

## Interim Report Q1 2019

**“Measures taken for improved short-term profitability. Concept and portfolio will create value and long-term profitable growth.”**

### Summary of January – March 2019

- Net sales for projects run entirely by SSM totaled 15.4 MSEK (225.5).
- Operating loss was -12.4 MSEK (34.7).
- Cash flow from operating activities amounted to -33.7 MSEK (-88.6).
- 27 (6) pre-purchase agreements were signed. 6 (0) agreements were cancelled due to changes within the Bromma Boardwalk project.
- The Stockholm City Planning Committee decided to continue planning for Tellus Towers. Consultations are planned to the third and fourth quarters 2019.
- The Clustret project in Jakobsberg, which has 200 building rights, was terminated due to a significant change in the municipality's planning work.
- A cost-efficiency program was introduced to reduce overhead costs by 50.0 percent, or 25.0 MSEK, in 2019.

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

### Significant events after the balance sheet date

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

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

(MSEK)	Jan-Mar		Apr-Mar	Jan-Dec
	2019	2018	2018/2019	2018
Net sales	15.4	225.5	442.3	652.5
Net sales JV	6.5	183.0	258.0	434.5
Operating profit	-12.4	34.7	4.7	51.8
Earnings for the period	-19.9	28.4	-33.0	15.3
Operating margin, percent	-81.1	15.4	1.1	7.9
Interest coverage ratio, times	-1.0	3.8	0.4	1.5
Equity ratio, %	55.3	47.6	55.3	57.0
Return on equity, percent	-10.5	14.8	-4.3	2.0
Earnings per share, before and after dilution, SEK	-0.5	0.72	-0.84	0.39
Number of completed cooperative apartments	255	266	504	515
Number of production started cooperative apartments	-	-	-	-
Number of cooperative apartments in production	644	1,148	644	899
Accumulated number of sold cooperative apartments in production	622	1,107	622	871
Share sold cooperative apartments in production, %	96.6	96.4	96.6	96.9
Number of production started rental apartments	-	176	94	272
Number of rental apartments in production	272	176	272	272
Sales value of housing units sold for the period	85.2	27.9	869.7	812.4
Value of sold housing units, not yet recognised for profit	3,155.2	2,954.3	3,155.2	3,073.6

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

# CEO's comments



**“We expect good growth in the production of rentals in the next two years.”**

**“Cost-efficiency program initiated for improved profitability in the near future.”**

**“The market for newly produced homes is significant for allowing growth in the Greater Stockholm area and managing the region’s need of homes.”**

## High interest in rental project, sales of cooperative apartments within new production remain cautious

The sales of cooperative apartments, especially those within new production, remain cautious even if there has been a certain stabilization in the market. The changed financial conditions for consumers have contributed significantly to the sluggish market for cooperative apartments. A clear long-term housing policy and financial products adapted to new production may alleviate consumers' current cautiousness when buying apartments under production at an early stage.

To make it easier for our target group to purchase their own homes, we launched over 100 redesigned, smart and affordable homes in the Elverket Nacka and Täby Market projects earlier this year. We have noted high interest in these homes, where almost 70.0 percent are priced under 2.0 MSEK. The aim going forward is that 70.0 percent of our cooperative apartments for sale to be priced under 2.0 MSEK. During the quarter, we sold 27 cooperative apartments, considerably more than in the corresponding quarter of 2018. At the end of the quarter, the company's sales rate in ongoing production was 96.6 percent (96.4).

SSM's flexible project portfolio was a strength for the company when the market for new production of cooperative apartments slowed in the second half of 2017. Today, nearly half of our projects are rentals. The rental unit business has strong potential due to the conversions of rental units to cooperative apartments in the last ten years and conversions planned by municipal housing companies. There is major interest from investors in our rental projects and in the next two years, we expect good growth within this product area.

## Cost-efficiency program initiated for improved profitability in the near future

The quarter's operating loss was -12.4 MSEK (34.7). Revenue for one (94) cooperative apartments was recognized during the quarter and sales derived from rental income from project properties and invoicing of time and expenses to JV-companies. To increase profitability in the near future, a cost-efficiency program has been initiated. The aim is to cut the company's overheads by 50 percent to about 25.0 MSEK in 2019. At the same time, external consultants have been phased out and replaced by our own employees. The company's bond loans are due in May 2020, and we are currently evaluating our loan refinancing options.

## Concept and portfolio will create value and profitable growth in the future

The deadlock in the Stockholm housing market is worrying, partly from a growth perspective for the region and Sweden, but also for the people who live there who cannot find affordable housing. New production of affordable homes is an important component of managing the future housing situation. I therefore believe that SSM, with our housing concept and attractive project portfolio, is correctly positioned for good growth and value creation over time. In 2019, SSM aims to start production of approximately 300 homes, and then gradually increase production to 1,500 homes by 2023.

