



Interim report Jan–June 2017

**“Continued strong development
in a stable market”**



Summary of the second quarter 2017

- Net sales increased to 168.4 MSEK (130.1).
- Gross margin went up to 19.7% (17.6).
- Operating profit decreased to 19.7 MSEK (33.7) and the EBIT margin was 11.7% (25.9) foremost as a result of items affecting comparability and a lower share of profits from JV projects. Adjusted for items affecting comparability, the EBIT margin was 16.1%.
- Earnings per share at 0.30 SEK (0.78).
- Cash flow from operating activities was -230.7 MSEK (41.9). Acquisition of 485 building rights in Akalla and Spånga.
- Sales start for 496 cooperative apartments of which production started for 204 units during the quarter.
- Listing on Nasdaq Stockholm's main list (Mid-Cap) on April 6, 2017 together with a new share issue contributed a net sum of 509 MSEK to the company.

Summary of the first half year 2017

- Net sales increased to 304.9 MSEK (203.0).
- Gross margin went up to 18.7% (17.5).
- Operating profit decreased to 40.9 MSEK (62.3) and the EBIT margin was 13.4% (30.7) as a result of items affecting comparability and a lower share of profits from JV projects. Adjusted for items affecting comparability, the EBIT margin was 20.0%.
- Earnings per share at 0.75 SEK (1.61).
- Cash flow from operating activities was -232.2 MSEK (-45.9). Acquisition of 1,015 building rights (2,601).
- Completion of 255 cooperative apartments (-).
- 1,415 apartments in production (1,227) with a sales rate of 95.5% (98.0).

Significant events after the balance sheet date

- On July 17, SSM established a JV with respected global private markets investment managers Partners Group for the Tellus Towers, Järla Station and Metronomen projects to an estimated project value of 7.6 SEKbn. The cooperation demonstrates the confidence in SSM in the international arena and confirms the quality of SSM's portfolio and the strength of the company's capacity. The deal will further strengthen SSM's financial capability at the same time as it spreads risk. Initially, the transaction is expected to have a positive net impact of about 108 MSEK on SSM's liquidity and an approximate 106 MSEK impact on SSM's profits, or about 2.70 SEK EPS for Q3 2017.
- Acquisition of 150 building rights in Rotebro. At the time of reporting, the project portfolio included a total of 6,146 building rights.

Key ratios¹

(MSEK)	Apr-Jun			Jan-Jun			Jul-Jun	Jan-Dec
	2017	2016	Δ	2017	2016	Δ	2016/2017	2016
Net sales	168.4	130.1	29.4%	304.9	203.0	50.2%	751.8	649.9
Net sales, joint ventures	79.7	151.9	-47.5%	200.1	296.8	-32.6%	651.7	748.4
Gross profit	33.2	23.0	44.8%	57.0	35.5	60.8%	168.7	147.1
Operating profit	19.7	33.7	-41.5%	40.9	62.3	-34.2%	165.8	187.1
Earnings for the period	11.5	23.4	-51.0%	25.8	48.5	-46.7%	122.1	144.7
Gross margin, percent	19.7	17.6	2.1	18.7	17.5	1.2	22.4	22.6
Operating margin, percent	11.7	25.9	-14.2	13.4	30.7	-17.2	22.1	28.8
Interest coverage ratio, times	2.0	2.8	-0.8	2.2	3.5	-1.3	3.4	4.0
Equity ratio, %	54.9	29.0	25.9	54.9	29.0	25.9	54.9	29.1
Return on equity, percent	7.9	45.6	-37.7	9.0	49.8	-40.8	23.0	61.0
Earnings per share, before and after dilution, SEK	0.30	0.78	-62.0%	0.75	1.61	-53.4%	3.78	4.81
Number of acquired building rights	485	800	-315	1,015	2,601	-1,586	1,365	2,951
Number of completed apartments	-	-	-	255	-	255	301	46
Number of started apartments	204	50	154	204	50	154	392	238
Number of sold apartments	1,415	1,337	78	1,415	1,337	78	1,415	1,479
Accumulated number of apartments sold in current production	1,352	1,310	42	1,352	1,310	42	1,352	1,427
Share sold (in production), %	95.5	98.0	-2.5	95.5	98.0	-2.5	95.5	96.5

¹ SSM's operations are not affected by clear seasonal variations. However, large projects may be subject to a material effect on sales and profit/loss in individual quarters depending on when the projects are started and completed. This effect on sales and profit/loss should therefore be considered over a longer cycle, such as a twelve-month period.

CEO's comments

“Strong development in a continued stable market gives us the right prerequisites to deliver on our goals for 2017.”



Continued strong development in line with the company's goal

SSM is continuing to develop strongly and the business is running in line with the Group's financial and operational goals LTM. As we enter what for us will be an intensive second half year with several sales and production starts, we have a solid foundation from which to operate. The strength of our product is confirmed by our customers and at the end of the first half year, the sales rate for our 1,415 homes now in production was 95.5 percent. During the year, we acquired 1,165 building rights and on the reporting date we had 6,146 building rights in our project portfolio. SSM was listed on the stock exchange on April 6 this year which contributed a net sum of 509 MSEK after deductions for listing expenses, which has further strengthened our acquisition capacity.

Operating profit and operating margin decreased mainly as a result of a lower share of profits from joint ventures and items affecting comparability, of which costs for the IPO amounted to -7.4 MSEK. As we announced earlier, there have been some delays in the schedules for the Metronomen and West Side Solna projects. This is why it was gratifying when the detailed plan for Metronomen won legislative power in May, enabling us to start the groundwork for the project during the quarter. We expect a decision about the building permit for West Side Solna in August.

Sales high for 500 apartments that started sales during the quarter

The quarter was characterized by a considerable level of sales activity and the sales start of close to 500 cooperative apartments in the Kosmopoliten, Sollentuna Hills and Platform West projects. The sales rate for Kosmopoliten was high, reaching 80 percent after only six weeks, and we were able to start production during the quarter. In addition, interest in our Sollentuna Hills and Platform West projects where sales started at the end of May has been high, although sales in these projects have naturally been affected by the slowdown in the market due to the summer holidays.

Strategic joint venture with Partners Group for Tellus Towers

We reached a significant milestone during the summer when SSM established a JV with the respected and global company Partners Group in mid-July – a cooperation that covers our Tellus Towers, Järla Station and Metronomen projects. We estimate the total value of the projects after completion to be about 7.6 SEKbn. The cooperation demonstrates the confidence in SSM also in the international arena, and confirms the quality of SSM's project portfolio and the strength of the company's capacity. The transaction will further strengthen SSM's financial capability at the same time as it spreads risk and creates a platform that will give SSM the right prerequisites for maintaining our JV share in the coming years. Initially, the transaction is expected to have a positive net effect of about 108 MSEK on SSM's liquidity and an impact of about 106 MSEK on profits, corresponding to 2.70 SEK per share, for Q3 2017.

