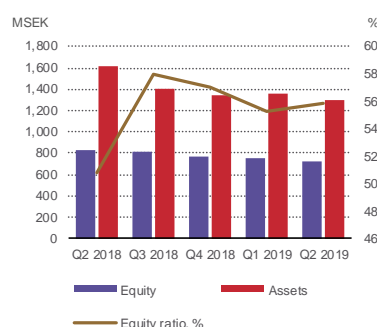
Participations in joint ventures amounted to -19.1 MSEK (profit 68.1). The negative participations during the period were primarily due to forecast cost increases in the Metronomen project, of which SSM's share was -10.6 MSEK, increased costs for The Lab in connection with the final inspection of the project, of which SSM's share was -2.6 MSEK, and increased costs in the Turbinhallen project, of which SSM's share was -4.7 MSEK, in connection with the final settlement of the project. See also Note 6 for summaries of the income statement and balance sheet for the joint ventures.

The Group's operating loss was -38.8 MSEK (profit 85.8), mainly due to the fact that no end customers – that is, cooperative apartment buyers – took possession of apartments in SSM's own projects during the quarter, while one end customer took possession of a cooperative apartment in a joint venture project, which means that very little revenue was recognized. In addition to the above, negative participations from the Metronomen, The Lab and Turbinhallen joint venture projects affected the bottom line, according to the explanation above. The operating margin was -108.4 percent (15.7).

The *loss for the period* was -45.5 MSEK (profit 69.6), and in addition to the above, it was affected by a net financial expense of -7.0 MSEK (-15.5). Net financial items for included a capital gain of 8.9 MSEK from the repurchase of SSM's own bonds.

Financial position, investments and cash flow

Equity, balance sheet total and debt/equity ratio



Total assets and equity

On the balance sheet date, SSM had 6,126 building rights (6,539) in its project portfolio. Of these, 916 (1,172) were homes in production. The sales rate for cooperative apartments in production was 96.6 percent (95.8). The value of cooperative apartments in production for which no binding pre-purchase agreements had been signed at the end of the quarter was 65.0 MSEK (94.6). These homes are expected to be completed between 2020 and 2023.

Capital tied up in project properties and completed homes was 510.3 MSEK (661.5) as at June 30, 2019. Capital tied up was considerably affected by a housing cooperative project in production under SSM's own management, The Tube, which was completed between the times for the closing of the accounts, resulting in a reduction in capital tied up. Capital tied up in joint ventures and claims on joint ventures totaled 440.5 MSEK (328.3) on June 30, 2019. Between the periods, an additional capital contribution of 80.0 MSEK was made to the joint venture with Partners Group, chiefly to finance production in the Metronomen project. Other financial assets increased by 41.8 MSEK as remaining rental and leasing commitments are now included in the balance sheet according to the new IFRS 16 rules. In line with the capital tied up described above and the amortization of loans, cash and cash equivalents were reduced to 121.6 MSEK (381.8) as at June 30, 2019. The asset side of the balance sheet was reduced by 325.6 MSEK compared with June 30, 2018. The Group's equity was SEK 721.2 MSEK (821.0) on the balance sheet date, and the debt/equity ratio increased to 55.9 percent (50.8).

Financing and debt

SSM's operations are capital intensive and access to capital is a basic condition for developing the Group further. In addition to equity, the Group currently has two external sources of funding: bonds and loans from credit institutions. The Group's interest-bearing liabilities totaled 463.4 MSEK (688.6) on the balance sheet date, of which the bond loan accounted for 367.1 MSEK (395.0). Own outstanding bonds were repurchased at a nominal amount of 31.0 MSEK in the second quarter of 2019. The average volume-weighted repurchase price was 70.4 percent. As at June 30, 2019, the outstanding bonds are reported as a current liability, as the loan falls due in May 2020. Loans from credit institutions were considerably affected by the gradual completion of SSM's own housing cooperative projects, where down payments were used to amortize loans, in line with the reduction in capital tied up in SSM's own projects. Cash and cash equivalents amounted to 121.6 MSEK (381.8) on June 30, 2019. In addition, the company has access to unused credit facilities of 20.0 MSEK (20.0).