**Mattias Roos**  
President & CEO

# Housing market in Greater Stockholm

**“The need for housing is significant and mainly for homes that the population of Stockholm can afford.”**

## Substantial need for homes in the region

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

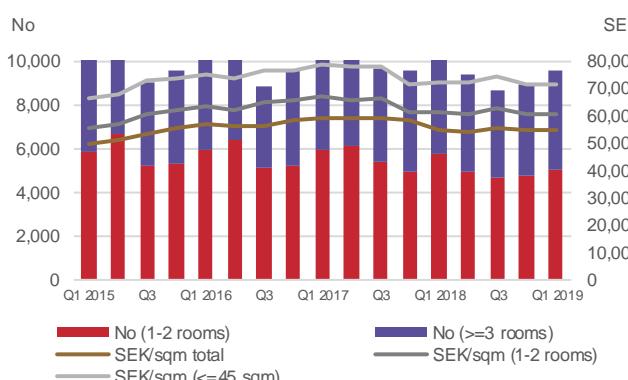
The Stockholm Housing Agency's waiting list keeps growing. At the end of 2018, 635,730 people were on the waiting list for housing, 89,000 of whom were actively seeking rentals. The average waiting time for an apartment in Stockholm County was 10.3 years. The Stockholm Housing Agency allocates approximately half of all of the vacant rental units in the Stockholm region. In 2018, they allocated 13,455 rental units of which an increasing proportion – 19.3 percent – were newly produced rental units.

## Stabilized price level: one and two-room apartments account for half of the sales

In 2018, 3,803 fewer cooperative apartments were sold in Stockholm County, which is likely due to the increasing difficulties for people in Stockholm to finance home purchases. In the first quarter of 2019, 9,594 cooperative apartments were sold of which 52.7 percent were one and two-room apartments. The average price per square meter changed marginally from the fourth quarter 2018 to 54,480 SEK for all cooperative apartments, 60,707 SEK for one and two-room apartments and 71,135 SEK for cooperative apartments of up to 45 square meters. SEB's Swedish Housing Price Indicator from April 2019 indicates that households now have a more positive view of the housing market. At the same time, additional newly produced homes are expected to enter the market, which may put pressure on prices.

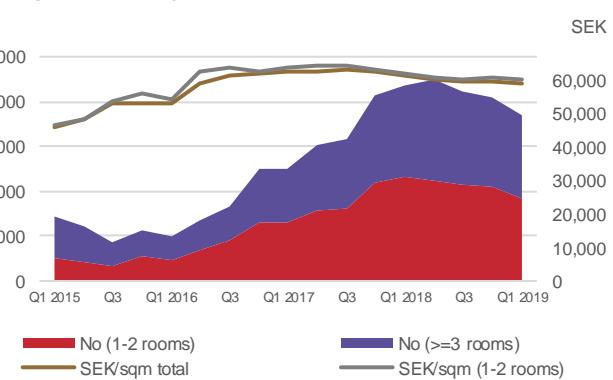
It therefore is too early to draw definitive conclusions, according to SEB. According to statistics from Booli, one of Sweden's leading search engines for apartments, 7,738 cooperative apartments (new production) were for sale in Greater Stockholm at the end of 2018. At the end of April 2019, the corresponding figure was 7,221 cooperative apartments.

