

January – March 2018

**“An intensive start to the year  
in a still cautious market.”**



### Summary of January – March

- Net sales for projects run entirely by SSM totaled 95.5 MSEK (136.4).
- Operating profit was 7.9 MSEK (21.2) and the operating margin was 8.3 percent (15.6).
- Cash flow from operating activities was SEK -57.1 million (-1.5).
- A letter of intent was concluded regarding the exclusive right to acquire 1,200 building rights in Segeltorp, Rotebro, Spånga and the central parts of Täby, with a project value of 3.5 billion SEK.
- A land allocation was granted by the City of Stockholm for 100 student housing units in Brommaplan.
- The production of Täby Turf, a 176 rental unit project, started.
- An early consultation for Tellus Towers began on March 15 and ended on April 27. A decision by the City Planning Administration is expected in June 2018.

### Market and sales January – May 14, 2018

- An increased number of interested visitors to SSM's viewings, resulting in 18 newly signed pre-agreements, of which 6 in the first quarter.
- Indications that households are slowly regaining confidence in the housing market, but the market is still cautious.
- The increased amortization requirement introduced on March 1, 2018, has had a dampening effect on the sales of cooperative apartments.
- In the first quarter, the number of sold cooperative apartments of up to 45 square meters rose in the Greater Stockholm area.
- The price level for sold cooperative apartments of up to 45 square meters grew by 1.6 percent compared with the fourth quarter 2017 in the Greater Stockholm area.

### Significant events after the balance sheet date

- Sollentuna Hills was split in two projects with 94 cooperative apartments and 94 rental units, respectively. The conversion from booking agreements to legally binding pre-agreements was initiated in May for the cooperative apartment project. It is envisaged that the production of both projects will start in 2018.
- The Group management team grew when Maria Boudrie joined as Chief Legal Officer and Christer Liuna as Chief Purchasing Officer.

### Key ratios<sup>1</sup>

	Jan-Mar		Apr-Mar	Jan-Dec	
(MSEK)	2018	2017	2017/2018	2017	Δ
Net sales	95.5	136.4	475.3	516.2	-7.9%
Net sales JV	85.2	120.3	385.9	421.0	-8.3%
Gross profit	11.6	23.8	55.7	68.0	-18.0%
Operating profit	7.9	21.2	156.9	170.2	-7.8%
Earnings for the period	1.6	14.4	126.4	139.2	-9.2%
Gross margin, percent	12.1	17.4	11.7	13.2	-1.4
Operating margin, percent	8.3	15.6	33.0	33.0	0.0
Interest coverage ratio, times	1.2	2.3	3.9	4.1	-0.2
Equity ratio, %	60.9	32.2	60.9	59.2	1.7
Return on equity, percent	0.7	18.5	19.7	22.0	-2.3
Earnings per share, before and after dilution, SEK	0.04	0.48	3.22	3.78	-14.7%
Number of acquired building rights	100	530	1,505	1,935	-430
Number of completed apartments	266	255	266	255	11
Number of production started cooperative apartments	-	-	380	204	176
Number of production started rental apartments	176	-	176	-	-
Number of cooperative apartments in production	1,148	1,224	1,148	1,414	-266
Accumulated number of sold cooperative apartments in production	1,107	1,184	1,107	1,371	-264
Share sold cooperative apartments in production, %	96.4	96.7	96.4	97.0	-0.5

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

# CEO's comments



“With our smart and affordable apartments, we can meet the growing demand for smaller homes.”

## An intensive, eventful and challenging year

2018 began with much of the same intensity that characterized last year. The changed and more cautious market situation in the housing market continued to have an impact on our sales and planning.

The sales rate for homes in production continued at a market-leading level, reaching 96.4 at the end of the quarter. Despite the current market situation, at the beginning of the year, we signed 18 booking agreements. Most of the sales were in our Sollentuna Hills project where we started converting booking agreements into pre-purchase agreements at the beginning of May. SSM's long-term goal is to produce 30 percent rental apartments. This is why it was with great enthusiasm that during the quarter, we started construction of the company's first rental project, Täby Turf, with 176 rental units.

During the quarter, we completed The Lab in Solna, which includes 266 cooperative apartments. Our Bromma Tracks 1 project is nearing completion and by the summer, the last tenants will move into Turbinhallen, our project to build distinctive homes in the former Gustaf de Laval factory in Nacka. The planned dates for moving into Metronomen have unfortunately been postponed due to delays in preparing the foundation for construction.

During the spring, the City of Stockholm initiated an early consultation for Tellus Towers. A decision from the City Planning Administration of Stockholm is expected by the summer. Tellus Towers will add 1,200 affordable, smart, space-efficient homes in addition to boosting the attractiveness of the area for further investments that benefit the community.

## Flexible cost base and increased focus on procurement

Operating income in the quarter was 7.9 MSEK, which reflects the lower level of activity in our production at the moment. The operating margin was also down during the quarter compared with the corresponding quarter last year, totaling 8.3 percent.

SSM is strategically organized with a flexible cost base, which has benefited the company in a fast-changing market. Another important area from a price and margin perspective is innovative and efficient procurement. The need for constant improvements within logistics and material handling is of great importance in our measures to constantly enhance productivity and part of the industrialization we need in our industry. Our new Chief Procurement Officer, who started in April, has the vast knowledge and experience, from amongst others the car industry, to take this important work forward.

## Well positioned in a continued cautious market

Because of Stockholm's demographics and the financial capacity of its inhabitants, the demand for smaller apartments will continue to grow. This is confirmed among other things by the fact that the number of sold apartments of up to 45 square meters increased during the first quarter compared with the first quarter last year. There also signs that prices for housing in this segment have recovered faster from the negative price development we saw during the fall of 2017. SSM's housing product is in line with this increased demand, positioning the company well for continued growth.

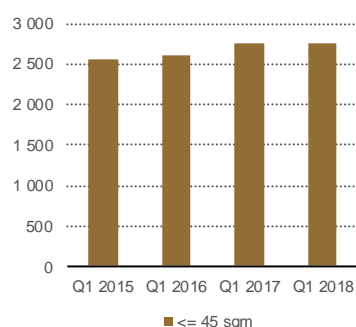
**Mattias Roos**  
President & CEO

# Housing market in Greater Stockholm

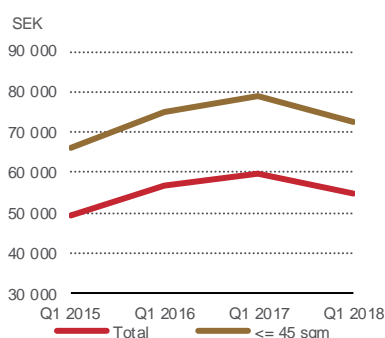
**“Households are slowly regaining confidence in the housing market.”**

Source: SEB, maj 2018

**No. of sold cooperative apartments (<=45 sqm) in Greater Stockholm area**



**Average price (FY) for cooperative apartments in Greater Stockholm area**



Source: Svensk Mäklarstatistik, April 2018

## Increased underlying need for smart and affordable homes

Stockholm is one of Europe's fastest growing capital cities. Stockholm County currently has over 2.3 million inhabitants. In the last ten year, the county's population has grown by 300,000 people, which roughly means an influx of 100 new people every day. In 2017, Stockholm grew by 39,000 people, a trend that is expected to continue. According to Statistics Sweden's population forecasts, the population in Stockholm County will surpass three million around 2040. A large share of the population growth comprises people aged 20–40 who live in one and two-person households.