Well-equipped for continued good profit development

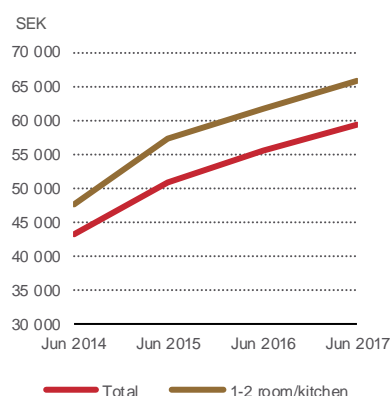
We believe that the market will continue to be stable and that there will be a high demand for our modern and relevant quality homes. Together, this makes us well equipped for continued good profit development.

Mattias Roos
President & CEO

Housing market in Greater Stockholm

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

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



Source: Svensk Mäklarstatistik, July 2017

High demand for affordable housing in the region

SSM has a clear focus on developing housing within the Greater Stockholm area including Uppsala. There is a significant shortage of housing in the Greater Stockholm area and the accumulated housing deficit is high. Municipalities in the region are continuing to increase investments in new construction and have planned to build several hundred thousand new homes by 2030.

Within this chosen geography, SSM is focusing on a segment of homebuyers looking for affordable, space-efficient housing close to good public transport. People in this target group are between 20 and 44 and live mainly in single or two-person households. Based on official statistics, the company estimates that approximately 900,000 residents in the Greater Stockholm area belong to this group, which means that SSM has good opportunities for substantial growth going forward.

Continued stable prices for cooperative apartments

Housing prices in Stockholm County remained stable during the quarter. According to Svensk Mäklarstatistik, a real estate consultancy, prices for cooperative apartments in the Greater Stockholm area rose 5.7 percent in the past 12 months despite a decrease of -1.0 percent during the second quarter 2017.

The average price per square meter for a cooperative apartment in the Greater Stockholm area was 59,011 SEK (55,644) during the quarter. The corresponding average price per square meter for a one to two-room cooperative apartment was 65,702 SEK (61,816). Prices for cooperative apartments in Uppsala increased by 2.4 percent and amounted to 40,064 SEK per square meter at the end of the quarter.

Household's expectations remain high

SEB's Housing Price Indicator for July 2017 showed that households' expectations regarding housing prices continue to be at a high and stable level. Neither the summer slowdown in the housing market nor recurring discussions about the risk of market falls or tougher amortization requirements had a noticeable impact on consumer expectations for housing prices according to SEB. On July 5, the Bank of Sweden announced that the repo rate would remain at -0.5 percent. The repo rate expected to go up in the middle of 2018, which is what was also expected in April 2017.



Project portfolio

PROPERTIES 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 2017	Total	During Q2 2017	Total	During Q2 2017	Total ¹⁾	
The Lab ⁴⁾	266	14,456	Solna	13/04/2014	Q3 2014	Q4 2016 - Q3 2017	-	266	-	266	-	266	100.0%
Bromma Tracks	249	12,144	Bromma	05/10/2014	Q4 2014	Q1 2017 - Q4 2017	-	249	-	249	-	249	100.0%
Turbinhallen ⁴⁾	205	12,871	Nacka	11/10/2015	Q4 2015	Q4 2017 - Q2 2018	-	201	-	201	-	201	98.0%
The Tube	50	2,354	Sundbyberg	10/04/2016	Q2 2016	Q2 2018	-	42	-	42	-	42	84.0%
West Side Solna ⁴⁾	253	11,881	Solna	15/10/2015	Q4 2015	Q3 2019 - Q4 2019	-	252	-	252	-	252	99.6%
Metronomen ⁴⁾	188	7,612	Telefonplan	29/05/2016	Q3 2016	Q2 2019 - Q1 2020	-	188	-	183	8	183	97.3%
Kosmopoliten	204	10,024	Kista	26/04/2017	Q2 2017	Q1 2021 - Q2 2021	-	204	165	165	160	174	78.4%
Total	1,415	71,342										1,367	95.5%

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 2017	Total	During Q2 2017	Total ¹⁾	During Q2 2017	Total	
Sollentuna Hills	183	10,211	Sollentuna	21/05/2017	2017	2022	183	183	62	75			
Platform West	109	4,901	Täby	31/05/2017	2017	2021	109	109	37	41			
Total	292	15,112											

PROJECT PORTFOLIO UNDER DEVELOPMENT

Project	Apts.	Floor Area	Area	Schedule		
				Sales start	Start of production	Occupation
Täby Market	89	4,157	Täby	2017	2017	2019
Täby Turf ²⁾	175	8,900	Täby		2017	2020
The Loft ²⁾⁴⁾	120	2,968	Täby		2017	2020
Elverket i Nacka 1 ⁴⁾	150	7,480	Nacka	2017	2017	2020
Bromma Boardwalk	260	17,200	Mariehäll	2017	2017	2020
Tentafabriken	76	1,824	Sollentuna	2017	2017	2019
Tellus Towers (78) ³⁾⁴⁾	693	28,960	Telefonplan	2018	2018	2022
Tellus Towers (58) ³⁾⁴⁾	515	21,537	Telefonplan	2018	2018	2022
Tellus lamell ⁴⁾	18	1,539	Telefonplan		2018	2022
Järla Station ⁴⁾	319	15,253	Nacka	2017	2018	2020
Elverket i Nacka 2 ⁴⁾	243	12,120	Nacka	2018	2019	2021
Bromma Tracks II	90	4,192	Bromma	2019	2019	2021
Spånga Studios	140	5,850	Spånga	2018	2018	2021
Bromma Square ⁴⁾	400	19,000	Bromma	2018	2019	2021
T17B	60	2,700	Telefonplan	2019	2019	2020
Älvsjö Quarters ²⁾	516	21,009	Älvsjö		2019	2021
Spånga	250	11,400	Spånga	2019	2020	2021
Akalla	175	9,000	Akalla	2019	2019	2021
Total	4,289	195,089				
Total 6/30/2017	5,996	281,543				

ACQUISITIONS AFTER THE PERIOD

Ritsalen	150	7,000	Sollentuna	2019	2019	2021
TOTAL 7/17/2017	6,146	288,543				

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

¹⁾ Refers to sold cooperative apartments in relation to the total number of apartments in the project. All key figures are calculated on the balance sheet date. **The total number of homes booked or sold refers to sales as of the reporting date.**

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. On July 17, 2017, SSM established a joint venture with Partners Group for the Tellus Towers, Järla Station and Metronomen projects. In addition to the joint venture with Partners Group, SSM has joint venture agreements with Alecta, Profi Fastigheter, Studentbacken and Libu Invest. After the transaction with Partners Group, 3,370 building rights of SSM's current 6,146 building rights will be covered by joint venture agreements.

Project portfolio

“A focused, high-quality project portfolio for tomorrow’s urbanites.”

SSM has a focused acquisition strategy based on the specific preferences of its target group. The company’s long-term goal is to develop 60 percent cooperative apartments, 30 percent rental units and 10 percent student housing.

At the end of the period, SSM had 5,996 building rights divided into 27 projects of which approximately 80 percent are planned to be developed into cooperative apartments.