Price & number of sold cooperative apartments, Greater Stockholm area



Source: Svensk Mäklarstatistik, April 2019

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



Source: Booli and SSM, April 2019

# Project portfolio

Property	Floor area	Area	Schedule		Occupation	Total	Sales started		Sold <sup>1</sup>	Sales rate 3/31/2019, %
			Sales start	Start of production			During Q1 2019	Total		
<b>OWNER ASSOCIATION WHERE PRODUCTION HAS STARTED</b>										
West Side Solna (JV)	252	11,906	Solna	15/10/2015	Q4 2015	Q3 2019 - Q1 2020	252	1	252	100.0
Metronomen (JV)	188	7,612	Telefonplan	29/05/2016	Q3 2016	Q1 2020 - Q4 2020	188	-	183	97.3
Kosmopoliten	204	10,122	Kista	26/04/2017	Q2 2017	Q1 2023 - Q2 2023	204	5	187	91.7
<b>Total</b>	<b>644</b>	<b>29,640</b>					<b>644</b>	<b>6</b>	<b>622</b>	<b>96.6</b>
<b>RENTALS WHERE PRODUCTION HAS STARTED</b>										
Täby Turf	178	8,713	Täby		Q1 2018	Q2 2021 - Q3 2021				
Sollentuna Quarters	94	5,070	Sollentuna		Q2 2018	Q3 2021 - Q4 2021				
<b>Total</b>	<b>272</b>	<b>13,783</b>								
<b>OWNER ASSOCIATION APARTMENTS FOR SALE PRIOR TO PRODUCTION START</b>										
Sollentuna Hills	94	5,890	Sollentuna	21/05/2017	2020	2021 - 2022	94	4	44	46.8
Platform West	109	4,901	Täby	31/05/2017	2019	2021	109	8	67	61.5
Täby Market	134	4,205	Täby	13/05/2019	2019	2022	48	-	-	n/a
Elverket i Nacka (JV)	486	19,019	Nacka	11/02/2019	2020 - 2021	2022 - 2023	244	0	18	7.4
Tentafabriken (JV)	72	1,828	Sollentuna	26/10/2017	2019	2020 - 2021	72	9	18	25.0
<b>Total</b>	<b>895</b>	<b>35,843</b>					<b>567</b>	<b>21</b>	<b>147</b>	<b>23.7</b>
<b>OWNER ASSOCIATION UNDER DEVELOPMENT</b>										
Järla Station (JV)	312	13,546	Nacka	2020	2021	2023	-	-	-	n/a
Urbaniten	250	12,700	Hägersten	2020	2021	2023	-	-	-	n/a
Tellus Towers (58) (JV)	228	9,627	Telefonplan	2020	2022	2025	-	-	-	n/a
Tellus Towers (78) (JV)	683	28,034	Telefonplan	2020	2022	2025	-	-	-	n/a
Bromma Tracks II	90	3,900	Bromma	2021	2022	2024	-	-	-	n/a
Bromma Square (JV)	85	4,550	Bromma	2022	2022	2025	-	-	-	n/a
Järnet	240	11,550	Ulvsunda	2022	2023	2025	-	-	-	n/a
Bromma Square (JV)	160	8,500	Bromma	2023	2023	2025	-	-	-	n/a
Bromma Boardwalk <sup>2</sup>	268	17,002	Mariehäll	-	-	-	-	-	-	n/a
<b>Total</b>	<b>2,316</b>	<b>109,409</b>								
<b>RENTALS UNDER DEVELOPMENT</b>										
The Loft (JV)	120	2,968	Täby	n/a	2021	2022	n/a	n/a	n/a	n/a
Akalla City	190	8,700	Akalla	n/a	2020	2022	n/a	n/a	n/a	n/a
Spånga Studios	166	6,397	Spånga	n/a	2020	2022	n/a	n/a	n/a	n/a
Wiking	150	7,000	Sollentuna	n/a	2021	2023	n/a	n/a	n/a	n/a
East Side Spånga	237	7,500	Spånga	n/a	2022	2024	n/a	n/a	n/a	n/a
Älvsjö Quarters	516	21,000	Älvsjö	n/a	2022	2025	n/a	n/a	n/a	n/a
Kandidaten (JV)	104	2,700	Bromma	n/a	2022	2023	n/a	n/a	n/a	n/a
Bromma Square (JV)	110	5,800	Bromma	n/a	2022	2024	n/a	n/a	n/a	n/a
Tellus Lamell (JV)	18	1,475	Telefonplan	n/a	2022	2024	n/a	n/a	n/a	n/a
Tellus Towers (58) (JV)	305	12,538	Telefonplan	n/a	2022	2025	n/a	n/a	n/a	n/a
Örjan	170	5,370	Spånga	n/a	2023	2025	n/a	n/a	n/a	n/a
<b>Total</b>	<b>2,086</b>	<b>81,448</b>								
<b>Total 3/31/2019</b>	<b>6,213</b>	<b>270,123</b>								

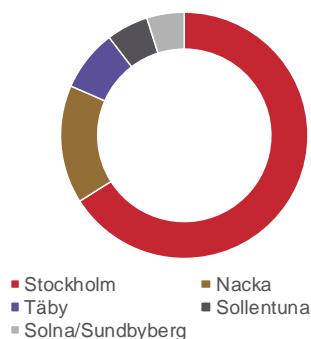
The information about each project is in all material aspects the company's current assessment of each project in its entirety. These assessments and the final outcome of each project may change due to factors both within and beyond the company's control such as the design of detailed development city 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). Sales indicate the number of signed agreements with end customers.
- (2). At year-end, the Land and Environment Court of Appeal revoked the city plan for Bromma Boardwalk. The six signed pre-purchase agreements in the projects are cancelled and SSM is currently engaged in a dialog with the seller based on the new conditions for the project.
- (JV). SSM conducts an active joint venture strategy that strives for an equal distribution of projects run as joint ventures and by SSM alone. SSM also participates in joint ventures to acquire building rights as well as to maintain a desired level of risk within the Group. SSM currently has joint venture agreements with Partners Group (Tellus Towers, Järla Sjö and Metronomen), Alecta (West Side Solna), Profi Fastigheter (Bromma Square), Studentbacken (The Loft and Kandidaten) and Libu Invest (Elverket i Nacka). At the end of the quarter, 50.3 percent of SSM's building rights were within the framework of joint venture agreements.

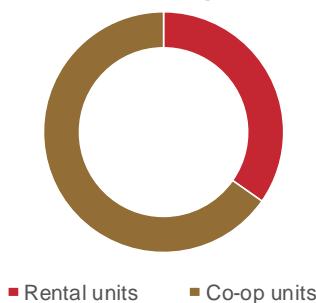
# Project portfolio

**“Over 100 redesigned co-ops under 2.0 MSEK were launched during the first five months 2019.”**

## Building rights, by municipality



## Building rights, by rentals and co-op units



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

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

SSM currently has five projects in production, two of which are rental projects. The West Side Solna housing cooperative project is sold out and tenants are expected to start moving in during the third quarter 2019 and the subsequent three quarters. The Stockholm District Court has not yet set a court date for the disputes between the West Side Solna housing association and around 50 cooperative apartment buyers looking to terminate their purchases in West Side Solna. SSM considers the financial effect to be marginal for the company even if the West Side Solna housing association loses in the disputes in question.