Increased urbanization will put additional strain on a market that is already characterized by a housing shortage for residents with normal or low incomes. Young adults and those who just moved to Stockholm are most severely affected by the housing shortage. In addition to facilitating structural change within the existing housing stock, it is also of critical importance to increase the production of homes adapted to those people's capacity to pay, including cooperative and rental apartments and student housing.

The market for cooperative apartments remained cautious in the beginning of 2018 but has stabilized somewhat. The structural housing shortage is considerable and will cause the market to recover once households have adapted to the new economic situation and are regaining confidence in future price levels.

## The sales of small cooperative apartments are on the increase

In the quarter, the total sales of cooperative apartments were affected by the amortization requirement that was introduced on March 1. More cooperative apartments than usual were sold in January and February, but not enough to compensate for the lower sales in March according to the real estate consultancy Svensk Mäklarstatistik. Also, the number of sold one and two-room apartments declined somewhat in the quarter, totaling 5,753 apartments. However, the sales of apartments of up to 45 square meters increased in a quarterly comparison, to 2,757 (2,753).

## Stabilization and a certain price increase for smaller homes

According to Svensk Mäklarstatistik, average housing prices have declined in Stockholm County in quarterly comparisons with the previous year. The price level for cooperative apartments in the Greater Stockholm area dropped by -8.4 percent, to 54,822 SEK (59,866). However, the price level stabilized somewhat compared with the fourth quarter 2017, with a change of merely -0.8 percent. The price level for cooperative apartments of up to 45 square meters dropped by -8.2 percent in a quarterly comparison, to 72,323 SEK (78,772). Nevertheless, when compared with the fourth quarter 2017, the price level increased by 1.6 percent in the quarter.

## Households remain unsure but are regaining confidence

SEB's Swedish Housing Price Indicator for May 2018 is rising for the fourth month in a row, which indicates that households are slowly regaining confidence in the housing market. However, we are still far from the levels noted in the autumn of 2017. For the first time since November 2017, the figure for Stockholm is also positive. On 2 May 2018, the Central Bank of Sweden decided to let the repo rate remain at -0.50 percent. It is not expected to rise until the end of 2018, which is somewhat later than previously forecast.

# Project portfolio



## OWNER ASSOCIATION WHERE PRODUCTION HAS STARTED

Project	Property	Floor area	Area	Schedule			Sales started		Booked		Sold		Sales rate <sup>1)</sup>
				Sales start	Start of production	Occupation	During Q1 2018	Total	During Q1 2018	Total	During Q1 2018	Total <sup>1)</sup>	
Bromma Tracks	249	12,144	Bromma	10/5/2014	Q4 2014	Q1 2017 - Q4 2017	-	249	-	-	-	249	100.0%
Turbinhallen <sup>4)</sup>	205	12,871	Nacka	10/11/2015	Q4 2015	Q4 2017 - Q2 2018	-	205	-	-	2	205	100.0%
The Tube	50	2,354	Sundbyberg	4/10/2016	Q2 2016	Q1 2018 - Q2 2018	-	50	-	-	-	43	84.0%
West Side Solna <sup>4)</sup>	252	11,906	Solna	10/15/2015	Q4 2015	Q3 2019 - Q1 2020	-	252	-	-	-	248	98.4%
Metronomen <sup>4)</sup>	188	7,612	Telefonplan	5/29/2016	Q3 2016	Q1 2020 - Q3 2020	-	188	-	-	-	183	97.3%
Kosmopoliten	204	10,024	Kista	4/26/2017	Q2 2017	Q3 2021 - Q1 2022	-	204	-	-	1	180	88.2%
<b>Total</b>	<b>1,148</b>	<b>56,911</b>									<b>3</b>	<b>1,108</b>	<b>96.4%</b>

## RENTALS WHERE PRODUCTION HAS STARTED

Täby Turf <sup>2)</sup>	176	8,448	Täby	Q1 2018	2020	-	-	-	-	-	-	-
<b>Total</b>	<b>176</b>	<b>8,448</b>										

## PROPERTIES FOR SALE PRIOR TO PRODUCTION START

Project	Property	Floor area	Area	Schedule			Sales started		Booked		Sold		Sales rate <sup>1)</sup>
				Sales start	Start of production	Occupation	During Q1 2018	Total	During Q1 2018	Total <sup>1)</sup>	During Q1 2018	Total	
Sollentuna Hills	94	5,890	Sollentuna	5/21/2017	2018	2020	-	94	-3	54	-	11	-
Sollentuna Hills <sup>2)</sup>	94	5,070	Sollentuna		2018	2020							
Platform West	109	4,901	Täby	5/31/2017	2018	2020	-	109	-	-	3	48	44.0%
Täby Market	90	4,198	Täby	9/28/2017	2018	2020	-	90	-1	9	-	-	
Elverket i Nacka 1 <sup>4)</sup>	168	8,401	Nacka	10/5/2017	2018	2021	-	168	-3	37	-	-	
Bromma Boardwalk	272	17,853	Mariehäll	10/18/2017	2018	2020	-	272	2	33	-	-	
Tentafabriken <sup>4)</sup>	72	1,828	Sollentuna	10/26/2017	2018	2020	-	72	4	13	-	-	
<b>Total</b>	<b>899</b>	<b>48,141</b>						<b>805</b>	<b>-1</b>	<b>146</b>	<b>3</b>	<b>59</b>	

## PROJECT PORTFOLIO UNDER DEVELOPMENT

Project	Apts.	Floor area	Area	Schedule		
				Sales start	Start of production	Occupation
The Loft <sup>2,4)</sup>	120	2,968	Täby		2018	2020
Tellus Lamell <sup>4)</sup>	18	758	Telefonplan		2019	2022
Tellus Towers (78) <sup>3,4)</sup>	686	28,895	Telefonplan	2019	2019	2022
Tellus Towers (58) <sup>3,4)</sup>	522	21,977	Telefonplan	2019	2019	2022
Järla Station <sup>4)</sup>	312	13,546	Nacka	2018	2019	2023
Elverket i Nacka 2 <sup>4)</sup>	273	10,958	Nacka	2019	2019	2022
Clustret	370	19,000	Jakobsberg	2019	2019	2022
Spånga Studios	140	5,600	Spånga	2019	2019	2021
Bromma Tracks II	90	3,900	Bromma	2019	2020	2021
Urbaniten	250	12,700	Hägersten	2019	2020	2021
Wiking	150	7,000	Sollentuna	2019	2020	2021
Bromma Square <sup>2,4)</sup>	110	5,800	Bromma		2020	2021
Bromma Square <sup>4)</sup>	85	4,550	Bromma	2020	2020	2022
Bromma Square <sup>4)</sup>	160	8,500	Bromma	2021	2021	2023
Akalla City	180	8,700	Akalla	2020	2020	2022
East Side Spånga	230	10,650	Spånga	2019	2020	2021
Bällstaviken	240	11,550	Ulvsunda	2019	2020	2021
Älvsjö Quarters <sup>2)</sup>	516	21,000	Älvsjö		2020	2022
Kandidaten <sup>2,4)</sup>	100	2,700	Bromma		2020	2021
<b>Total</b>	<b>4,552</b>	<b>200,752</b>				
<b>Total 3/31/2018</b>	<b>6,775</b>	<b>314,252</b>				

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

<sup>1)</sup> Number of signed booking agreements (booked) or legally-binding pre-purchase agreements (sold) indicate sales as May 14, 2018. However, all key ratios are calculated on the balance sheet date (March 31, 2018).