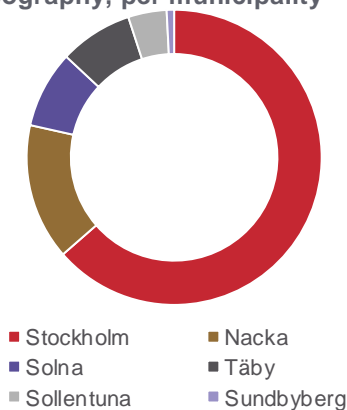
During the quarter, the project portfolio grew by 485 building rights. The company acquired two developments in Spånga including 250 building rights in central Spånga and a land allocation for 60 building rights adjacent to SSM’s current Spånga Studios project. In addition, 175 building rights were acquired in Akalla. For existing projects, the number of building rights increased by 19 as a result of optimization of project development.

Three projects, Kosmopoliten, Sollentuna Hills and Platform West that together correspond to 496 cooperative apartments, started sales during the quarter. Sales have been very high and during the quarter, production was able to start for the Kosmopoliten project. At the end of the period, there were 1,415 building rights in production with a sales rate of 95.5 percent.

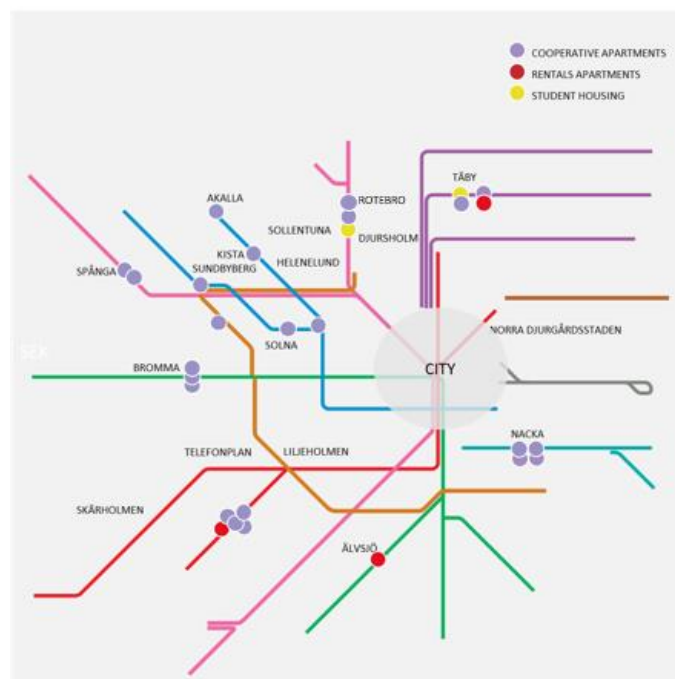
The schedules for the Metronomen and West Side Solna projects that were presented earlier have been somewhat delayed. At the beginning of May, the detailed plan for Metronomen won legislative power and groundwork for the project was started. Approval of the building permit for West Side Solna is expected during August 2017.

Since the balance sheet date, SSM has acquired an additional 150 building rights in Rotebro. As of August 17, a total of 1,165 building rights have been acquired during the year, resulting in a total portfolio of 6,146 building rights, of which 63.6 percent are within Stockholm County.

Portfolio illustrated by geography, per municipality



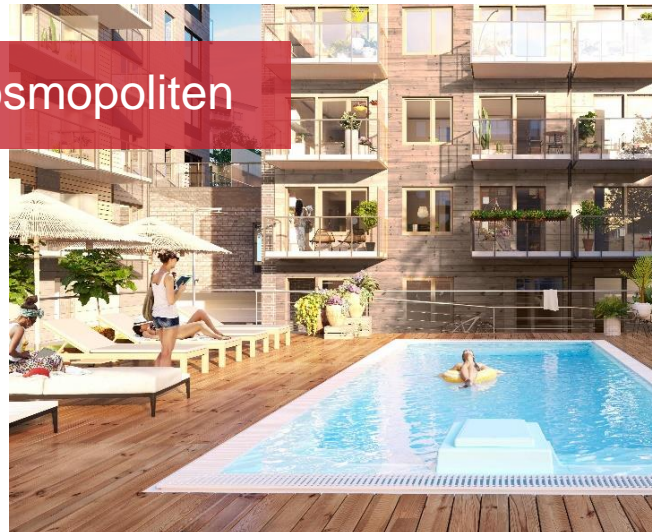
Location of SSM’s projects in relation to public rail transit in Stockholm



Selection of projects

Kosmopoliten (Kista Äng) is made up of 204 apartments, close to 90 percent of which have a floor area of 30 to 65 m². Most of the units will have their own balcony or patio and tenants will also be able to enjoy attractive, modern shared spaces such as an outdoor pool, an orangery, a large parking area for bikes, a car pool, charging stations for electric cars and in-house cold storage facilities for grocery deliveries. Sales started on April 26, 2017 and the project achieved a sales rate of 80 percent within just two months. Production began during the second quarter 2017 and construction is expected to start at the beginning of 2019, with access scheduled for the latter part of 2021. The project is being run solely by SSM.

kosmopoliten

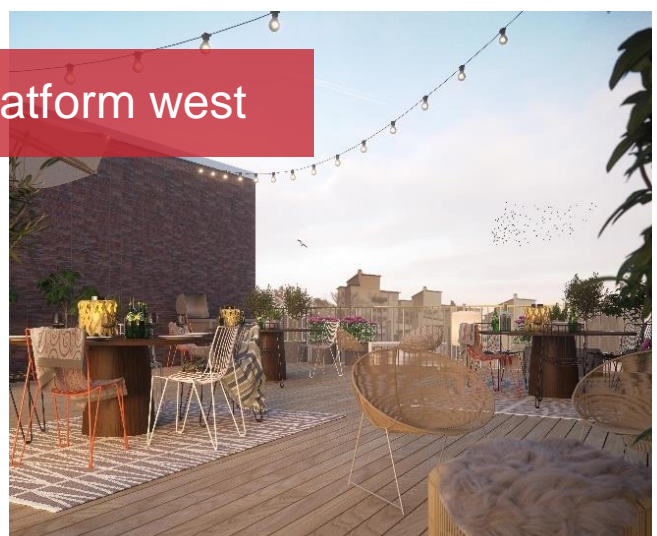


sollentuna hills

Sollentuna Hills (Sollentuna) is made up of 183 cooperative apartments in the growing urban Väsjön area close to a nature reserve, sports facilities and recreational areas. The architecture of the buildings features a plaster facade and variable building heights and the floor area of the units ranges from 40 to 64 m². All of the apartments have a balcony/French balcony or private patio. Within the framework of the project, there are plans for attractive and modern shared spaces including a lush courtyard with an outdoor spa, lounge area and barbecue facilities as well as a car and bike pool and bike workshop. Sales began on May 21, 2017 with access scheduled in 2022. The project is being run solely by SSM.