In the first five months of the year, SSM redesigned and relaunched 119 smart and affordable homes in Elverket Nacka and Täby Market, of which 68.9 percent cost less than 2.0 MSEK. Customer response has been positive and during the first quarter 2019, SSM signed 27 pre-purchase agreements (6). The sales rate for SSM's ongoing production of cooperative apartments was 96.5 at the end of the quarter. Of projects where production will start this year, Platform West has achieved a sales rate of 61.5 percent. The high interest in the redesigned homes in Täby Market and the space-efficient homes in Tentafabriken instill confidence in SSM's sales in the coming quarter.

At year-end, the Land and Environment Court of Appeal revoked the city plan for Bromma Boardwalk, which meant that SSM was no longer liable to pay the purchase price of 500,0 MSEK. The six signed pre-purchase agreements in the projects are cancelled and SSM is currently engaged in a dialog with the seller based on the new conditions for the project. In January 2019, SSM and the seller of the Clustret project agreed to terminate the project after the Municipality of Järfälla decided to discontinue planning work for the property and to instead integrate it into another larger project. As a result, SSM was no longer liable to pay the purchase price of 182.0 MSEK. Above changes have benefited SSM in terms of cash flow, even if they mean fewer building rights in the portfolio.

In January 2019, the Stockholm City Planning Committee decided to continue planning for Tellus Towers. Regular consultations are planned to the third and fourth quarters 2019. The company is currently in the final stages of choosing a hotel operator and international developer.

At year-end, the project portfolio included 6,213 building rights, of which 916 are in production. Of the 5,297 building rights that are now being developed, 39.4 percent will be rental units.

# Current projects

During the spring, 90 cooperative apartments at Täby Market (Täby), which is located 400 m from the Galoppfältet, were redesigned into 134 cooperative apartments. Most of the apartments are one room units of 23 – 35 m<sup>2</sup>. On May 13, 2019 sales started for 48 of these smarta, space-efficient homes, 24 of which were prices under 2.0 MSEK. Shared spaces include a lush courtyard, a car and bike pool, a charging station for electric vehicles, a bike workshop and laundry facilities. The building will comply with the Sweden Green Building Council's Silver standards. Tenants are expected to move in during 2022. Tenants are expected to move in during 2022.



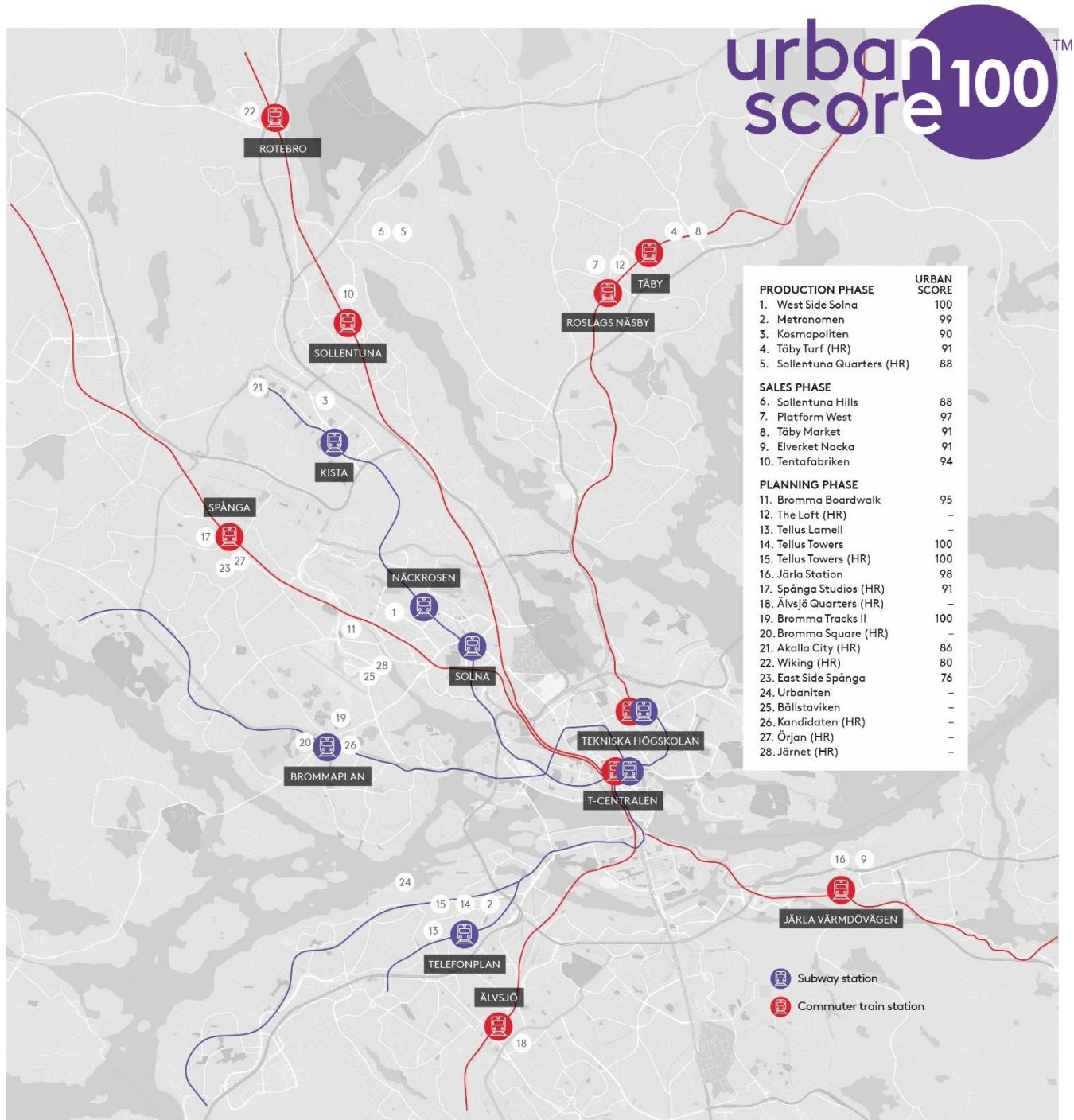
West Side Solna is made up of 252 centrally-located cooperative apartments near the subway, shopping and the Ulvsundasjön lakefront. The buildings will be six to eight stories high. The apartments will be one- to four-room units between 23 and 97 m<sup>2</sup>, of which 91 percent will be one and two-room units of 23 to 56 m<sup>2</sup>. Most units will have a private balcony and shared spaces include a terrace and an outdoor pool. On the lower floors, there is space for cafés and stores. The project is sold out. Tenants are expected to start moving in during Q3 2019. About 50 buyers have taken legal action to cancel their pre-purchase agreements in the project. The housing association's position is that the agreements are legally binding. Main hearing for one of this disputes was held in April 2019 in the Stockholm District Court.