Cash flow

Cash flow from operating activities was -66.3 MSEK (43.1) for the period January to June 2019 and 63.0 MSEK for the rolling 12-month period ending in June 2019. The negative cash flow in the first six months was primarily due to the fact that only one buyer took possession of an apartment during the period. The positive cash flow for the rolling 12-month period ending in June 2019 is mainly due to the completion and the buyers taking possession of SSM's own housing cooperative project The Tube, which means that the down payments were received. Cash flow from financing activities in the first six months totaled -24.3 MSEK (-42.1).

Other information

Seasonal variations

SSM's operations are affected by seasonal variations to a minor degree. However, bigger projects may have a material effect on sales and profit/loss in individual quarters depending on when the projects are completed and when the end customers, that is, the homebuyers, take possession of their apartments. This effect on sales and profit/loss should therefore be considered over a longer cycle.

Parent Company

The Parent Company had limited operations in the period January to June 2019 and the comparative period. The loss for the period was -3.2 MSEK (-3.4).

Assets chiefly comprise participations in and receivables from Group companies, which amounted to 1,015.6 MSEK (947.3) at the end of the period. Equity was SEK 640.0 MSEK (593.8) on the balance sheet date.

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

Employees

The average number of employees in the Group was 66 (71) during the quarter, of which 27 people (26) were women. For the period January – June 2019, the average number of employees was 67 (72), of which 27 people (27) were women. The number of employees is related to production volumes. Since 2018, SSM has gradually decreased its use of consultants and a greater share of work within SSM's project unit has been carried out by SSM's own staff. The lower production volume has also meant a reduced number of employees through natural retirement.

Transactions between related parties

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

Risks and uncertainties

SSM faces different kinds of risks, such as risks associated with the external environment and strategic, operational and financial risks that could affect the company's ability to implement strategies and reach goals. When assessing the future development of the Group, it is important to consider risk factors alongside opportunities for profit growth.

The 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. SSM has a stable financial position and good banking relationships.

More information about the company's risk management is provided on pages 58 – 62 of SSM's 2018 Annual Report as well as in Note 15.

Shares and share capital

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

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

Significant events after the reporting period

SSM is focusing its core operations on project development and is divesting its contracting operations by entering into a strategic partnership with design-build contractor Mecon Bygg. These measures aim to reduce the company's fixed costs and strengthen long-term competitiveness and profitability and will have a marginal effect on profit/loss in 2019.

The Group's statement of comprehensive income

(MSEK)	Not	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
		2019	2018	2019	2018	2018/2019	2018
Net sales	4	20.4	321.5	35.8	546.9	141.3	652.5
Expenses for production and management		-15.4	-305.4	-25.7	-512.1	-134.0	-620.4
Gross profit		5.0	16.1	10.0	34.8	7.3	32.0
Sales and administration expenses	5	-17.2	-12.5	-29.7	-24.0	-57.2	-51.4
Earnings from joint ventures	6	-14.2	40.6	-19.1	68.1	-22.9	64.3
Other income		-	6.9	-	6.9	-	6.9
Operating profit		-26.3	51.1	-38.8	85.8	-72.8	51.8
Financial income		11.0	3.0	13.5	7.1	18.6	12.2
Financial expenses		-10.1	-12.5	-20.5	-22.6	-40.5	-42.5
Net financial items		0.9	-9.4	-7.0	-15.5	-21.9	-30.3
Pre-tax profit		-25.4	41.7	-45.8	70.3	-94.7	21.4
Tax		-0.1	-0.4	0.4	-0.7	-5.1	-6.2
EARNINGS FOR THE PERIOD		-25.5	41.2	-45.5	69.6	-99.8	15.3
Profit attributable to							
Parent company shareholders		-25.5	41.2	-45.5	69.6	-99.8	15.3
Minority interest		-0.0	0.0	-0.0	0.0	-0.0	0.0
PROFIT FOR THE PERIOD		-25.5	41.2	-45.5	69.6	-99.8	15.3
Earnings per share, before and after dilution (SEK)		-0.65	1.05	-1.16	1.77	-2.54	0.39
Number of shares at end of period		39,252,542	39,252,542	39,252,542	39,252,542	39,252,542	39,252,542
Average number of shares during the period		39,252,542	39,252,542	39,252,542	39,252,542	39,252,542	39,252,542