Platform West (Roslags Näsby) is made up of 109 cooperative apartments located at Täby's best communication hub at the junction of the Roslags Näsby light rail station. The buildings, which will have Silver certification according to the Sweden Green Building Council, will have a high green factor and consist of innovative five- to eight-story structures with facades of plaster, brick and wood panels in varied colors as well as sedum roofs with solar cells, climbing plants on the facade and waste disposal units in all of the units. Most of the apartments have a floor area of 26 to 50 m² and a balcony or patio. Planned shared spaces include a rooftop terrace and a green courtyard. Sales started on May 31, 2017 and access is scheduled in the latter part of 2021. The project is being run solely by SSM.

platform west



Selection of projects

The Metronomen (Telefonplan) project includes 188 cooperative apartments with a total floor area of approximately 7,600 m². Most of the apartments are space-efficient and functional one- and two-room units with a balcony. There are shared spaces in the form of a rooftop terrace. The project is located in a vibrant urban area that is currently being developed extensively in cooperation with the Konstfack University College of Arts, Crafts and Design and the Hyper Island college among others, both of which are contributing innovation and creativity to the development. The project has a sales rate of 97.3 percent. Access is expected from the second quarter of 2019. Since August 2017, the project has been run within the framework of a JV with Partners Group.

metronomen



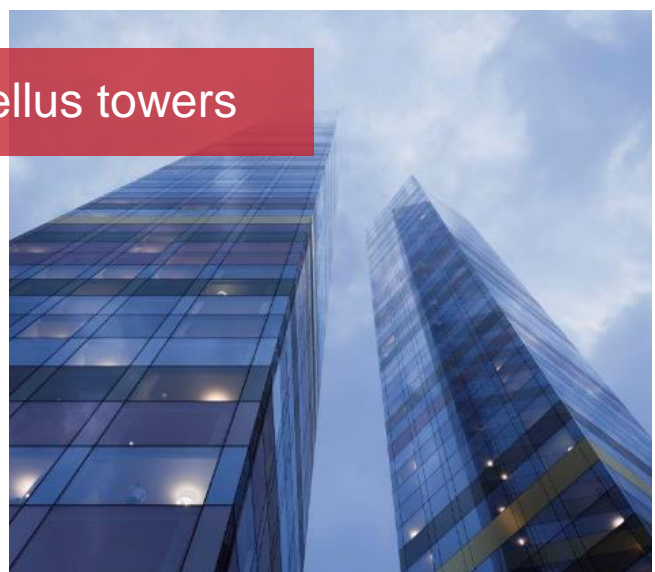
järla station



The Järla Station (Nacka) project includes 319 cooperative apartments. Most of the apartments will be space-efficient one and two-room plus kitchen units and approximately half will have a balcony. There are also plans for shared spaces including rooftop terraces, outdoor spaces, bike workshops and more. The project is attractively located near Lake Järla and offers a fantastic view of the water as well as proximity to shopping, services and extensive recreational areas combined with good public transport via the Saltsjöbanan light rail. The expansion of Stockholm's subway system to Nacka means that there will also be subway connections in the future. The sale of apartments will start during the fall 2017 with access scheduled for 2020. Since August 2017, the project has been run as a JV with Partners Group.

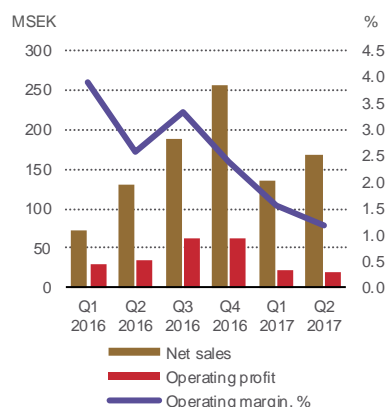
tellus towers

The buildings in the Tellus Towers (Telefonplan) project will be among the highest residential buildings in northern Europe with two skyscrapers of 78 and 58 stories respectively and more than 1,200 apartments. Most of the apartments will have a floor area of 36 – 55 m². The buildings, which also include a seven-story multi-dwelling unit, are designed by prize-winning architect Gert Wingårdh and modeled on Chinese architect Gary Chang's concept of using and maximizing smaller spaces. In addition to stores, cafés and grocery stores, the skyscrapers will offer a restaurant, sky bar, spa and rooftop pools. The project is now in the detailed planning phase and the sales and production starts are scheduled for 2018 with access from 2022. The project will be run through a number of partnerships. Since August 2017, the project has been run as a JV with Partners Group.



Comments on the results

Net sales, operating profit, operating margin



Net sales and operating profit/loss

Net sales in the Group, which applies the percentage of completion method for all projects, increased to 168.4 MSEK (130.1) during the quarter. The increase is a result of higher activity in both wholly-owned projects and invoiced construction contracts related to joint ventures. Project sales chiefly refer to the Bromma Tracks, Metronomen, The Tube and Kosmopoliten projects. Invoiced construction contracts mainly include the Turbinhallen project. The gross margin went up 2.1 percentage points between the periods.

Costs for sales and administration increased to -22.0 MSEK (-1.0). The current quarter includes items affecting comparability amounting to -12.2 MSEK. A total of -7.4 MSEK refers to costs for the IPO and -2.3 MSEK for provisions for annual bonuses that were not present in the comparative period. The remaining -2.5 MSEK is attributable to overhead costs that were balanced in the comparative period but that with the new application of the accounting principles have been expensed for the current period. Expensing involves only a deferral during the lifetime of the project and does not change the total profitability of the project. The increase is otherwise due to the larger central organization in line with growth targets as well as increased requirements posed on the company as a listed company.

Participations in joint ventures amounted to 8.5 MSEK (11.7). The lower outcome in the current period is due to reduced activity within the Rosteriet joint venture project, which has been completed, and The Lab, which is approaching completion. At the same time, there was a certain delay in the West Side Solna project that resulted in lower costs incurred and an ensuing reduced deduction during the current quarter. Deductions for new joint venture projects have not yet been made to the same extent. 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.

The Group's operating profit for the quarter decreased to 19.7 MSEK (33.7) mainly as a result of the higher cost of sales and administration and a lower share of profits from joint venture projects. The operating margin dropped to 11.7 percent (25.9). Adjusted for items affecting comparability, the EBIT margin was 16.1 percent (25.9).

Profits for the period totaled 11.5 MSEK (23.4). In addition to the above, profits were impacted by a better net financial income, -8.2 MSEK (-10.2), while tax expenses remained generally unchanged at 0.0 (-0.1).

January – June 2017

Net sales and profit/loss

Net sales in the Group increased during the period to 304.9 MSEK (203.0). The increase in sales compared with the previous year is due to the higher level of activity both in wholly-owned projects and invoiced construction contracts related to joint venture projects. The gross margin went up 1.2 percentage points between the periods.

Costs for sales and administration amounted to -36.9 MSEK (-4.5). The current period includes items affecting comparability amounting to -24.8 MSEK. A total of -7.4 MSEK refers to costs for the IPO and -9.9 MSEK includes costs for the option program for the Board of Directors and management as well as provisions for annual bonuses that were not present in the comparative period. The remaining -7.5 MSEK is overhead costs that were balanced in the comparative period but that with the new application of the accounting principles have been expensed for the current period, see also the quarter. The increase is otherwise due to the larger central organization in line with growth targets as well as increased requirements posed on the company as a listed company.