Following the redesign during 2019, the Elverket Nacka (Nacka City) project now includes 486 cooperative apartments. The project is located in a new urban that is being developed in western Sicklön. The blue line of Stockholm's subway system will eventually be extended to the new area. The project will have nine buildings of five to nine stories. Eighty-eight percent of the apartments will be one and two-room units of 24 to 59 m<sup>2</sup>, most with a private balcony. Sales have started for 244 homes and the sales rate at the end of the quarter was 7.4 percent. The first tenants are expected to move in during 2022. The project is being run together with Libu Invest.



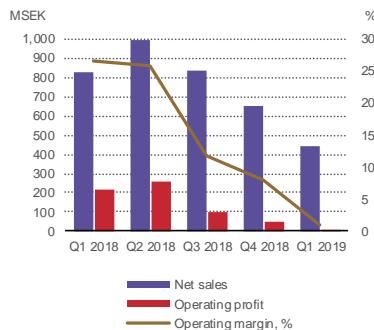
# Project portfolio

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



# Comments on the results

## Net sales, operating profit, operating margin, LTM



## January – March 2019

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

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

Due to the changed consolidation principle for housing associations, the point in time of SSM's recognition of project revenue and project costs is affected. Revenue arising out of the letting and transfer of a housing cooperative property is recognized at the time when control is transferred to the apartment buyer, which usually occurs when the individual owner of a cooperative apartment takes possession of the apartment. For translation effects arising from the retrospective restatement of the comparative period, see also Note 8: Retrospective recalculation of financial reports.

## Net sales and profit/loss

*Net sales in the Group* totaled 15.4 MSEK during the quarter (225.5).

Lower sales during the period are due to the fact that no end customers took possession of their cooperative apartments, which means that no revenue was recognized for SSM's own projects. Also, no construction contract-related sales were invoiced during the period. The *gross profit* during the quarter was 5.0 MSEK (18.7) and the gross margin was 32.4 percent (8.3). The gross profit and strong gross margin during the period were due to the positive net for other income and expenses.

The *cost of sales and administration* dropped to -12.5 MSEK (-11.5).

The gross cost of overhead, salaries, depreciation and amortization was reduced to -31.7 MSEK (-34.8) during the period. The lower costs are partly a result of the cost-efficiency program that was initiated at year-end with the aim of reducing overhead costs by 50.0 percent, or approximately 25.0 MSEK, in 2019. Less time recognized in the balance sheet during the period has resulted in a net increase in costs of 5.3 MSEK, which is chiefly due to fewer projects in production. See also Note 5, Sales and administration expenses.

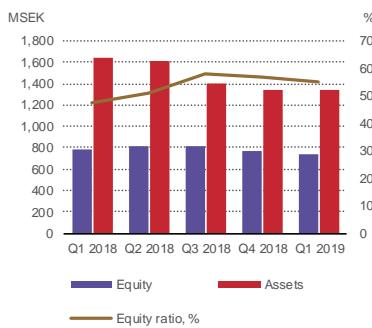
*Participations in joint ventures* amounted to -5.0 MSEK (27.4). The negative participations during the period were primarily due to cost increases of -4.1 MSEK in the Turbinhallen project in connection the final settlement of the project. Joint venture projects are accounted for using the equity method, which means that revenues are not recognized in the consolidated accounts but only in SSM's share of the profit. See also Note 6 for summaries of the income statement and balance sheet for the joint ventures.