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

The Group's statement of financial position

(MSEK)	30/06/2019	30/06/2018	31/12/2018
ASSETS			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	3.7	1.4	2.9
Total intangible assets	3.7	1.4	2.9
<i>Tangible assets</i>			
Machinery and equipment	0.2	0.4	0.3
Total tangible assets	0.2	0.4	0.3
<i>Financial assets</i>			
Participations in joint ventures	167.1	104.6	140.3
Receivables from joint ventures	273.3	223.7	253.5
Other financial assets	41.8	-	-
Other long-term receivables	91.4	91.6	102.0
Total financial assets	573.6	419.9	495.8
Total fixed assets	577.6	421.7	499.0
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	507.6	644.4	467.0
Completed homes	2.8	17.1	-
Total inventories	510.3	661.5	467.0
<i>Other current assets</i>			
Accounts receivable	44.8	16.4	42.3
Recognized, non-invoiced revenue	5.4	-	1.0
Receivables from joint ventures	14.4	77.2	16.9
Tax receivables	1.3	0.4	1.0
Other receivables	12.6	39.0	32.7
Prepaid costs and accrued income	2.8	18.2	9.6
Liquid funds	121.6	381.8	274.8
Total current assets	713.1	1,194.5	845.2
TOTAL ASSETS	1,290.6	1,616.2	1,344.2

The Group's statement of financial position, cont.

(MSEK)	30/06/2019	30/06/2018	31/12/2018
EQUITY AND LIABILITIES			
Equity			
Share capital	39.3	39.3	39.3
Paid-up capital	506.5	506.5	506.5
Profit brought forward	175.4	275.2	220.9
Equity attributable to Parent Company shareholders	721.2	821.0	766.7
Minority interest	0.0	0.0	0.0
Total equity	721.2	821.0	766.7
Liabilities			
<i>Long-term liabilities</i>			
Bond issues	-	395.0	396.4
Liabilities to credit institutions	-	293.7	-
Other long-term liabilities	37.0	-	-
Provisions	6.1	9.6	7.7
Deferred tax liabilities	0.5	0.5	0.5
Total long-term liabilities	43.6	698.7	404.6
<i>Current liabilities</i>			
Liabilities to joint ventures	1.0	0.1	0.1
Bond issues	367.1	-	-
Liabilities to credit institutions	96.3	-	96.6
Accounts payable – trade	6.0	36.6	27.5
Provisions	12.1	2.6	12.5
Current tax liabilities	1.5	3.3	2.5
Other liabilities	11.0	12.5	10.6
Accrued costs and prepaid income	30.8	41.4	23.1
Total current liabilities	525.8	96.5	172.9
TOTAL EQUITY AND LIABILITIES	1,290.6	1,616.2	1,344.2

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, 2018	39.3	506.5	205.7	751.4	0.0	751.5
Profit						
Profit this period			69.6	69.6	-	69.6
Total profit			69.6	69.6	-	69.6
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, June 30, 2018	39.3	506.5	275.3	821.0	0.0	821.0
Equity, January 1, 2018	39.2	506.5	205.7	751.4	0.0	751.5
Profit						
Profit for the year			15.3	15.3	0.0	15.3
Total profit			15.3	15.3	0.0	15.3
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, DECEMBER 31, 2018	39.2	506.5	220.9	766.7	0.0	766.7
Equity, January 1, 2019	39.2	506.5	220.9	766.7	0.0	766.7
Profit						
Profit for the year			-45.5	-45.5	-	-45.5
Total profit			-45.5	-45.5	-	-45.5
Total transactions with shareholders	-	-	-	-	-	-
EQUITY, June 30, 2019	39.2	506.5	175.4	721.2	0.0	721.2