<sup>2)</sup> Rental units.

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

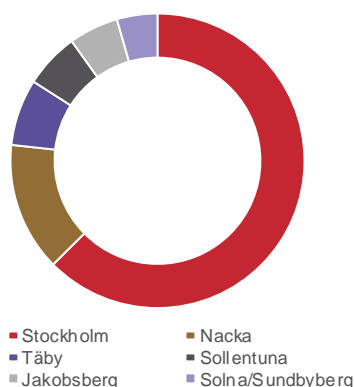
<sup>4)</sup> Joint ventures. SSM conducts an active joint venture strategy that strives for an equal distribution of projects run as joint ventures and by SSM alone. SSM also participates in joint ventures to acquire building rights as well as to maintain a desired level of risk within the Group. At time being SSM has joint venture agreements with Partners Group (Tellus Towers, Järla Sjö and Metronomen), Alecta (West Side Solna), Profi Fastigheter (Turbinhallen and Bromma Square), Studentbacken (The Loft and Kandidaten) and Libu Invest (Elverket i Nacka). At March 31, 2018, 45.5 percent of SSM's building rights were within the framework of joint venture agreements.



# Project portfolio

“Täby Turf – SSM’s first rental unit project went into production during the quarter.”

Building rights,  
by municipality



SSM’s vision is a property market with room for as many people as possible. This means that the company aims to produce housing with different forms of tenure that are affordable to people with regular incomes or on student aid. Most of the company’s homes are smart one and two-room apartments. The homes are located outside urban centers close to public rail transport, as preferred by the target group. The company’s long-term goal is to produce 60 percent cooperative apartments, 30 percent rental units and 10 percent student housing.

At the end of the quarter, SSM had 6,775 building rights in its project portfolio. The Lab in Solna, a JV project with 266 cooperative apartments, was completed during the period, and 103 building rights were added to the portfolio due to acquisitions and project optimization.

The Bromma Tracks 1 and Turbinhallen projects are also approaching completion. All residents have moved into Bromma Tracks 1, and the final stage of the occupation of Turbinhallen will take place this summer. In the quarter, the last two cooperative apartments in Turbinhallen were sold, which means that these projects have sold out. One cooperative apartment in the The Tube were sold in May. Seven unsold cooperative apartments remain in the project, which will be completed this summer.

Despite the current situation in the market, 18 pre-agreements were concluded in the beginning of the year. Most of the sales refer to Sollentuna Hills, where the conversion from booking agreements to pre-agreements began in early May.

The sales rate for units in ongoing production continued at a market-leading level and was 96.4 percent at the end of the quarter.

Production in the company’s first rental unit project, Täby Turf, with 176 rental units, began during the quarter. This year, the company plans the production of additional rental unit projects.

Of the 5,451 building rights in the portfolio that have not yet gone into production, 82.8 percent are currently planned as cooperative apartments and the remaining 17.2 percent will be rental units. An additional 1,000 building rights that are currently planned as cooperative apartments can be converted into rental units. These rental apartments will still generate profits after conversion.

# Current projects

The Lab (Solna) is sold out and the last tenants moved in at the end of 2017. The project was completed during the first quarter of 2018. The Lab consists of 266 cooperative apartments with a total floor space of 14,456 m<sup>2</sup>. 81 percent of the homes are smart one- and two-room units of 35–69 m<sup>2</sup>. The project includes a number of shared spaces such as a large rooftop terrace, spa area and bike room. Adjacent to the rooftop terrace, there is also a fully equipped community room for private parties or events. The property has three commercial premises that will generate income for the housing association. The project was run as a joint venture with Alecta.

## the lab



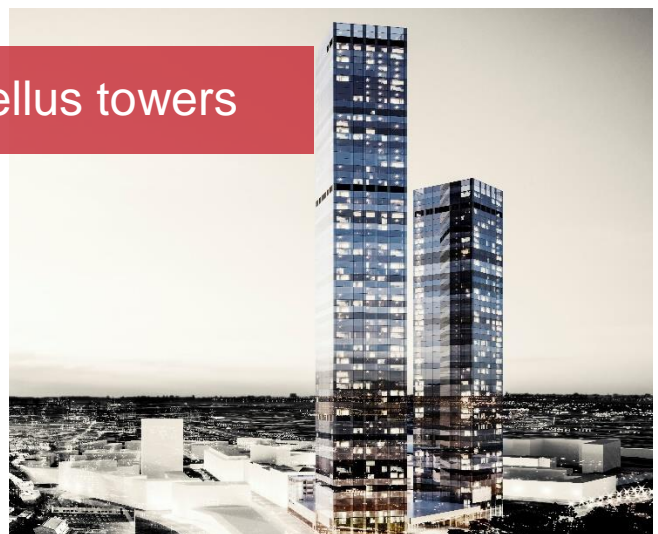
## täby turf



Täby Turf (Täby) will have 176 rental units and is based on a land allocation that SSM acquired from Täby municipality. The project is part of the new Täby Park district. Täby Turf is attractively located close to Täby Centrum, just 400 m from the Galoppfältet light rail station. The project will feature a fresh design with buildings of varying heights and facades in alternating brick and plaster. The total floor space is 8,448 m<sup>2</sup> and the homes will be one- to three-room units of 35–70 m<sup>2</sup> of which 85 percent will be one- and two-room units of 35–48 m<sup>2</sup>. The project also has commercial premises in the form of three retail premises and a preschool. The city plan for the project is now legally binding and construction is expected to start during the third quarter 2018. The first tenants are expected to be able to move in during 2020. The project is being run solely by SSM.