The *Group's operating loss* for the quarter was -12.4 MSEK (34.7), which mainly was due to the fact that only end customer – cooperative apartment buyer – took possession of its cooperative apartment during the quarter, which means that only limited revenue was recognized while a negative share of profit for the Turbinhallen JV project was recognized, as explained above. The operating margin was -81.8 percent (15.4).

The *loss for the quarter* was -19.9 MSEK (28.4) and in addition to the above, it was affected by a reduced net financial expense of -8.0 MSEK (-6.1).

# 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 6,213 building rights (6,775) in its project portfolio. Of these, 916 were homes (1,324) in production. The sales rate for cooperative apartments in production was 96.6 percent (96.4).

The value of cooperative apartments in production for which no binding pre-purchase agreements had been signed at the end of the quarter was 65.0 MSEK (135.7). These homes are expected to be completed between 2020 and 2023.

Capital tied up in project properties, completed homes, joint ventures and claims on joint ventures totaled 925.0 MSEK (1,188.5) on March 31, 2019. Capital tied up was significantly affected by the completion of the Bromma Tracks, The Tube and Turbinhallen housing cooperative projects, which occurred between the times for the closing of the accounts, resulting in a reduction in capital tied up. The asset side of the balance sheet was reduced by 288.6 MSEK compared with March 31, 2018. The Group's equity was SEK 746.7 MSEK (779.8) on the balance sheet date and the debt/equity ratio increased to 55.3 percent (47.6), giving SSM a stable financial position.

### Financing and debt

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 totaled 493.5 MSEK (730.3) on the balance sheet date, of which the bond loan accounted for 397.1 MSEK (394.3). Loans from credit institutions were considerably affected by the gradual completion of SSM's own housing cooperative projects, where down payments were used to amortize the loans in line with the reduction in capital tied up in SSM's own projects. Cash and cash equivalents amounted to 220.7 MSEK (263.8) on March 31, 2019. In addition, the company has access to unused credit facilities of 20.0 MSEK (20.0).

### Cash flow

Cash flow from operating activities for the period January to March 2019 was -33.7 MSEK (-88.6) and 229.0 MSEK for the 12-month period ending in March 2019. The negative cash flow during the current quarter is primarily due to the fact that only one buyer took possession of their apartment during the period. The strong cash flow for the current 12-month period is mainly due to the gradual completion of SSM's own housing cooperative projects in production during the period. Cash flow from financing activities for the same period totaled 0.0 MSEK (0.6).

# Other information

## Seasonal variations

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

## Parent Company

The Parent Company had limited operations in the period January to March 2019 and the comparative period. The loss for the period was -0.5 MSEK (-1.2).

Assets chiefly comprise participations in and receivables from Group companies, which amounted to 1,035.0 MSEK (935.2) at the end of the period. Equity was SEK 642.6 MSEK (596.0) on the balance sheet date.

The Parent Company had 3 employees (3) at the end of the period, one of which was the President & CEO.

## Employees

The average number of employees in the Group was 68 people (73) during the quarter, of which 27 (27) were women. The number of employees is related to production volumes. Since 2018, SSM has gradually decreased its use of consultants and a greater share of work within SSM's project unit has been carried out by SSM's own staff. The lower production volume has also meant a reduced number of employees through natural retirement.

## Transactions between related parties

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

## Risks and uncertainties

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

The main risks to which the Group's operations are exposed include strategic risks, such as macroeconomic developments and reduced demand for housing, as well as operational risks, such as price and project risks. SSM is also exposed to a number of financial risks, including risks relating to the Group's liquidity and debt financing. The objective of the Group's risk management is to identify, measure, control and limit risks in its operations. SSM has a stable financial position and good relationships with credit institutions.

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

**Shares and share capital**

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

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

**Significant events after the reporting period**

There were no significant events after the balance sheet date.