The Group's cash flow statement

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2019	2018	2019	2018	2018/2019	2018
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-26.3	51.1	-38.8	85.8	-72.8	51.8
Items not affecting liquidity	0.1	-10.7	0.2	-10.2	-5.4	-15.8
Recognized profits in joint ventures	14.2	-40.7	19.1	-68.0	22.9	-64.3
Received dividend from joint ventures	-	82.2	-	82.2	5.0	87.2
Received interest	-	1.5	-	1.6	0.1	1.7
Paid interest	-9.1	-12.4	-18.6	-22.5	-37.0	-40.9
Paid income taxes	0.1	0.2	-0.6	-0.5	-0.5	-0.3
Cash flow before changes in operating capital	-21.1	71.3	-38.7	68.4	-87.7	19.3
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in property projects	-13.1	54.6	-42.5	33.1	188.2	263.8
Decrease/increase in accounts receivables	-4.2	-10.4	-2.5	11.5	-28.4	-14.4
Decrease/increase in other current receivables	4.3	36.4	34.5	-5.9	27.3	-13.1
Decrease/increase in supplier liabilities	-9.5	-2.9	-20.6	-30.2	-30.1	-39.7
Decrease/increase in current liabilities	9.3	-17.3	3.5	-33.7	-6.3	-43.5
Total change in operating capital	-13.2	60.4	-27.6	-25.2	150.7	153.1
CASH FLOW FROM CURRENT ACTIVITIES	-34.3	131.7	-66.3	43.1	63.0	172.4
<i>Cash flow from investment activities</i>						
Investments in intangible assets	-0.3	-0.8	-0.9	-1.0	-2.5	-2.6
Investments in financial assets	-42.0	-50.6	-61.7	-50.6	-101.7	-90.6
Decrease of financial assets	-	80.3	-	86.2	2.9	89.1
Cash flow from investment activities	-42.3	28.9	-62.6	34.6	-101.3	-4.1
<i>Cash flow from financing activities</i>						
Increase in long-term liabilities	-	0.1	-	0.7	-1.2	-0.5
Amortization of long-term liabilities	-1.5	-42.7	-3.2	-42.7	-199.6	-239.1
Amortization of short-term liabilities	-21.1	-	-21.1	-	-21.1	-
Cash flow from financing activities	-22.6	-42.7	-24.3	-42.1	-221.9	-239.6
Decrease/increase in liquid funds	-99.1	118.0	-153.2	35.6	-260.2	-71.3
Liquid funds, opening balance	220.7	263.8	274.8	346.1	381.8	346.1
LIQUID FUNDS AT THE END OF THE PERIOD	121.6	381.8	121.6	381.8	121.6	274.8

Parent Company's statement of comprehensive income

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2019	2018	2019	2018	2018/2019	2018
Net sales	4.0	5.0	8.0	10.0	19.2	21.2
Gross profit	4.0	5.0	8.0	10.0	19.0	21.0
Sales and administration costs	-13.9	-7.0	-20.7	-12.8	-41.4	-33.5
Operating profit	-9.9	-2.0	-12.7	-2.8	-22.4	-12.5
Earnings from Group companies	-	-	-	-	50.0	50.0
Interest income and similar profit/loss items	16.0	8.5	27.5	17.1	54.4	44.1
Interest expenses and similar profit/loss items	-8.8	-8.7	-17.9	-17.7	-35.9	-35.6
Profit after financial items	-2.7	-2.3	-3.2	-3.4	46.2	46.0
Tax	-	-	-	-	-0.0	-0.0
PROFIT FOR THE PERIOD	-2.7	-2.3	-3.2	-3.4	46.2	46.0

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

Parent Company's statement of financial position

(MSEK)	30/06/2019	30/06/2018	31/12/2018
ASSETS			
<i>Fixed assets</i>			
Participations in Group companies	472.3	472.3	472.3
Receivables from Group companies	501.3	419.9	503.0
	3.0	3.0	3.0
Total fixed assets	976.6	895.2	978.3
<i>Current assets</i>			
Account receivables	-	-	0.2
Receivables from Group companies	42.0	55.1	50.0
Receivables from joint ventures	0.1	-	0.6
Tax receivables	0.1	0.2	0.2
Other assets	-	0.8	-
Prepaid expenses and accrued revenue	-	11.9	1.9
Cash and bank balances	4.6	43.6	28.4
Total current assets	46.8	111.6	81.2
TOTAL ASSETS	1,023.4	1,006.8	1,059.5
(MSEK)	30/06/2019	30/06/2018	31/12/2018
EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital	39.3	39.3	39.3
Share premium	506.5	506.5	506.5
Share-based payments	-	4.6	4.6
Unrestricted equity	97.4	46.8	46.8
Profit/loss for the period	-3.2	-3.4	46.0
Total equity	640.0	593.8	643.1
<i>Long-term liabilities</i>			
Bond issues	-	395.0	396.4
Total long-term liabilities	-	395.0	396.4
<i>Current liabilities</i>			
Bond issues	367.1	-	-
Liabilities to Group companies	-	0.6	1.7
Accounts payable – trade	1.4	2.4	3.6
Other liabilities	0.3	0.9	5.1
Accrued expenses and prepaid liabilities	14.6	14.2	9.6
Total current liabilities	383.4	18.1	20.0
TOTAL EQUITY AND LIABILITIES	1,023.4	1,006.8	1,059.5