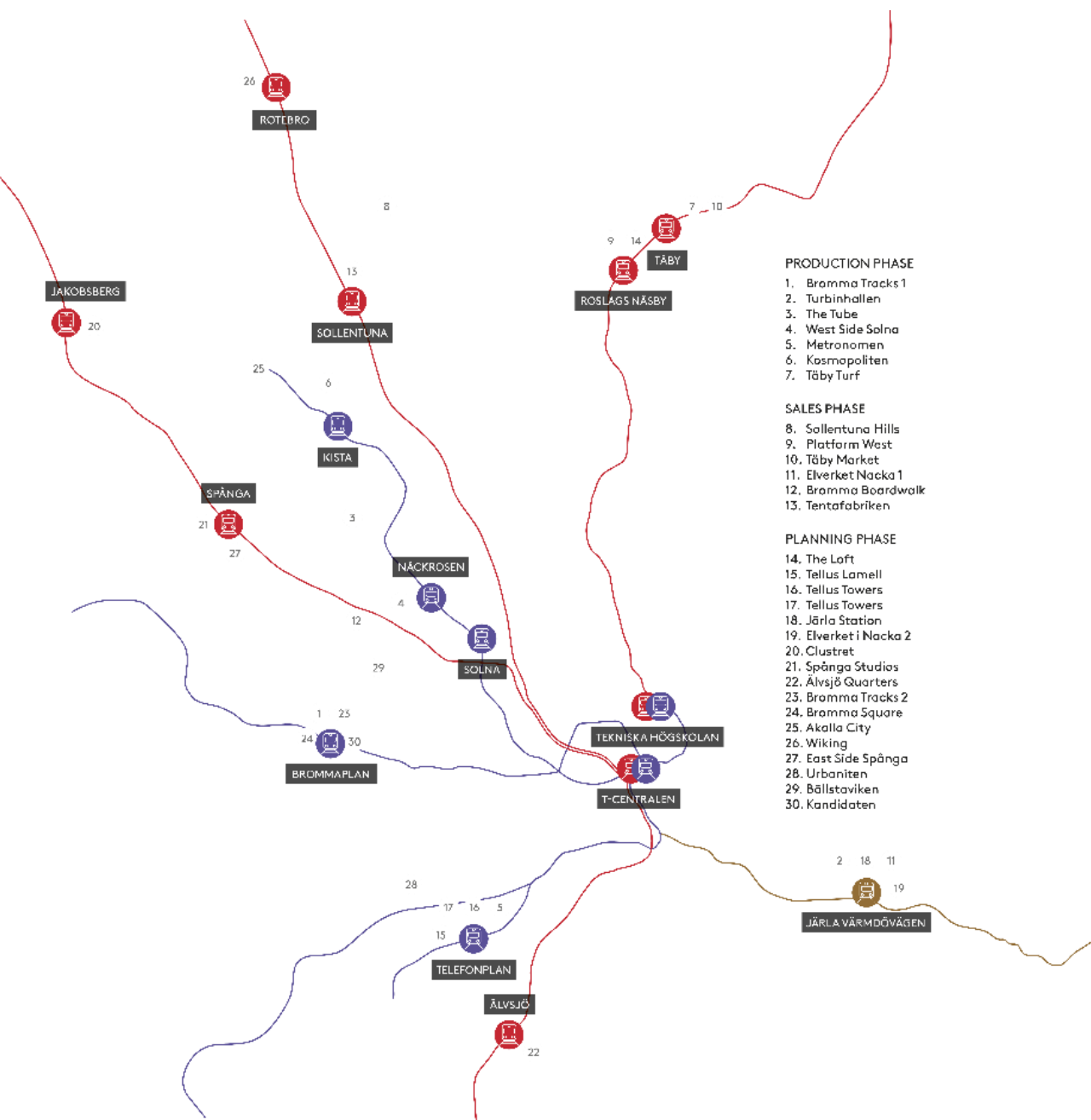
Tellus Towers (Telefonplan) will add about 1,200 smart, affordable homes to Stockholm, ideally located beside a communication hub. The buildings will be 78 and 58 stories high. Most of the homes will be 36–55 m<sup>2</sup>. The buildings, which also include a seven-story multi-family dwelling, have been designed by the award-winning architect Gert Wingårdh based on Chinese architect Gary Chang's concept of multi-use of space. The project is in the city planning phase and an early consultation was initiated in the spring 2018. A decision is expected in June 2018. Sales are expected to start in 2019 with construction beginning in 2019 and the first tenants moving in during 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.

## tellus towers



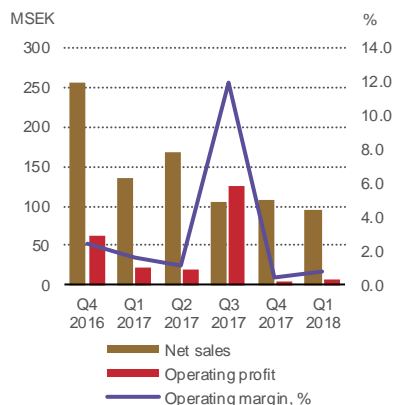
# Project portfolio

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



# Comments on the results

## Net sales, operating profit, operating margin



## January – March 2018

### Net sales and operating profit/loss

Net sales in the Group were 95.5 MSEK (136.4) in the quarter. The drop in sales is due to lower activity in wholly-owned projects and the transfer of the Metronomen project, which was wholly-owned in the comparative period, to the JV with Partners Group in the third quarter 2017. Sales refer to the projects Bromma Tracks 1, The Tube and Kosmopoliten. The Täby Turf production start took place under SSM's own management and does therefore not provide project revenue recognition. Invoiced construction contracts for the JV projects accounted for 46.9 percent (34.2) of sales, referring to the Turbinhallen project. The gross margin in the period was 12.1 MSEK (17.4). The reduced gross margin was due to the reduced margin on own projects that were recognized between the periods.

The cost of sales and administration dropped to -11.5 MSEK (-14.9). The previous quarter included an item affecting comparability of -3.0 MSEK in total for costs related to an incentive program for the Board of Directors and management. Measures aimed at gradually reducing costs were implemented in the fourth quarter of 2017 and the first quarter of 2018 and have generated cost savings in the current quarter. Measures include a general reduction in the number of consultants in the production organization and reduced development costs for projects that are not yet in production.

Participations in joint ventures amounted to 5.2 MSEK (12.4). The reduced participations in the current period are chiefly due to increased production costs and time shifts related to the progress of the Metronomen project. The lower amounts are due to time shifts in the project. The impact on the profit/loss for the current quarter was -6.0 MSEK. Other shares of earnings refer to the West Side Solna and Turbinhallen projects. JV projects are accounted for using the equity method, which means that revenues are not recognized in the consolidated accounts but only in SSM's share of the profit. See also Note 5 for summaries of the income statement and balance sheet for the joint ventures.

Other operating income was 2.6 MSEK (0.0). The operating income comprises a reversal of the profit elimination recognized in the balance sheet for the Metronomen project.

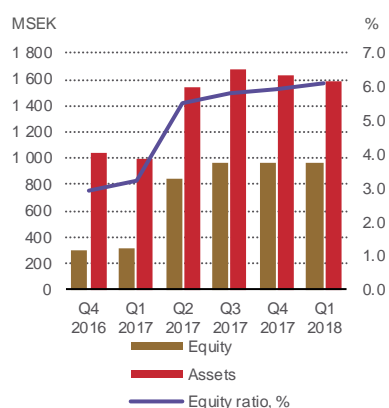
The Group's operating profit for the quarter was 7.9 MSEK (21.2), chiefly due to lower gross profit and participations in joint ventures according to the previously provided independent variables. The operating margin was 8.3 percent (15.6).

Profit for the quarter was 1.6 MSEK (14.4) and in addition to the above, it was affected by a somewhat reduced net financial expense of -6.1 MSEK (-6.9) and a tax expense between the quarters of -0.3 MSEK (-0.0).



# Financial position, investments and cash flow

## Equity, balance sheet total and debt/equity ratio



## Total assets and equity

On the balance sheet date, SSM had 6,775 building rights (5,507) in its project portfolio. Of these, 1,324 were homes under production. The sales rate for cooperative homes under production was 96.4 percent and unsold homes accounted for 3.6 percent. The value of unsold homes under production was 135.7 MSEK, of which 31.0 MSEK is attributable to the period 2018 and 104.7 MSEK is attributable to the period 2019–2022, based on current production planning.

Capital tied up in project properties, joint ventures and claims on joint ventures was 1,038.0 MSEK (455.8) on March 31, 2018. The increase on the asset side of the balance sheet amounted to 596.4 MSEK and is mostly due to an increase in the number of building rights, an increase of claims on joint ventures and an increase of cash and cash equivalents as a result of the new issue in connection with the IPO in April 2017. The Group's equity was SEK 964.2 MSEK (317.9) on the balance sheet date and the debt/equity ratio was 60.9 percent (32.2), giving SSM a stable financial position. After transaction costs, the net increase in equity due to the new issue was 515.7 MSEK between the periods.