# The Group's statement of comprehensive income

(MSEK)	Jan-Mar		Apr-Mar		Jan-Dec
	2019	2018	2018/2019	2018	
Net sales	15.4	225.5	442.3	652.5	
Expenses for production and management	-10.3	-206.7	-424.0	-620.4	
<b>Gross profit</b>	<b>5.0</b>	<b>18.7</b>	<b>18.3</b>	<b>32.0</b>	
Sales and administration expenses	-12.5	-11.5	-52.4	-51.4	
Earnings from joint ventures	-5.0	27.4	31.9	64.3	
Other income	-	-	6.9	6.9	
<b>Operating profit</b>	<b>-12.4</b>	<b>34.7</b>	<b>4.7</b>	<b>51.8</b>	
Financial income	2.5	4.0	10.6	12.2	
Financial expenses	-10.4	-10.1	-42.9	-42.5	
<b>Net financial items</b>	<b>-8.0</b>	<b>-6.1</b>	<b>-32.3</b>	<b>-30.3</b>	
<b>Pre-tax profit</b>	<b>-20.4</b>	<b>28.6</b>	<b>-27.6</b>	<b>21.4</b>	
Tax	0.5	-0.3	-5.4	-6.2	
<b>EARNINGS FOR THE PERIOD</b>	<b>-19.9</b>	<b>28.4</b>	<b>-33.0</b>	<b>15.3</b>	
Profit attributable to					
Parent company shareholders	-19.9	28.4	-33.1	15.3	
Minority interest	-	-	0.0	0.0	
<b>PROFIT FOR THE PERIOD</b>	<b>-19.9</b>	<b>28.4</b>	<b>-33.0</b>	<b>15.3</b>	
Earnings per share, before and after dilution (SEK)	-0.51	0.72	-0.84	0.39	
Number of shares at end of period	39,252,542	39,252,542	39,252,542	39,252,542	
Average number of shares during the period	39,252,542	39,252,542	39,252,543	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)	31/03/2019	31/03/2018	31/12/2018
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Software	3.5	0.9	2.9
Total intangible assets	3.5	0.9	2.9
<i>Tangible assets</i>			
Machinery and equipment	0.3	0.4	0.3
Total tangible assets	0.3	0.4	0.3
<i>Financial assets</i>			
Participations in joint ventures	154.3	108.7	140.3
Receivables from joint ventures	254.4	210.8	253.5
Other financial assets	43.3	-	-
Other long-term receivables	90.8	89.0	102.0
Total financial assets	542.9	408.5	495.8
<b>Total fixed assets</b>	<b>546.6</b>	<b>409.8</b>	<b>499.0</b>
<i>Current assets</i>			
<i>Inventories</i>			
Warehouse property	493.4	697.3	467.0
Completed homes	2.8	17.1	-
Total inventories	496.2	714.5	467.0
<i>Other current assets</i>			
Accounts receivable	40.6	6.0	42.3
Recognized, non-invoiced revenue	6.5	35.9	1.0
Receivables from joint ventures	20.1	154.6	16.9
Tax receivables	1.0	1.2	1.0
Other receivables	12.7	37.6	32.7
Prepaid costs and accrued income	5.8	15.3	9.6
Liquid funds	220.7	263.8	274.8
<b>Total current assets</b>	<b>803.6</b>	<b>1,228.9</b>	<b>845.2</b>
<b>TOTAL ASSETS</b>	<b>1,350.2</b>	<b>1,638.8</b>	<b>1,344.2</b>

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

(MSEK)	31/03/2019	31/03/2018	31/12/2018
<b>EQUITY AND LIABILITIES</b>			
<i><b>Equity</b></i>			
Share capital	39.3	39.3	39.3
Paid-up capital	506.5	506.5	506.5
Profit brought forward	201.0	234.0	220.9
<b>Equity attributable to Parent Company shareholders</b>	<b>746.7</b>	<b>779.8</b>	<b>766.7</b>
Minority interest	0.0	0.0	0.0
<b>Total equity</b>	<b>746.7</b>	<b>779.8</b>	<b>766.7</b>
<i><b>Liabilities</b></i>			
<i>Long-term liabilities</i>			
Bond issues	397.1	394.3	396.4
Liabilities to credit institutions	-	336.1	-
Other long-term liabilities	38.5	0.5	-
Provisions	7.7	12.1	7.7
Deferred tax liabilities	0.5	0.5	0.5
<b>Total long-term liabilities</b>	<b>443.9</b>	<b>743.3</b>	<b>404.6</b>
<i>Current liabilities</i>			
Liabilities to joint ventures	1.0	0.1	0.1
Liabilities to credit institutions	96.3	-	96.6
Accounts payable – trade	15.2	39.5	27.5
Provisions	12.1	4.5	12.5
Current tax liabilities	1.3	2.3	2.5
Other liabilities	9.0	36.8	10.6
Accrued costs and prepaid income	24.7	32.3	23.1
<b>Total current liabilities</b>	<b>159.6</b>	<b>115.6</b>	<b>172.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,350.2</b>	<b>1,638.8</b>	<b>1,344.2</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, 2018	39.3	506.5	205.7	751.4	0.0	751.5
Profit						
Profit this period			28.4	28.4	0.0	28.4
Total profit			28.4	28.4	0.0	28.4
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, MARCH 31, 2018</b>	<b>39.3</b>	<b>506.5</b>	<b>234.0</b>	<b>779.8</b>	<b>0.0</b>	<b>779.8</b>
Equity, January 1, 2018	39.2	506.5	205.7	751.4	0.0	751.4
Profit						
Profit for the year			15.3	15.3	0.0	15.3
Total profit			15.3	15.3	0.0	15.3
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, DECEMBER 31, 2018</b>	<b>39.2</b>	<b>506.5</b>	<b>220.9</b>	<b>766.7</b>	<b>0.0</b>	<b>766.7</b>
Equity, January 1, 2019	39.2	506.5	220.9	766.7	0.0	766.7
Profit						
Profit for the year			-19.9	-19.9	-	-19.9
Total profit			-19.9	-19.9	-	-19.9
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, MARCH 31, 2019</b>	<b>39.2</b>	<b>506.5</b>	<b>201.0</b>	<b>746.7</b>	<b>0.0</b>	<b>746.7</b>