Participations in joint ventures amounted to 20.8 MSEK (31.3). The lower outcome in the current period is due to reduced activity within joint venture projects. Deductions for new joint venture projects have not yet been made to the same extent.

The lower outcome in the current period is due to reduced activity within joint venture projects.

The Group's operating profit for the period decreased to 40.9 MSEK (62.3) mainly as a result of increased costs for sales and administration and a lower share of profits from joint venture projects. The operating margin was 13.4 percent (30.7). Adjusted for items affecting comparability, the EBIT-margin was 20.0 percent (30.7).

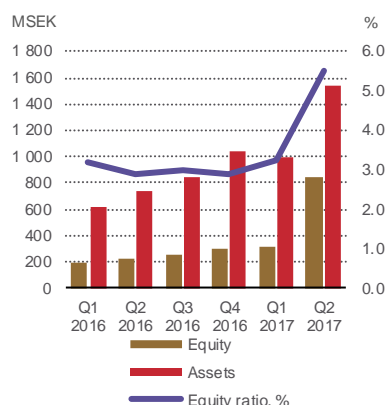
Profits for the period totaled 25.8 MSEK (48.5). The net financial loss was -15.1 MSEK (-14.0) while tax expenses between the periods remained primarily unchanged at 0.0 MSEK (0.2).

Seasonal variations

SSM's operations are not affected by clear seasonal variations, although larger projects may experience significant impacts on revenues and profits in particular quarters depending on when projects are started and completed. Revenues and profits should therefore be considered over a longer cycle such as a 12-month period.

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 5,996 building rights in its portfolio. Capital tied up in project properties and joint ventures was 568.2 MSEK (336.9) on June 30, 2017. The increase on the asset side of the balance sheet between the periods was 796.6 MSEK that is primarily attributable to an increase in the number of building rights, recognized receivables related to projects in production and cash and cash equivalents as a result of the new share issue in connection with the listing of the company's shares on Nasdaq Stockholm on April 6. The Group's equity was 845.4 MSEK (215.4) on the balance sheet date and the debt/equity ratio was 54.9 percent (29.0). After transaction costs, the net increase in equity as a result of the new issue amounted to 516.0 MSEK.

Financing and debts

SSM's operations are capital intensive and access to capital is a basic condition required to develop the Group further. In addition to the new share issue in connection with the stock exchange listing during the current period, the Group currently uses two external sources of funding: bonds and loans from credit institutions. The Group's interest-bearing liabilities totaled 554.4 MSEK (481.9) on the balance sheet date, of which the bond loan accounted for 392.1 MSEK (382.3). Cash and cash equivalents amounted to 348.5 MSEK (129.7) on June 30, 2017. In addition, the company has access to unused credit facilities of 320.0 MSEK (320.0) mainly as a result of 700.0 MSEK that has not yet been issued within the total framework of the bond loan.

Cash flow

Cash flow from operating activities amounted to -232.2 MSEK (-45.9) for the first six months and -230.7 MSEK (41.9) for the quarter. The negative cash flow is mainly the result of an increase in the Group's assets in project properties and recognized receivables related to projects in production. Cash flow from investing activities amounted to -28.7 MSEK (-70.5) for the period January – June 2017 as a result of increased investments in joint ventures. Cash flow from financing activities for the first six months totaled 545.4 MSEK (193.4), which is chiefly related to the new share issue in connection with the stock exchange listing during the second quarter.

Other

Parent Company

The Parent Company had limited operations during the period January – June 2017 and the comparative period. Profit for the period amounted to -11.1 MSEK (-6.4).

The assets primarily include claims on Group companies as well as cash and bank balances. At the end of the period, claims on Group companies totaled 589.3 MSEK (345.3) and cash and bank balances amounted to 226.2 MSEK (9.9). Equity was 580.4 MSEK (60.4) on the balance sheet date. The increase in cash and bank balances and equity is attributable to the new share issue when the company was listed on the stock exchange.

The Parent Company had 3 employees (0) at the end of the quarter, including the CEO.

Personnel

The average number of employees in the Group was 69 people (54) of which 27 people (20) were women. For the period January – June 2017, there were 68 people (51) of which 26 people (20) were women. The increase in the number of employees is due to growth in projects, a larger central organization in line with growth targets and increased requirements posed on the company as a listed company.

Transactions with related parties

During the quarter, SSM did not have any significant transactions with related parties in addition to regular transactions between Group companies and joint ventures. The transactions took place on market terms.

Risks and uncertainties

SSM's business is affected by a number of external factors and their effects on the company's results and financial position can be controlled to varying degrees. 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 the risks in the business. More information about the company's risk management is provided on pages 43-45 of SSM's Annual Report 2016 as well as in Note 15. There are no new operational risks other than those described in SSM's Annual Report.

Shares and share capital

The company's registered share capital on the balance sheet date on June 30, 2017 was 39.9 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). On January 23, 2017, the Swedish Companies Registration Office registered a share split of 100:1. The number of shares after the split amounted to 30,100,000.

SSM was listed on Nasdaq Stockholm on April 6, 2017. The offer included 9,813,136 shares, of which 9,152,542 new shares were offered by the company and 660,594 existing shares were offered by selling shareholders. The overdraft option of 604,350 existing shares was utilized

within the Stabilization Period, which ended on May 9, 2017. No further stabilization measures will be taken.

The shares in the company have been issued pursuant to Swedish law and are denominated in SEK. The shares are fully paid and freely transferable. Each share in the company confers a right on the holder to one vote at the general meeting and each shareholder is entitled to vote for all shares in the company held by such shareholder. All shares confer an equal entitlement to dividends and to the company's assets and potential surplus in the event of liquidation. At the end of the period, shares corresponding to 68.9 % of the capital and votes in the company were held by Eurodevelopment Holding. No other shareholder held more than 10.0 % of the capital and votes.

Events after the reporting period

Acquisition of 150 building rights in Rotebro

On July 13, 2017, SSM acquired a housing project in Rotebro (Sollentuna) from Galjaden Fastigheter AB. The project covers a total floor area of approximately 7,000 m² that SSM intends to develop into about 150 cooperative apartments. The initial purchase price is 25 MSEK in addition to an amount that will be determined once the detailed plan has won legislative power. The sales start is scheduled for the third quarter 2019 with access during the latter part of 2021.

SSM establishes a joint venture partnership with Partners Group

On July 17, SSM established a joint venture with the respected global private markets investment managers Partners Group. The joint venture was established through the formation of a new holding company (the "JV Company") held 50 percent by SSM and 50 percent by Partners Group on behalf of their customers.

The JV Company and its wholly-owned subsidiaries entered into an agreement with SSM to (i) acquire all of the shares in SSM's wholly-owned subsidiaries that hold the Tellus Towers and Järla Station projects ("the Subsidiaries"), (ii) acquire the design-build contract and the accrued contract revenue for the Metronomen project (the "Design-build Contract") and (iii) transfer promissory notes for receivables for the Metronomen housing cooperative directly to Partners Group. In total, the joint venture covers approximately 1,700 building rights with a combined estimated value of about 7.6 SEKbn upon completion. The estimated period of completion is five years from the date of agreement.