Parent Company's changes in equity

(MSEK)	Restricted equity	Unrestricted equity		
	Share capital	Paid-in capital	Profit brought forward	Total equity
Equity, January 1, 2018	39.3	506.5	51.4	597.2
Profit				
Profit this period			-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
Equity, January 1, 2018	39.3	506.5	51.4	597.2
Profit				
Profit for the year			46.0	46.0
Total profit			46.0	46.0
Total transactions with shareholders	-	-	-	-
EQUITY, DECEMBER 31, 2018	39.3	506.5	97.4	643.1
Equity, January 1, 2019	39.3	506.5	97.4	643.1
Profit				
Profit this period			-3.2	-3.2
Total profit			-3.2	-3.2
Total transactions with shareholders	-	-	-	-
EQUITY, MARCH 31, 2019	39.3	506.5	94.2	640.0

Parent Company's cash flow statement

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2019	2018	2019	2018	2018/2019	2018
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-9.9	-2.0	-12.7	-2.8	-22.4	-12.5
Items not affecting liquidity	-	-	-	-	-	-
Received interest	7.1	8.5	18.6	17.1	45.6	44.1
Paid interest	-8.8	-8.0	-17.2	-16.2	-33.7	-32.8
Paid income taxes	-0.1	0.7	0.0	-0.0	0.1	0.0
Cash flow before changes in operating capital	-11.7	-0.9	-11.3	-2.0	-10.4	-1.1
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in other current receivables	14.6	-5.6	10.5	-14.5	25.7	0.7
Decrease/increase in supplier liabilities	-1.5	-0.2	-2.2	-0.6	-1.0	0.6
Decrease/increase in current liabilities	4.8	1.5	-1.4	-2.8	-0.8	-2.2
Total change in operating capital	17.9	-4.3	6.8	-18.0	23.9	-0.9
CASH FLOW FROM CURRENT ACTIVITIES	6.2	-5.1	-4.5	-20.0	13.5	-2.1
<i>Cash flow from investment activities</i>						
Investments in financial assets	-	-12.5	-9.7	-17.1	-42.8	-50.2
Decrease of financial assets	11.5	-	11.5	-	11.5	-
Cash flow from investment activities	11.5	-12.5	1.7	-17.1	-31.3	-50.2
Amortization of short-term liabilities	-21.1	-	-21.1	-	-21.1	-
Cash flow from financing activities	-21.1	-	-21.1	-	-21.1	-
Decrease/increase in liquid funds	-3.4	-17.6	-23.8	-37.1	-39.0	-52.2
Liquid funds, opening balance	8.0	61.2	28.4	80.6	43.6	80.6
LIQUID FUNDS AT THE END OF THE PERIOD	4.6	43.6	4.6	43.6	4.6	28.4

Note 1 General Information

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

Note 2 Accounting policies

Basis for preparing the reports

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

Important estimates and assessments

For information on important estimates and assessments made by the company management when preparing the consolidated financial statements, see Note 2 in SSM's 2018 Annual Report.

Effects of new IFRS standards;

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

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

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

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

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

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

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

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

As of June 30, 2019, the Group reports rights-of-use assets totaling 41.8 MSEK. The reporting of leases with SSM as the lessor remain unchanged in all material respects.

Note 3 Financial instruments – fair value

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

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

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

Reported value	30/06/2019	30/06/2018	31/12/2018
Bond issue	367.1	395.0	396.4
Liabilities to credit institutions	96.3	293.7	96.6
Other long-term liabilities	37.0	-	-
TOTAL LIABILITIES	500.4	688.6	493.0
Fair value	30/06/2019	30/06/2018	31/12/2018
Bond issue	369.0	400.0	400.0
Liabilities to credit institutions	96.3	293.7	96.7
Other long-term liabilities	37.0	-	-
TOTAL LIABILITIES	502.4	693.7	496.7