## 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 equity, the Group currently uses two external sources of funding: bonds and loans from credit institutions. The Group's interest-bearing liabilities were 491.2 MSEK (524.2) on the balance sheet date, of which the bond loan accounted for 394.3 MSEK (391.4). Cash and cash equivalents amounted to 258.7 MSEK (46.1) on March 31, 2018. The increase in cash and cash equivalent between the periods is chiefly due to the above-mentioned IPO. In addition, the company has access to unused credit facilities of 20.0 MSEK (20.0).

## Cash flow

Cash flow from operating activities amounted to -57.1 MSEK (-1.5) in the period January–March 2018. The negative cash flow in the current period is chiefly due to an increase in the Group's assets within project properties. The cash flow of the investment activity was 5.6 MSEK (-16.3) during the period, largely due to repayments from joint ventures.

## Seasonal variations

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

## Parent Company

The Parent Company had limited operations in the period January–March 2018 and the comparative period alike. Profit for the period was -1.2 MSEK (-1.7).

The assets chiefly comprise participations in and receivables from Group companies, which amounted to 879.7 MSEK (420.1) at the end of the period. Equity was SEK 596.0 MSEK (73.8) on the balance sheet date. The increase in equity is due to the earlier mentioned IPO.

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

## Personnel

The average number of employees in the Group was 73 (66) at the end of the period, 27 (24) of which were women. The increase in the number of employees between the periods is partly due to an expanded project organization, but also due to an increase in certain central support functions.

## Transactions with related parties

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

## Risks and uncertainties

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

The main risks to which the Group's operations are exposed include strategic risks such as macroeconomic developments and reduced demand for housing as well as operational risks such as price and project risks. SSM is also exposed to a number of financial risks including risks relating to the Group's liquidity and debt financing. The objective of the Group's risk management is to identify, measure, control and limit risks in its operations. More information about the company's risk management is provided on pages 71-73 of SSM's Annual Report 2017 as well as in Note 15.

**Shares and share capital**

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

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

**Events after the reporting period**

Sollentuna Hills was split in two projects with 94 cooperative apartments and 94 rental units, respectively. The conversion from booking agreements to legally binding pre-agreements was initiated in May for the cooperative apartment project. It is envisaged that the production of both projects will start in 2018.

The Group management team grew when Maria Boudrie joined as Chief Legal Officer and Christer Ljung joined as Chief Procurement Officer.

# The Group's statement of comprehensive income

	Jan-Mar		Apr-Mar	Jan-Dec
(MSEK)	2018	2017	2017/2018	2017
Net sales	95.5	136.4	475.3	516.2
Expenses for production and management	-83.9	-112.6	-419.5	-448.2
<b>Gross profit</b>	<b>11.6</b>	<b>23.8</b>	<b>55.7</b>	<b>68.0</b>
Sales and administration expenses	-11.5	-14.9	-70.3	-73.8
Earnings from joint ventures	5.2	12.4	42.4	49.5
Other income	2.6	-	129.1	126.5
<b>Operating profit</b>	<b>7.9</b>	<b>21.2</b>	<b>156.9</b>	<b>170.2</b>
Financial income	4.0	3.8	13.5	13.3
Financial expenses	-10.1	-10.6	-43.7	-44.2
<b>Net financial items</b>	<b>-6.1</b>	<b>-6.9</b>	<b>-30.2</b>	<b>-31.0</b>
<b>Pre-tax profit</b>	<b>1.8</b>	<b>14.4</b>	<b>126.7</b>	<b>139.2</b>
Tax	-0.3	-0.0	-0.3	-0.1
<b>EARNINGS FOR THE PERIOD</b>	<b>1.6</b>	<b>14.4</b>	<b>126.4</b>	<b>139.2</b>
Profit attributable to				
Parent company shareholders	1.6	14.4	126.4	139.1
Minority interest	-	-	0.0	0.0
<b>PROFIT FOR THE PERIOD</b>	<b>1.6</b>	<b>14.4</b>	<b>126.4</b>	<b>139.2</b>
Earnings per share, before and after dilution (SEK)	0.04	0.48	3.22	3.78
Number of shares at end of period	39,252,542	30,100,000	39,252,542	39,252,542
Average number of shares during the period	39,252,542	30,100,000	39,252,542	36,820,223

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



# The Group's statement of financial position

(MSEK)	3/31/2018	3/31/2017	12/31/2017
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	0.9	1.1	0.9
Total intangible assets	0.9	1.1	0.9
<i>Tangible assets</i>			
Machinery and equipment	0.4	0.4	0.5
Total tangible assets	0.4	0.4	0.5
<i>Financial assets</i>			
Participations in joint ventures	212.1	199.5	206.8
Receivables from joint ventures	210.8	73.6	212.5
Other long-term receivables	136.6	145.3	135.2
Total financial assets	559.4	418.4	554.5
<b>Total fixed assets</b>	<b>560.8</b>	<b>419.9</b>	<b>555.9</b>
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	432.5	182.7	396.8
Completed homes	31.1	-	31.1
Total inventories	463.6	182.7	427.9
<i>Other current assets</i>			
Accounts receivable	6.7	12.7	19.3
Recognized, non-invoiced revenue	74.7	68.0	70.9
Receivables from joint ventures	151.6	-	131.2
Tax receivables	1.2	0.5	0.5
Other receivables	49.5	235.2	101.5
Prepaid costs and accrued income	16.7	21.7	8.7
Liquid funds	258.7	46.1	310.2
<b>Total current assets</b>	<b>1,022.6</b>	<b>567.0</b>	<b>1,070.1</b>
<b>TOTAL ASSETS</b>	<b>1,583.3</b>	<b>986.9</b>	<b>1,626.0</b>

# The Group's statement of financial position, cont.

(MSEK)	3/31/2018	3/31/2017	12/31/2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	39.3	30.1	39.3
Paid-up capital	506.5	-	506.5
Profit brought forward	418.4	287.8	416.8
<b>Equity attributable to Parent Company shareholders</b>	<b>964.1</b>	<b>317.9</b>	<b>962.6</b>
Minority interest	0.0	0.0	0.0
<b>Total equity</b>	<b>964.2</b>	<b>317.9</b>	<b>962.6</b>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Bond issues	394.3	391.4	393.5
Liabilities to credit institutions	97.0	132.8	97.1
Other long-term liabilities	0.5	-	0.7
Provisions	12.1	14.4	12.5
Deferred tax liabilities	0.5	1.1	0.5
<b>Total long-term liabilities</b>	<b>504.3</b>	<b>539.7</b>	<b>504.3</b>
<i>Current liabilities</i>			
Liabilities to joint ventures	0.1	-	0.1
Accounts payable – trade	39.5	50.8	66.8
Provisions	4.5	2.7	4.3
Current tax liabilities	1.6	1.3	2.0
Other liabilities	36.8	52.1	59.1
Accrued costs and prepaid income	32.3	22.3	26.8
<b>Total current liabilities</b>	<b>114.9</b>	<b>129.3</b>	<b>159.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,583.3</b>	<b>986.9</b>	<b>1,626.0</b>