The subsidiaries and the ongoing design-build contract for the Metronomen project were transferred for a purchase price of 85.4 MSEK which corresponds to equity, incurred project development costs and accrued contract revenues. The transfer of promissory notes for receivables for the Metronomen housing cooperative to Partners Group was carried out for a purchase price of 258.4 MSEK. An additional purchase price of a maximum of 550.0 MSEK may be applied when the detailed development plan for the Tellus Towers project is approved and specific milestones have been reached. The positive net effect on the SSM Group's liquidity amounted to approximately 108 MSEK on the possession date. The impact on SSM's profits for Q3 is expected to be approximately 108 MSEK and the effect on earnings per share is expected to be c. 2.70 SEK per share during Q3. Earnings per share for the first half year totaled 0.75 SEK. The possession date for the transfer of the JV Company to the Subsidiaries and Design-build Contract and for the transfer of promissory notes for receivables for the Metronomen project to Partners Group was August 14, 2017.

The Group's statement of comprehensive income

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2017	2016	2017	2016	2016/2017	2016
Net sales	168.4	130.1	304.9	203.0	751.8	649.9
Expenses for production and management	-135.2	-107.2	-247.8	-167.5	-583.1	-502.8
Gross profit	33.2	23.0	57.0	35.5	168.7	147.1
Sales and administration expenses	-22.0	-1.0	-36.9	-4.5	-68.9	-36.4
Earnings from joint ventures	8.5	11.7	20.8	31.3	66.0	76.4
Operating profit	19.7	33.7	40.9	62.3	165.8	187.1
Financial income	3.4	2.9	7.1	5.7	13.4	11.9
Financial expenses	-11.6	-13.2	-22.3	-19.7	-52.0	-49.5
Net financial items	-8.2	-10.2	-15.1	-14.0	-38.7	-37.6
Pre-tax profit	11.5	23.5	25.8	48.2	127.1	149.5
Tax	0.0	-0.1	-	0.2	-5.0	-4.8
EARNINGS FOR THE PERIOD	11.5	23.4	25.8	48.5	122.1	144.7
Profit attributable to						
Parent company shareholders	11.5	23.4	25.8	48.5	122.1	144.7
Minority interest	-	0.0	-	0.0	0.0	0.0
PROFIT FOR THE PERIOD	11.5	23.4	25.8	48.5	122.1	144.7
Earnings per share, before and after dilution (SEK)	0.30	0.78	0.75	1.61	3.78	4.81
Number of shares at end of period*	39,252,542	30,100,000	39,252,542	30,100,000	39,252,542	30,100,000
Average number of shares during the period*	38,752,403	30,100,000	34,426,202	30,100,000	32,263,101	30,100,000

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

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

The Group's statement of financial position

(MSEK)	30/06/2017	30/06/2016	31/12/2016
ASSETS			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	0.9	1.1	1.4
Total intangible assets	0.9	1.1	1.4
<i>Tangible assets</i>			
Machinery and equipment	0.4	0.3	0.4
Total tangible assets	0.4	0.3	0.4
<i>Financial assets</i>			
Participations in joint ventures	208.0	161.5	187.1
Receivables from joint ventures	75.4	45.0	69.1
Other long-term receivables	157.6	118.6	203.8
Total financial assets	441.0	325.1	460.0
Deferred tax receivables	-	5.2	-
Total fixed assets	442.3	331.7	461.9
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	360.3	175.4	208.8
Total inventories	360.3	175.4	208.8
<i>Other current assets</i>			
Accounts receivable	43.3	4.0	29.4
Recognized, non-invoiced revenue	86.4	63.5	163.4
Receivables from joint ventures	3.1	0.1	3.1
Tax receivables	1.1	0.0	0.5
Other receivables	236.5	22.4	81.0
Prepaid costs and accrued income	17.4	15.2	24.0
Liquid funds	348.5	129.7	63.9
Total current assets	1,096.4	410.4	574.0
TOTAL ASSETS	1,538.7	742.1	1,035.8

The Group's statement of financial position, cont.

(MSEK)	30/06/2017	30/06/2016	31/12/2016
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	39.3	30.1	30.1
Paid-up capital	506.9	-	-
Profit brought forward	299.3	185.3	271.2
Equity attributable to Parent Company shareholders	845.4	215.4	301.3
Minority interest	0.0	0.0	0.0
Total equity	845.4	215.4	301.3
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Bond issues	392.1	382.3	390.7
Liabilities to credit institutions	162.3	99.6	132.8
Other long-term liabilities	0.4	-	49.6
Provisions	13.4	6.1	14.4
Deferred tax liabilities	1.6	1.5	1.1
Total long-term liabilities	569.7	489.5	588.6
<i>Current liabilities</i>			
Accounts payable – trade	61.6	10.1	43.3
Provisions	2.3	1.1	2.8
Current tax liabilities	1.6	0.0	1.6
Other liabilities	42.7	12.5	62.7
Accrued costs and prepaid income	15.3	13.5	35.5
Total current liabilities	123.6	37.2	146.0
TOTAL EQUITY AND LIABILITIES	1,538.7	742.1	1,035.8

The Group's statement of changes in equity

(MSEK)	Attributable to Parent Company shareholders					Total equity
	Share capital	Other paid-in capital	Profit brought forward	Total	Minority interest	
Equity, January 1, 2016	30.1		143.3	173.4	0.2	173.5
Profit						
Profit this period			48.5	48.5	0.0	48.5
Total profit			48.5	48.5	0.0	48.5
Transactions with shareholders						
Paid dividend			-6.5	-6.5	-0.1	-6.6
Total transactions with shareholders			-6.5	-6.5	-0.1	-6.6
EQUITY, JUNE 30, 2016	30.1		185.3	215.4	0.0	215.4
Equity, January 1, 2016	30.1		143.3	173.4	0.2	173.5
Profit						
Profit for the year			144.7	144.7	0.0	144.7
Total profit			144.7	144.7	0.0	144.7
Transactions with shareholders						
Paid dividend			-18.5	-18.5	-0.1	-18.6
Share-based payments			1.7	1.7	-	1.7
Total transactions with shareholders			-16.8	-16.8	-0.1	-17.0
EQUITY, DECEMBER 31, 2016	30.1		271.2	301.3	0.0	301.3
Equity, January 1, 2017	30.1		271.2	301.3	0.0	301.3
Profit						
Profit this period			25.8	25.8	-	25.8
Total profit			25.8	25.8	-	25.8
Transactions with shareholders						
New issue at IPO	9.2	530.9		540.1		540.1
Transaction costs in connection with IPO		-24.1		-24.1		-24.1
Share-based payments			2.3	2.3	-	2.3
Total transactions with shareholders	9.2	506.8	2.3	518.3	-	518.3
EQUITY, JUNE 30, 2017	39.3	506.8	299.3	845.4	0.0	845.4