Note 4 Net sales and major customers

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

Analysis of revenue by revenue type	Apr-Jun		Jan-Jun		2018
	2019	2018	2019	2018	
Project revenue, contracted	5.9	304.8	5.9	512.3	580.7
Sale of other construction services	11.1	11.8	20.0	24.2	42.0
Sale of other construction goods	0.3	0.6	1.2	1.5	13.0
Other revenue	3.1	4.3	8.7	8.9	16.8
TOTAL	20.4	321.5	35.8	546.9	652.5
Total revenue from large customers	15.4	300.3	24.3	505.6	580.4
No. of large customers (>10% of revenue)	3	2	5	4	4

Note 5 Sales and administration expenses

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

	Apr-Jun		Jan-Jun		2018
	2019	2018	2019	2018	
Overhead costs	-8.8	-10.0	-17.6	-21.2	-49.8
Salaries	-26.3	-31.7	-47.5	-55.1	-91.1
Administration, balanced	8.2	13.4	17.8	21.8	41.5
Time, balanced	11.3	16.0	20.9	30.9	48.8
Depreciations/amortization	-1.6	-0.1	-3.3	-0.4	-0.8
Sales and administration costs	-17.2	-12.4	-29.7	-24.0	-51.4

The second quarter was impacted by non-recurring items of -6.3 MSEK related to the change of CEO, of which -6.0 MSEK for salary expenses and -0.3 MSEK for central costs.

Note 6 Participations in joint ventures

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

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Consolidated share amounts to 30%

Summarized income statement	Jan-Jun	
	2019	2018
Net Sales	-	-
Costs for production and management	-6.8	0.7
Other operating expenses	-0.1	-0.2
Operating profit/loss	-6.9	0.5
Financial income	0.0	-0.0
Financial expenses	-2.1	-0.9
Profit/loss before tax	-9.0	-0.3
Tax on profit/loss for the year	-	-
Profit/loss for the year	-9.0	-0.3

Summarized balance sheet	30/06/2019	30/06/2018
Current assets		
Liquid funds	97.8	64.2
Projektfastigheter	589.9	373.1
Other receivables	10.2	4.5
Total current assets	697.9	441.8
Current liabilities	-12.7	-25.8
Total current liabilities	-12.7	-25.8
Fixed assets	-	-
Long-term financial debt	-628.9	-351.2
Other long-term liabilities	-12.0	-
Total assets and long-term liabilities	-640.9	-351.2
Net assets	44.4	64.7

STUDENT HILL

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2019	2018
Net Sales	-	-
Costs for production and management	-0.7	-2.1
Other operating expenses	-0.1	-
Operating profit/loss	-0.8	-2.1
Financial income	0.1	-
Financial expenses	-0.4	-0.2
Profit/loss before tax	-1.1	-2.3
Tax on profit/loss for the year	-	-
Profit/loss for the year	-1.1	-2.3

Summarized balance sheet	30/06/2019	30/06/2018
Current assets		
Liquid funds	6.8	3.1
Other receivables	25.8	21.4
Total current assets	32.6	24.5
Current liabilities	-29.0	-23.7
Total current liabilities	-29.0	-23.7
Fixed assets	0.9	0.9
Long-term financial debt	-4.0	-1.3
Other long-term liabilities	-	-
Total assets and long-term liabilities	-3.1	-0.3
Net assets	0.5	0.4

PROFI Turbinhallen

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2019	2018
Net Sales	1.3	425.4
Costs for production and management	-9.7	-259.7
Other operating expenses	-	-
Operating profit/loss	-8.4	165.7
Financial income	-	-
Financial expenses	-	-3.0
Profi/loss before tax	-8.4	162.7
Tax on profit/loss for the year	-	-
Profit/loss for the year	-8.4	162.7

Summarized balance sheet	30/06/2019	30/06/2018
Current assets		
Liquid funds	4.2	41.8
Projektfastigheter	0.0	236.1
Other receivables	6.7	1.1
Total current assets	11.0	278.9
Current liabilities	-8.4	-11.6
Total current liabilities	-8.4	-11.6
Fixed assets	0.1	-
Long-term financial debt	-	-239.7
Other long-term liabilities	-	-
Total assets and long-term liabilities	0.1	-239.7
Net assets	2.6	27.6