# The Group's statement of changes in equity

Attributable to Parent Company shareholders						
(MSEK)	Share capital	Other paid-in capital	Profit brought forward	Total	Minority interest	Total equity
Equity, January 1, 2017	30.1		271.2	301.3	0.0	301.3
Profit						
Profit this period			14.4	14.4	-	14.4
Total profit			14.4	14.4	-	14.4
Transactions with shareholders						
Share-based payments			2.3	2.3		2.3
Total transactions with shareholders			2.3	2.3	-	2.3
<b>EQUITY, MARCH 31, 2017</b>	<b>30.1</b>		<b>287.8</b>	<b>317.9</b>	<b>0.0</b>	<b>317.9</b>
Equity, January 1, 2017	30.1		271.2	301.3	0.0	301.3
Profit						
Profit for the year			139.1	139.1	0.0	139.2
Total profit			139.1	139.1	0.0	139.2
Transactions with shareholders						
New issue at IPO	9.2	530.8		540.0		540.0
Transaction costs in connection with IPO		-24.3		-24.3		-24.3
Share-based payments			6.5	6.5	-	6.5
Total transactions with shareholders	9.2	506.5	6.5	522.2	-	522.2
<b>EQUITY, DECEMBER 31, 2017</b>	<b>39.3</b>	<b>506.5</b>	<b>416.8</b>	<b>962.6</b>	<b>0.1</b>	<b>962.6</b>
Equity, January 1, 2018	39.3	506.5	416.8	962.6	0.1	962.6
Profit						
Profit this period			1.6	1.6	-	1.6
Total profit			1.6	1.6	-	1.6
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, MARCH 31, 2018</b>	<b>39.3</b>	<b>506.5</b>	<b>418.4</b>	<b>964.1</b>	<b>0.1</b>	<b>964.2</b>

# The Group's cash flow statement

	Jan-Mar		Apr-Mar	Jan-Dec
(MSEK)	2018	2017	2017/2018	2017
<i>Cash flow from current activities</i>				
Operating profit before financial expenses	7.9	21.2	156.9	170.2
Items not affecting liquidity	-2.1	3.1	-122.4	-117.2
Recognized profits in joint ventures	-5.2	-12.4	-42.4	-49.5
Received dividend from joint ventures	-	-	42.0	42.0
Received interest	0.1	0.0	0.6	0.5
Paid interest	-9.4	-8.6	-42.8	-42.0
Paid income taxes	-0.7	-0.3	-1.0	-0.6
Cash flow before changes in operating capital	-9.4	3.0	-9.1	3.3
<i>Cash flow from changes in operating capital</i>				
Decrease/increase in property projects	-39.5	71.8	-388.4	-277.1
Decrease/increase in accounts receivables	12.6	16.6	6.1	10.1
Decrease/increase in other current receivables	22.9	-76.6	150.6	51.2
Decrease/increase in supplier liabilities	-27.3	7.5	-58.2	-23.4
Decrease/increase in current liabilities	-16.5	-23.9	44.0	36.5
Total change in operating capital	-47.7	-4.5	-245.9	-202.7
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-57.1</b>	<b>-1.5</b>	<b>-255.0</b>	<b>-199.3</b>
<i>Cash flow from investment activities</i>				
Investments in intangible assets	-0.2	-	-1.1	-0.8
Investments in tangible assets	-	-	-0.5	-0.5
Investments in financial assets	-	-39.5	-148.7	-188.2
Decrease of financial assets	5.9	23.3	137.2	154.6
Cash flow from investment activities	5.6	-16.3	-13.0	-34.9
<i>Cash flow from financing activities</i>				
Capital contributions	-	-	515.7	515.7
Increase in long-term liabilities	-	-	64.9	64.9
Amortization of long-term liabilities	-0.1	-	-100.1	-100.0
Cash flow from financing activities	-0.1	-	480.5	480.6
Decrease/increase in liquid funds	-51.5	-17.8	212.5	246.3
Liquid funds, opening balance	310.2	63.9	46.1	63.9
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>258.7</b>	<b>46.1</b>	<b>258.7</b>	<b>310.2</b>



# Parent Company's statement of comprehensive income

(MSEK)	Jan-Mar		Apr-Mar	Jan-Dec
	2018	2017	2017/2018	2017
Net sales	5.0	5.0	21.3	21.3
Gross profit	5.0	5.0	21.3	21.3
Sales and administration costs	-5.8	-6.1	-40.6	-40.9
<b>Operating profit</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-19.4</b>	<b>-19.6</b>
Earnings from Group companies	-	-	20.0	20.0
Interest income and similar profit/loss items	8.6	8.1	37.3	36.8
Interest expenses and similar profit/loss items	-9.0	-8.7	-36.0	-35.7
Profit after financial items	-1.2	-1.7	1.9	1.4
Tax	-	-	0.0	0.0
<b>PROFIT FOR THE PERIOD</b>	<b>-1.2</b>	<b>-1.7</b>	<b>1.9</b>	<b>1.4</b>

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)	3/31/2018	3/31/2017	12/31/2017
<b>ASSETS</b>			
<i>Fixed assets</i>			
Participations in Group companies	472.3	92.3	472.3
Receivables from Group companies	407.4	327.8	402.8
	3.0	-	3.0
<b>Total fixed assets</b>	<b>882.7</b>	<b>420.1</b>	<b>878.1</b>
<i>Current assets</i>			
Receivables from Group companies	55.5	45.0	51.4
Tax receivables	0.9	0.0	0.2
Prepaid expenses and accrued revenue	6.7	10.3	1.8
Cash and bank balances	61.2	3.9	80.6
<b>Total current assets</b>	<b>124.4</b>	<b>59.3</b>	<b>134.1</b>
<b>TOTAL ASSETS</b>	<b>1,007.1</b>	<b>479.4</b>	<b>1,012.2</b>
<b>(MSEK)</b>	<b>3/31/2018</b>	<b>3/31/2017</b>	<b>12/31/2017</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Shareholders' equity</i>			
Share capital	39.3	30.1	39.3
Share premium	506.5	-	506.5
Share-based payments	4.6	-	4.6
Unrestricted equity	46.8	45.4	45.4
Profit/loss for the period	-1.2	-1.7	1.4
<b>Total equity</b>	<b>596.0</b>	<b>73.8</b>	<b>597.2</b>
<i>Long-term liabilities</i>			
Other long-term liabilities	394.3	391.4	393.5
<b>Total long-term liabilities</b>	<b>394.3</b>	<b>391.4</b>	<b>393.5</b>
<i>Current liabilities</i>			
Accounts payable – trade	2.6	0.5	3.0
Other liabilities	0.7	6.2	4.9
Accrued expenses and prepaid liabilities	13.5	7.5	13.7
<b>Total current liabilities</b>	<b>16.8</b>	<b>14.2</b>	<b>21.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,007.1</b>	<b>479.4</b>	<b>1,012.2</b>