The Group's cash flow statement

(MSEK)	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
	2017	2016	2017	2016	2016/2017	2016
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	19.7	33.7	40.9	62.3	165.8	187.1
Items not affecting liquidity	1.0	-14.5	4.0	-13.4	19.8	2.4
Recognized profits in joint ventures	-8.5	-11.7	-20.8	-31.3	-66.0	-76.4
Received dividend from joint ventures	-	-	-	-	62.0	62.0
Received interest	0.1	2.9	0.1	5.7	-3.5	2.1
Paid interest	-11.7	-13.2	-20.3	-19.7	-31.4	-30.8
Paid income taxes	-0.3	-0.1	-0.6	-3.0	0.4	-2.0
Cash flow before changes in operating capital	0.3	-2.8	3.3	0.5	147.1	144.4
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in property projects	-196.0	24.4	-124.2	-62.0	-257.4	-195.3
Decrease/increase in accounts receivables	-30.5	2.5	-13.9	-2.3	-39.3	-27.7
Decrease/increase in other current receivables	2.7	52.5	-73.9	45.0	-144.2	-25.3
Decrease/increase in supplier liabilities	10.8	-22.2	18.3	-28.9	62.0	14.8
Decrease/increase in current liabilities	-17.9	-12.5	-41.8	1.8	26.1	69.7
Total change in operating capital	-231.0	44.7	-235.4	-46.4	-352.8	-163.8
CASH FLOW FROM CURRENT ACTIVITIES	-230.7	41.9	-232.2	-45.9	-205.7	-19.4
<i>Cash flow from investment activities</i>						
Investments in intangible assets	-0.0	-	-0.0	-	-1.0	-1.0
Investments in tangible assets	-	-	-	-	-0.4	-0.4
Investments in financial assets	-27.5	-70.5	-67.0	-70.5	-218.1	-221.5
Decrease of financial assets	15.1	-	38.4	-	47.4	9.0
Cash flow from investment activities	-12.4	-70.5	-28.7	-70.5	-172.1	-213.9
<i>Cash flow from financing activities</i>						
Capital contributions	516.0	-	516.0	-	516.0	-
Dividend	-	-4.0	-	-6.6	-12.0	-18.6
Increase in long-term liabilities	29.4	200.0	29.4	245.0	300.5	516.1
Amortization of long-term liabilities	-	-45.0	-	-45.0	-208.0	-253.0
Cash flow from financing activities	545.4	151.0	545.4	193.4	596.6	244.5
Decrease/increase in liquid funds	302.3	122.4	284.6	77.0	218.8	11.2
Liquid funds, opening balance	46.1	7.3	63.9	52.7	129.7	52.7
LIQUID FUNDS AT THE END OF THE PERIOD	348.5	129.7	348.5	129.7	348.5	63.9

Parent Company's statement of comprehensive income

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2017	2016	2017	2016	2016/2017	2016
Net sales	5.0	-	10.0	-	10.0	-
Gross profit	5.0	-	10.0	-	10.0	-
Sales and administration costs	-15.6	-0.2	-21.6	-0.2	-32.2	-10.7
Operating profit	-10.6	-0.2	-11.6	-0.2	-22.2	-10.7
Earnings from Group companies	-	-	-	-	46.0	46.0
Interest income and similar profit/loss items	10.0	5.1	18.1	9.0	35.1	26.0
Interest expenses and similar profit/loss items	-8.8	-10.8	-17.6	-15.2	-43.0	-40.6
Profit after financial items	-9.4	-5.8	-11.1	-6.4	16.0	20.7
Tax	-	-	-	-	-	-
PROFIT FOR THE PERIOD	-9.4	-5.8	-11.1	-6.4	16.0	20.7

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

Parent Company's statement of financial position

(MSEK)	30/06/2017	30/06/2016	31/12/2016
ASSETS			
<i>Fixed assets</i>			
Participations in Group companies	92.3	92.3	92.3
Receivables from Group companies	589.3	345.3	330.7
Total fixed assets	681.6	437.6	423.0
<i>Current assets</i>			
Receivables from Group companies	67.0	-	45.0
Tax receivables	0.0	-	0.1
Prepaid expenses and accrued revenue	10.0	-	3.6
Cash and bank balances	226.2	9.9	10.2
Total current assets	303.2	9.9	59.0
TOTAL ASSETS	984.8	447.5	481.9
(MSEK)	30/06/2017	30/06/2016	31/12/2016
EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital	39.3	30.1	30.1
	506.9	-	-
Unrestricted equity	45.4	36.7	24.7
Profit/loss for the period	-11.1	-6.4	20.7
Total equity	580.4	60.4	75.5
<i>Long-term liabilities</i>			
Other long-term liabilities	392.1	382.3	390.7
Total long-term liabilities	392.1	382.3	390.7
<i>Current liabilities</i>			
Liabilities to Group companies	3.2	0.1	-
Accounts payable – trade	0.2	0.0	1.9
Other liabilities	0.1	-	0.0
Accrued expenses and prepaid liabilities	8.8	4.8	13.9
Total current liabilities	12.3	4.8	15.8
TOTAL EQUITY AND LIABILITIES	984.8	447.5	481.9

Parent Company's changes in equity

(MSEK)	Restricted equity	Unrestricted equity		
	Share capital	Paid-in capital	Profit brought forward	Total equity
Equity, January 1, 2016	30.1		43.2	73.3
Profit				
Profit this period			-6.4	-6.4
Total profit			-6.4	-6.4
Transactions with shareholders				
Paid dividend			-6.5	-6.5
Total transactions with shareholders			-6.5	-6.5
EQUITY, JUNE 30, 2016	30.1		30.3	60.4
Equity, January 1, 2016	30.1		43.2	73.3
Profit				
Profit for the year			20.7	20.7
Total profit			20.7	20.7
Transactions with shareholders				
Paid dividend			-18.5	-18.5
Total transactions with shareholders			-18.5	-18.5
EQUITY, DECEMBER 31, 2016	30.1		45.4	75.5
Equity, January 1, 2017	30.1		45.4	75.5
Profit				
Profit this period			-11.1	-11.1
Total profit			-11.1	-11.1
Transactions with shareholders				
New issue at IPO	9.2	530.9		540.1
Transaction costs in connection with IPO		-24.1		-24.1
Share-based payments			-	-
Total transactions with shareholders	9.2	506.8	-	516.0
EQUITY, JUNE 30, 2017	39.3	506.8	34.3	580.4