PARTNERS GROUP

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2019	2018
Net Sales	-	0.1
Costs for production and management	-22.3	-21.9
Other operating expenses	-1.3	-1.0
Operating profit/loss	-23.6	-22.9
Financial income	0.0	-
Financial expenses	-0.1	-0.4
Profi/loss before tax	-23.7	-23.3
Tax on profit/loss for the year	-0.1	-
Profit/loss for the year	-23.8	-23.3

Summarized balance sheet	30/06/2019	30/06/2018
Current assets		
Liquid funds	44.3	40.8
Projektfastigheter	576.8	504.1
Other receivables	11.9	1.4
Total current assets	633.0	546.4
Current liabilities	-33.3	-63.6
Total current liabilities	-33.3	-63.6
Fixed assets	-	-
Long-term financial debt	-325.5	-325.5
Other long-term liabilities	-0.5	-
Total assets and long-term liabilities	-326.0	-325.5
Net assets	273.7	157.3

PROFI Bromma Square

Consolidated share amounts to 50%

	Jan-Jun	
Summarized income statement	2019	2018
Net Sales	10.3	9.9
Costs for production and management	-3.2	-2.7
Other operating expenses	-0.5	-0.7
Operating profit/loss	6.7	6.5
Financial income	-	-
Financial expenses	-4.2	-4.7
Profit/loss before tax	2.5	1.7
Tax on profit/loss for the year	-0.8	-0.5
Profit/loss for the year	1.6	1.2

Summarized balance sheet	30/06/2019	30/06/2018
Current assets		
Liquid funds	6.7	15.1
Other receivables	3.4	2.7
Total current assets	10.1	17.8
Current liabilities	-14.7	-10.4
Total current liabilities	-14.7	-10.4
Fixed assets	275.2	252.7
Long-term financial debt	-232.4	-245.1
Other long-term liabilities	-7.2	-2.7
Total assets and long-term liabilities	35.7	4.9
Net assets	31.1	12.3

LIBU Elverket

Consolidated share amounts to 50%

	Jan-Jun	
	2019	2018
Summarized income statement		
Net Sales	0.2	-
Costs for production and management	0.4	1.5
Other operating expenses	-0.0	-0.0
Operating profit/loss	0.5	1.5
Financial income	-	-
Financial expenses	-1.6	-3.5
Profit/loss before tax	-1.1	-2.0
Tax on profit/loss for the year	-	-
Profit/loss for the year	-1.1	-2.0
Summarized balance sheet	30/06/2019	30/06/2018
Current assets		
Liquid funds	0.4	1.7
Projektfastigheter	423.4	410.5
Other receivables	0.3	0.1
Total current assets	424.0	412.3
Current liabilities	-7.1	-0.8
Total current liabilities	-7.1	-0.8
Fixed assets	-	-
Long-term financial debt	-414.1	-413.5
Other long-term liabilities	-	-
Total assets and long-term liabilities	-414.1	-413.5
Net assets	2.9	-2.0

Note 7 Assets pledged as security and contingent liabilities

Assets pledged as security

Shares in SSM Fastigheter AB have been pledged as collateral for issued bonds and the Group-wide value is 81.2 MSEK (227.2). Mortgages have been pledged totaling 97.2 MSEK (97.2) and floating charges totaling 23.7 MSEK (23.7).

Contingent liabilities

Guarantees of 171.6 MSEK (225.8) have been pledged to housing cooperatives that are not consolidated in the Group. The above refers to housing cooperatives that are controlled by joint ventures and are consolidated as part of the relevant joint venture. Guarantees of 17.1 MSEK (10.3) have been pledged to joint ventures. SSM is occasionally party to a dispute. No ongoing dispute is expected to have a material impact on the Group's financial position and profit.

Note 8 Retroactive recalculation of financial reports

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

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

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

	Before adjustment Apr-Jun 2018	Adjustment	After adjustment Apr-Jun 2018
Net sales	73.1	248.3	321.5
Expenses for production and mgmt	-68.1	-237.3	-305.4
Gross Profit	5.0	11.1	16.1
Sales and administration expenses	-12.5	-	-12.5
Other income	8.1	-1.2	6.9
Earnings from joint ventures	0.8	39.9	40.6
Operating profit	1.4	49.7	51.1
Net financial items	-9.4	-	-9.4
Pre-tax profit	-8.0	49.7	41.7
Tax	-0.4	-	-0.4
Earnings for the period	-8.5	49.7	41.2
Earnings per share, before and after dilution (SEK)	-0.22		1.05
Average number of shares during the peric	39,252,542		39,252,542