# Parent Company's changes in equity

(MSEK)	Restricted equity	Unrestricted equity		
	Share capital	Paid-in capital	Profit brought forward	Total equity
Equity, January 1, 2017	30.1		45.4	75.5
Profit				
Profit this period			-1.7	-1.7
Total profit			-1.7	-1.7
Transactions with shareholders				
Total transactions with shareholders			-	-
<b>EQUITY, MARCH 31, 2017</b>	<b>30.1</b>		<b>43.7</b>	<b>73.8</b>
Equity, January 1, 2017	30.1		45.4	75.5
Profit				
Profit for the year			1.4	1.4
Total profit			1.4	1.4
Transactions with shareholders				
New issue at IPO	9.2	530.8		540.0
Transaction costs in connection with IPO		-24.3		-24.3
Share-based payments			4.6	4.6
Total transactions with shareholders	9.2	506.5	4.6	520.3
<b>EQUITY, DECEMBER 31, 2017</b>	<b>39.3</b>	<b>506.5</b>	<b>51.4</b>	<b>597.2</b>
Equity, January 1, 2018	39.3	506.5	51.4	597.2
Profit				
Profit this period			-1.2	-1.2
Total profit			-1.2	-1.2
Total transactions with shareholders	-	-	-	-
<b>EQUITY, MARCH 31, 2018</b>	<b>39.3</b>	<b>506.5</b>	<b>50.3</b>	<b>596.0</b>

# Parent Company's cash flow statement

	Jan-Mar		Apr-Mar	Jan-Dec
(MSEK)	2018	2017	2017/2018	2017
<i>Cash flow from current activities</i>				
Operating profit before financial expenses	-0.8	-1.1	-19.4	-19.6
Items not affecting liquidity	-	-	4.6	4.6
Received interest	8.6	8.1	37.3	36.8
Paid interest	-8.3	-8.7	-32.4	-32.8
Paid income taxes	-0.7	-	-0.8	-0.1
Cash flow before changes in operating capital	-1.1	-1.7	-10.7	-11.2
<i>Cash flow from changes in operating capital</i>				
Decrease/increase in other current receivables	-8.9	-6.6	-7.0	-4.6
Decrease/increase in supplier liabilities	-0.4	-1.4	2.1	1.2
Decrease/increase in current liabilities	-4.4	-0.2	0.5	4.6
Total change in operating capital	-13.7	-8.2	-4.3	1.2
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-14.9</b>	<b>-9.9</b>	<b>-15.0</b>	<b>-10.1</b>
<i>Cash flow from investment activities</i>				
Investments in financial assets	-4.6	2.9	-442.6	-435.2
Cash flow from investment activities	-4.6	2.9	-442.6	-435.2
Capital contributions	-	-	515.7	515.7
Increase in long-term liabilities	-	0.7	-0.7	-
Cash flow from financing activities	-	0.7	514.9	515.7
Decrease/increase in liquid funds	-19.4	-6.3	57.3	70.4
Liquid funds, opening balance	80.6	10.2	3.9	10.2
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>61.2</b>	<b>3.9</b>	<b>61.2</b>	<b>80.6</b>



## Note 1 General Information

SSM Holding AB (publ), corporate identity no. 556533-3902, is the Parent Company of the SSM Group. SSM has its registered office in Stockholm at Torsgatan 13, 111 23 Stockholm, Sweden.

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

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

## Note 2 Accounting policies

### *Basis for preparing the reports*

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

### *Important estimates and assessments*

For information on important estimates and assessments made by the company management when preparing the consolidated financial statements, see Note 2 in SSM's Annual Report 2017.

### *Effects of new IFRS standards*

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

IFRS 15, Revenue from contracts with customers, is effective as of January 1, 2018 and is a new framework for assessing commitments and transaction prices as well as for identifying when a company should recognize revenue. The Group's significant revenue flow and agreements have been mapped and show that control is primarily transferred at one point: upon delivery of goods. The company will apply IFRS 15 retroactively. In line with previous analyses, the application of the standard has not had a material effect on the company's financial reporting with the exception of the additional disclosure requirements.

IFRS 16, Leases, will be effective for the financial year starting on January 1, 2019. The standard will replace IAS 17 Leases and associated interpretations. The standard requires that assets and liabilities attributable to all leases, with some exceptions, be recognized in the balance sheet. This accounting principle is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time has an obligation to pay for this right. The Group has initiated an evaluation of the effects of IFRS 16 and an analysis of the effects on the company's financial reporting is expected to be completed during 2018.

### Note 3 Financial instruments – fair value

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

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

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

Reported value	3/31/2018	3/31/2017	12/31/2017
Bond issue	394.3	391.4	393.5
Liabilities to credit institutions	97.0	132.8	97.1
Other long-term liabilities	0.5	-	0.7
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>491.7</b>	<b>524.2</b>	<b>491.3</b>

Fair value	3/31/2018	3/31/2017	12/31/2017
Bond issue	400.0	400.0	400.0
Liabilities to credit institutions	97.2	133.0	97.2
Other long-term liabilities	0.5	-	0.7
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>497.7</b>	<b>533.0</b>	<b>497.9</b>

### Note 4 Net sales and major customers

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

Analysis of revenue by revenue type	Jan-Mar		2017
	2018	2017	
Project revenue, contracted	77.6	126.7	481.5
Sale of other construction services	12.4	7.7	21.7
Sale of other construction goods	1.0	0.3	1.8
Other revenue	4.6	1.7	11.1
<b>TOTAL</b>	<b>95.5</b>	<b>136.4</b>	<b>516.2</b>

Total revenue from large customers	86.7	115.7	446.7
No. of large customers (>10% of revenue)	4	3	4

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

### Note 5 Holdings in joint ventures

The information below shows the amounts as presented in the joint venture entities' accounting adjusted for differences in accounting principles between the Group and the JV entities.

# ALECTA

Consolidated share amounts to 30%

	Jan-Mar	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	45.8	95.2
Costs for production and management	-33.4	-80.8
Other operating expenses	-0.1	-0.0
Operating profit/loss	12.4	14.4
Depreciation, amortization and impairment	-	-
Financial income	1.9	7.6
Financial expenses	-0.4	-1.2
<b>Profit/loss before tax</b>	<b>14.0</b>	<b>20.8</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>14.0</b>	<b>20.8</b>
<b>Summarized balance sheet</b>	<b>3/31/2018</b>	<b>3/31/2017</b>
<b>Current assets</b>		
Liquid funds	61.8	107.8
Other receivables	73.6	244.2
<b>Total current assets</b>	<b>135.4</b>	<b>352.0</b>
Current liabilities	-19.4	-55.7
<b>Total current liabilities</b>	<b>-19.4</b>	<b>-55.7</b>
Fixed assets	185.4	146.3
Long-term financial debt	-56.1	-115.6
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>129.3</b>	<b>30.7</b>
<b>Net assets</b>	<b>245.3</b>	<b>327.0</b>

# STUDENT HILL

Consolidated share amounts to 50%

	Jan-Mar	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	-	3.1
Costs for production and management	-1.6	-1.3
Other operating expenses	-	-0.0
Operating profit/loss	-1.6	1.8
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-0.0	-0.1
<b>Profit/loss before tax</b>	<b>-1.6</b>	<b>1.7</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-1.6</b>	<b>1.7</b>
<b>Summarized balance sheet</b>	<b>3/31/2018</b>	<b>3/31/2017</b>
<b>Current assets</b>		
Liquid funds	4.5	0.1
Other receivables	16.0	15.1
<b>Total current assets</b>	<b>20.5</b>	<b>15.1</b>
Current liabilities	-19.1	-8.7
<b>Total current liabilities</b>	<b>-19.1</b>	<b>-8.7</b>
Fixed assets	0.9	0.9
Long-term financial debt	-1.2	-0.1
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-0.3</b>	<b>0.8</b>
<b>Net assets</b>	<b>1.0</b>	<b>7.1</b>