Parent Company's cash flow statement

	Apr-Jun		Jan-Jun		Jul-Jun	Jan-Dec
(MSEK)	2017	2016	2017	2016	2016/2017	2016
<i>Cash flow from current activities</i>						
Operating profit before financial expenses	-10.6	-0.2	-11.6	-0.2	-22.2	-10.7
Items not affecting liquidity	-	-	-	-	-0.2	-0.2
Received interest	10.0	5.1	18.1	9.0	35.1	26.0
Paid interest	-7.4	-11.2	-16.1	-15.2	-23.5	-22.6
Cash flow before changes in operating capital	-8.0	-6.2	-9.6	-6.4	-10.9	-7.6
<i>Cash flow from changes in operating capital</i>						
Decrease/increase in other current receivables	0.3	-	-6.3	-	-10.0	-3.6
Decrease/increase in supplier liabilities	-0.3	0.0	-1.7	0.0	0.2	1.8
Decrease/increase in current liabilities	-1.6	4.6	-1.8	4.6	2.8	9.3
Total change in operating capital	-1.6	4.7	-9.9	4.6	-6.9	7.5
CASH FLOW FROM CURRENT ACTIVITIES	-9.6	-1.6	-19.5	-1.8	-17.8	-0.1
<i>Cash flow from investment activities</i>						
Investments in financial assets	-283.5	-176.2	-280.6	-176.2	-275.1	-170.7
Decrease of financial assets	-	6.3	-	9.0	-	9.0
Received dividend from Group companies	-	-	-	-	10.0	10.0
Cash flow from investment activities	-283.5	-170.0	-280.6	-167.2	-265.1	-151.7
Paid out dividend	-	-4.0	-	-6.5	-12.0	-18.5
Capital contributions	516.0	-	516.0	-	516.0	-
Increase in long-term liabilities	-0.7	185.4	-	185.4	203.1	388.5
Amortization of long-term liabilities	-	-	-	-	-208.0	-208.0
Cash flow from financing activities	515.3	181.4	516.0	178.9	499.1	162.0
Decrease/increase in liquid funds	222.3	9.9	215.9	9.9	216.2	10.2
Liquid funds, opening balance	3.9	0.0	10.2	0.0	9.9	0.0
LIQUID FUNDS AT THE END OF THE PERIOD	226.2	9.9	226.2	9.9	226.2	10.2

Note 1 General Information

SSM Holding AB (publ), corporate identity no. 556533-3902, is the Parent Company of the SSM Group. SSM has its registered office in Stockholm at Kungsgatan 57A, 111 22 Stockholm, Sweden.

The operations of the Parent Company comprise Group-wide functions and the organization of the CEO and administrative staff. The organization of project and property management is performed by the Group's subsidiaries. The Parent Company does not directly own property. SSM acquires, develops, sells and produces residential property in the Greater Stockholm region, which also includes Uppsala.

All amounts are reported as MSEK unless otherwise stated. Figures in parentheses are for the previous year.

Note 2 Accounting policies

Basis for preparing the reports

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

IFRS 15 Revenue from Contracts with Customers

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

Note 3 Financial instruments – fair value

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

The fair value of current borrowing corresponds to its carrying value since the discount is not significant. Fair values are based on discounted cash flows using a discount rate corresponding to the estimated effective interest rate for alternative borrowings and classified in Level 2 of the fair value hierarchy, see the note Financial instruments per category in the Annual Report. The difference between the carrying amount and the fair value consists of the transaction costs related to each loan, accrued over the duration of the loan.

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

Reported value	30/06/2017	30/06/2016	31/12/2016
Bond issue	392.1	382.3	390.7
Liabilities to credit institutions	162.3	99.6	132.8
Other long-term liabilities	0.4	-	49.6
TOTAL LONG-TERM LIABILITIES	554.8	481.9	573.1

Fair value	30/06/2017	30/06/2016	31/12/2016
Bond issue	400.0	400.0	400.0
Liabilities to credit institutions	162.4	100.0	133.0
Other long-term liabilities	0.4	-	49.6
TOTAL LONG-TERM LIABILITIES	562.8	500.0	582.6

Note 4 Net sales and major customers

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

Analysis of revenue by revenue type	Apr-Jun		Jan-Jun		2016
	2017	2016	2017	2016	
Project revenue, contracted	162.2	125.1	288.9	194.7	612.0
Sale of other construction services	2.9	3.9	10.6	6.8	29.9
Sale of other construction goods	0.4	0.0	0.7	0.1	2.5
Other revenue	2.9	1.1	4.6	1.4	5.6
TOTAL	168.4	130.1	304.8	203.0	649.9

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

Note 5 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 265.0 MSEK (154.9). Mortgages have been pledged totaling 44.2 MSEK (0) and floating charges totaling 23.7 MSEK (20.0). A promissory note of 100.0 MSEK (86.7) has been pledged as security for a loan from a credit institution.

Contingent liabilities

Guarantees of 699.4 MSEK (979.5) have been pledged to housing cooperatives and 10.3 MSEK (5.0) to joint ventures. In addition, there are commitments under construction contracts and agreements to acquire unsold apartments in production that has been completed. From time to time, SSM is a party in a dispute. No ongoing dispute is estimated to have a material effect on the position or result of the Group.

Signatures of the Board of Directors

The Board of Directors and the CEO 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 16, 2017

Anders Janson
Chairman

Bo Andersson
Member

Per Berggren
Member

Sheila Florell
Member

Ulf Morelius
Member

Ulf Sjöstrand
Member

Jonas Wikström
Member

Mattias Roos
President & CEO

Auditor's report

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

Definitions of key ratios

No. of employees

Number of contracted employees.

Return on total capital

Profit after financial items in relation to adjusted equity.

No. of shares

Number of registered shares at the end of the period, less repurchased shares, which have no voting rights or 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 minus expenses for production and management.

Equity per share

Shareholders' equity divided by no. of shares.

Changes compared to the same period previous year

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

Adjusted equity

Shareholders' equity plus untaxed reserves less deferred tax liability.

Liquidity

Current assets excluding inventories in relation to current liabilities.

Net debt

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

Net sales, joint ventures

Total net sales in SSM's joint ventures.

Net profit margin

Profit after financial items in relation to net sales.

Earnings per share after tax

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

Return on equity

Profit after tax divided by average shareholders' equity.

Return on total capital

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

Interest coverage

Profit after financial income in relation to financial costs.

Operating margin

Operating income as a percentage of net sales.

Operating profit

Earnings before financial items.

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 no. of building rights in previously acquired projects.

Building right

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

Project

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

Accumulated no. of sold apartments

Total number of apartments in production that are sold through binding contracts.

Sold apartments

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

Percentage of sold apartments in production

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

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



SSM Holding

In brief

SSM produces functionally smart and affordable housing with attractive shared spaces, near the city and close to public transport for the company's target group – tomorrow's urbanites. The company's vision is a housing market with room for as many people as possible and its goal is to produce 60 percent cooperative apartments, 30 percent rental apartments and 10 percent student housing. SSM is the leading residential developer in its niche in the Greater Stockholm area and has about 6,200 building rights in its project portfolio. In 2017, SSM aims to start production of 1,000 homes and gradually increase the number of housing starts to reach at least 1,800 per year by 2021. SSM was listed on Nasdaq Stockholm (Mid-cap) on April 6, 2017.

Financial targets & dividend policy

SSM's financial goals aim to maintain 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 2017	November 15, 2017
Interim report Q4 2017	February 22, 2018
Interim report Q1 2018	May 15, 2018
AGM 2017	May 15, 2018

Download SSM's financial at ssmlivinggroup.com

Contact

Mattias Roos, President & CEO

Email: mattias.roos@ssmliving.se
@RoosMattias

Ann-Charlotte Johansson

Chief Communications & IR Officer

Email: ann-charlotte.johansson@ssmliving.se
Phone: +46 761 65 17 71
@AnnCharlotteSSM

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 17, 2017.