	Before adjustment	Adjustment	After adjustment
	Jan-Jun 2018		Jan-Jun 2018
Net sales	168.6	378.3	546.9
Expenses for production and mgmt	-152.1	-360.0	-512.1
Gross Profit	16.6	18.3	34.8
Sales and administration expenses	-24.0	-	-24.0
Other income	10.6	-3.8	6.9
Earnings from joint ventures	6.0	62.0	68.1
Operating profit	9.3	76.5	85.8
Net financial items	-15.5	-	-15.5
Pre-tax profit	-6.2	76.5	70.3
Tax	-0.7	-	-0.7
Earnings for the period	-6.9	76.5	69.6
Earnings per share, before and after dilution (SEK)	-0.18		1.77
Average number of shares during the period	39,252,542		39,252,542

	Before adjustment	Adjustment	After adjustment
	30/06/2018		30/06/2018
ASSETS			
Intangible assets	1.4	-	1.4
Tangible assets	0.4	-	0.4
Holdings in joint ventures	168.2	-63.5	104.6
Receivables from joint ventures	223.7	-	223.7
Other non-current receivables	140.3	-48.8	91.6
Project properties	465.8	195.8	661.5
Accounts receivables	22.1	-5.7	16.4
Recognized, non-invoiced revenue	74.5	-74.5	-
Other receivables	83.5	51.3	134.8
Cash and cash equivalents	373.2	8.6	381.8
Total assets	1,553.1	63.1	1,616.2
LIABILITIES AND EQUITY			
Total equity	955.6	-134.6	821.0
Other provisions	9.6	-	9.6
Bond issues	395.0	-	395.0
Liabilities to credit institutions	97.0	196.6	293.7
Accounts payable – trade	36.6	0.0	36.6
Other liabilities	17.9	1.1	19.0
Accrued costs and prepaid income	41.4	-0.0	41.4
Total liabilities and equity	1,553.1	63.1	1,616.2

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, 2019

Anders Janson
Chairman

Bo Andersson
Member

Per Berggren
Member

Sheila Florell
Member

Ulf Morelius
Member

Ulf Sjöstrand
Member

Jonas Wikström
Member

Mattias Lundgren
Interim President & CEO

Auditor's report

This report has not been reviewed by the Company's auditors.

Definitions of key ratios

Number of shares

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

Balance sheet total

Sum of assets.

Gross margin

Gross profit in relation to net sales.

Gross profit

Net sales less the cost of production and management.

Equity per share

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

Liquidity ratio

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

Net sales, JV

Total net sales for SSM's joint ventures.

Net sales including JV

Net sales for the Group and for joint ventures.

Earnings per share after tax

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

Return on equity

Profit after tax in relation to average equity.

Interest coverage ratio

Profit after financial revenue in relation to financial expenses.

Operating margin

Operating profit as a percentage of net sales.

Operating profit

Profit before financial items.

Debt/equity ratio

Total debt in relation to equity.

Equity ratio

Equity in relation to total assets.

Dividend per share, SEK

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

Number of employees

Number of contracted employees at the end of the period.

Total apartments in production

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

Completed apartments

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

Sales value of sold apartments

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

Building right

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

Production start

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

Project

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

Accumulated number of sold apartments

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

Sold apartments

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

Sold share in production

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

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



SSM Holding

In brief

SSM produces functionally-smart and affordable housing with attractive shared spaces, near the city and close to public transport for the company's target group – tomorrow's urbanites. The company's vision is a housing market with room for as many people as possible and its goal is to produce 50 percent cooperative apartments and 50 percent rental apartments. SSM is the leading residential developer in its niche in the Greater Stockholm area and has about 6,200 building rights in its project portfolio. SSM aims to gradually increase the number of housing starts to reach at least 1,500 units per year by 2023. SSM was listed on Nasdaq Stockholm on April 6, 2017.

Financial targets & dividend policy

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

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

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

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

Financial calendar

Interim Report Q3 2019	November 19, 2019
Interim Report Q4 2019	February 20, 2020
Interim Report Q1 2020	May 14, 2020

Download SSM's financial reports at ssmlivinggroup.com

Get in touch

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The information in this report is such that SSM Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:30 CEST on August 28, 2019.

SSM
www.ssmlivinggroup.com