**PROFI Turbinhallen**

Consolidated share amounts to 50%

	Jan-Mar	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	20.7	17.3
Costs for production and management	-1.9	-8.0
Other operating expenses	-0.0	-0.0
Operating profit/loss	18.8	9.3
Depreciation, amortization and impairment	-	-
Financial income	1.0	1.0
Financial expenses	-1.8	-1.4
<b>Profi/loss before tax</b>	<b>17.9</b>	<b>8.9</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>17.9</b>	<b>8.9</b>
<b>Summarized balance sheet</b>	<b>3/31/2018</b>	<b>3/31/2017</b>
<b>Current assets</b>		
Liquid funds	0.0	0.1
Other receivables	318.8	70.1
<b>Total current assets</b>	<b>318.8</b>	<b>70.1</b>
Current liabilities	-153.7	-0.0
<b>Total current liabilities</b>	<b>-153.7</b>	<b>-0.0</b>
Fixed assets	0.1	140.0
Long-term financial debt	-	-96.8
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>0.1</b>	<b>43.2</b>
<b>Net assets</b>	<b>165.1</b>	<b>113.3</b>

**PARTNERS GROUP**

Consolidated share amounts to 50%

	Jan-Mar	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	13.6	-
Costs for production and management	-23.2	-
Other operating expenses	-3.1	-
Operating profit/loss	-12.8	-
Depreciation, amortization and impairment	-	-
Financial income	0.0	-
Financial expenses	-0.2	-
<b>Profi/loss before tax</b>	<b>-13.0</b>	<b>-</b>
Tax on profit/loss for the year	0.8	-
<b>Profit/loss for the year</b>	<b>-12.1</b>	<b>-</b>

Summarized balance sheet	3/31/2018	3/31/2017
<b>Current assets</b>		
Liquid funds	7.9	-
Other receivables	178.7	-
<b>Total current assets</b>	<b>186.6</b>	<b>-</b>
Current liabilities	-96.7	-
<b>Total current liabilities</b>	<b>-96.7</b>	<b>-</b>
Fixed assets	-	-
Long-term financial debt	-	-
Other long-term liabilities	-0.2	-
<b>Total assets and long-term liabilities</b>	<b>-0.2</b>	<b>-</b>
<b>Net assets</b>	<b>89.7</b>	<b>-</b>

#### PROFI Bromma Square

Consolidated share amounts to 50%

Jan-Mar

Summarized income statement	2018	2017
Net Sales	5.1	4.8
Costs for production and management	-1.4	-1.1
Other operating expenses	-0.3	-0.5
Operating profit/loss	3.4	3.1
Depreciation, amortization and impairment	-	-
Financial income	-	0.0
Financial expenses	-2.4	-0.4
<b>Profit/loss before tax</b>	<b>1.0</b>	<b>2.7</b>
Tax on profit/loss for the year	-0.3	-1.1
<b>Profit/loss for the year</b>	<b>0.7</b>	<b>1.6</b>

Summarized balance sheet	3/31/2018	3/31/2017
<b>Current assets</b>		
Liquid funds	13.4	9.7
Other receivables	3.3	2.6
<b>Total current assets</b>	<b>16.7</b>	<b>12.3</b>
Current liabilities	-8.8	-11.7
<b>Total current liabilities</b>	<b>-8.8</b>	<b>-11.7</b>
Fixed assets	252.4	250.0
Long-term financial debt	-245.9	-159.3
Other long-term liabilities	-2.7	-2.4
<b>Total assets and long-term liabilities</b>	<b>3.9</b>	<b>88.3</b>
<b>Net assets</b>	<b>11.8</b>	<b>88.9</b>

#### Note 6 Assets pledged as security and contingent liabilities

Shares in SSM Fastigheter AB have been pledged as collateral for issued bonds and the Group-wide value is 368.1 MSEK (244.1). Mortgages have been pledged totaling 97.2 MSEK (33.0) and floating charges totaling 23.7 MSEK (23.7). A promissory note of 0.0 MSEK (60.9) has been pledged as security for a loan from a credit institution.

#### Contingent liabilities

Guarantees of 304.2 MSEK (894.7) have been pledged to housing cooperatives and 10.3 MSEK (77.4) 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, May 14, 2018

Anders Janson  
Chairman

Bo Andersson  
Member

Per Berggren  
Member

Sheila Florell  
Member

Ulf Morelius  
Member

Ulf Sjöstrand  
Member

Jonas Wikström  
Member

Mattias Roos  
President & CEO

## **Auditors' report**

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

# Definitions of key ratios

## No. of employees

Number of contracted employees.

## Return on total capital

Profit after financial items in relation to adjusted equity.

## No. of shares

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

## Leverage

Interest-bearing liabilities as a percentage of total assets.

## Gross margin

Gross profit divided by net sales.

## Gross profit

Net sales less expenses for production and management.

## Equity per share

Shareholders' equity divided by the total number of shares.

## Changes compared to the same period previous year

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

## Adjusted equity

Shareholders' equity plus untaxed reserves less deferred tax liability.

## Liquidity

Current assets excluding inventories in relation to current liabilities.

## Net debt

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

## Net sales, joint ventures

Total net sales in SSM's joint ventures.

## Net profit margin

Profit after financial items in relation to net sales.

## Earnings per share after tax

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

## Return on equity

Profit after tax divided by average shareholders' equity.

## Return on total capital

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

## Interest coverage

Profit after financial income in relation to financial costs.

## Operating margin

Operating income as a percentage of net sales.

## Operating profit

Earnings before financial items.

## Debt/equity ratio

Total debt relative to equity.

## Equity ratio

Equity in relation to total assets.

## No. of apartments in construction

Number of apartments started and not completed.

## No. of apartments started

Number of apartments for which SSM has started revenue recognition.

## No. of apartments completed

Number of apartments in projects that have been closed out.

## Project optimization

Changes in the number of building rights in previously-acquired projects.

## Building right

The forecasted number of developable apartments within the company's project portfolio.

## Project

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

## Accumulated no. of sold apartments

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

## Sold apartments

Number of apartments that have been sold through binding contracts.

## Percentage of sold apartments in production

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

SSM applies the European Securities and Markets Authority's (ESMA) Alternative Performance Measures. These guidelines aim to make alternative key ratios in financial statements more understandable, reliable and comparable, thus promoting their usefulness. According to these guidelines, alternative key ratios are financial measurements of historical or future financial performance, financial position or cash flow that are not defined or specified in the applicable financial reporting rules: IFRS and the Annual Accounts Act. Reconciliation of alternative key ratios can be found at [ssmlivinggroup.com](http://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 6,700 building rights in its project portfolio. SSM aims to gradually increase the number of housing starts to reach at least 2,000 units per year by 2022. SSM was listed on Nasdaq Stockholm (Mid-cap) on April 6, 2017.

### Financial targets & dividend policy

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

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

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

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

### Financial calendar

AGM 2017	May 15, 2018
Interim report Q2 2018	August 28, 2018
Interim report Q3 2018	November 14, 2018

Download SSM's financial reports at [ssmlivinggroup.com](http://ssmlivinggroup.com)

### Get in touch

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The information in this report is such that SSM Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:30 CET on May 15, 2018.

**SSM**

[www.ssmlivinggroup.com](http://www.ssmlivinggroup.com)