# The Group's cash flow statement

(MSEK)	Jan-Mar		Apr-Mar		Jan-Dec
	2019	2018	2018/2019	2018	
<i>Cash flow from current activities</i>					
Operating profit before financial expenses	-12.4	34.7	4.7	51.8	
Items not affecting liquidity	0.1	0.5	-16.2	-15.8	
Recognized profits in joint ventures	5.0	-27.4	-31.9	-64.3	
Received dividend from joint ventures	-	-	87.2	87.2	
Received interest	-	0.1	1.6	1.7	
Paid interest	-9.4	-10.2	-40.2	-40.9	
Paid income taxes	-0.7	-0.7	-0.4	-0.3	
Cash flow before changes in operating capital	-17.5	-3.0	4.8	19.3	
<i>Cash flow from changes in operating capital</i>					
Decrease/increase in property projects	-29.5	-21.5	255.8	263.8	
Decrease/increase in accounts receivables	1.7	21.9	-34.6	-14.4	
Decrease/increase in other current receivables	30.2	-42.3	59.4	-13.1	
Decrease/increase in supplier liabilities	-11.1	-27.3	-23.5	-39.7	
Decrease/increase in current liabilities	-5.8	-16.5	-32.9	-43.5	
Total change in operating capital	-14.4	-85.6	224.3	153.1	
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-32.0</b>	<b>-88.6</b>	<b>229.0</b>	<b>172.4</b>	
<i>Cash flow from investment activities</i>					
Investments in intangible assets	-0.6	-0.2	-3.1	-2.6	
Investments in tangible assets	-	-	-0.0	-0.0	
Investments in financial assets	-19.7	-	-110.3	-90.6	
Decrease of financial assets	-	5.9	83.3	89.1	
Cash flow from investment activities	-20.3	5.6	-30.1	-4.1	
<i>Cash flow from financing activities</i>					
Capital contributions	-	-	-	-	
Increase in long-term liabilities	-	0.7	-1.2	-0.5	
Amortization of long-term liabilities	-1.8	-0.1	-240.8	-239.1	
Cash flow from financing activities	-1.8	0.6	-242.0	-239.6	
Decrease/increase in liquid funds	-54.1	-82.3	-43.1	-71.3	
Liquid funds, opening balance	274.8	346.1	263.8	346.1	
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>220.7</b>	<b>263.8</b>	<b>220.7</b>	<b>274.8</b>	

# Parent Company's statement of comprehensive income

(MSEK)	Jan-Mar		Apr-Mar	Jan-Dec
	2019	2018	2018/2019	2018
Net sales	4.0	5.0	20.2	21.2
Costs for production and management	-	-	-0.2	-0.2
Gross profit	4.0	5.0	20.0	21.0
Sales and administration costs	-6.9	-5.8	-34.6	-33.5
<b>Operating profit</b>	<b>-2.9</b>	<b>-0.8</b>	<b>-14.5</b>	<b>-12.5</b>
Earnings from Group companies	-	-	50.0	50.0
Interest income and similar profit/loss items	11.5	8.6	46.9	44.1
Interest expenses and similar profit/loss items	-9.1	-9.0	-35.7	-35.6
Profit after financial items	-0.5	-1.2	46.6	46.0
Tax	-	-	-0.0	-0.0
<b>PROFIT FOR THE PERIOD</b>	<b>-0.5</b>	<b>-1.2</b>	<b>46.6</b>	<b>46.0</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)	31/03/2019	31/03/2018	31/12/2018
<b>ASSETS</b>			
<i>Fixed assets</i>			
Participations in Group companies	472.3	472.3	472.3
Receivables from Group companies	512.8	407.4	503.0
	3.0	3.0	3.0
<b>Total fixed assets</b>	<b>988.0</b>	<b>882.7</b>	<b>978.3</b>
<i>Current assets</i>			
Account receivables	-	-	0.2
Receivables from Group companies	50.0	55.5	50.0
Receivables from joint ventures	0.1	-	0.6
Tax receivables	-	0.9	0.2
Other assets	0.5	0.0	-
Prepaid expenses and accrued revenue	6.1	6.7	1.9
Cash and bank balances	8.0	61.2	28.4
<b>Total current assets</b>	<b>64.7</b>	<b>124.4</b>	<b>81.2</b>
<b>TOTAL ASSETS</b>	<b>1,052.8</b>	<b>1,007.1</b>	<b>1,059.5</b>
<b>(MSEK)</b>			
<b>EQUITY AND LIABILITIES</b>			
<i>Shareholders' equity</i>			
Share capital	39.3	39.3	39.3
Share premium	506.5	506.5	506.5
Share-based payments	-	4.6	4.6
Unrestricted equity	97.4	46.8	46.8
Profit/loss for the period	-0.5	-1.2	46.0
<b>Total equity</b>	<b>642.6</b>	<b>596.0</b>	<b>643.1</b>
<i>Long-term liabilities</i>			
Bond issues	397.1	394.3	396.4
<b>Total long-term liabilities</b>	<b>397.1</b>	<b>394.3</b>	<b>396.4</b>
<i>Current liabilities</i>			
Liabilities to Group companies	-	-	1.7
Accounts payable – trade	2.8	2.6	3.6
Other liabilities	0.8	0.7	5.1
Accrued expenses and prepaid liabilities	9.4	13.5	9.6
<b>Total current liabilities</b>	<b>13.0</b>	<b>16.8</b>	<b>20.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,052.8</b>	<b>1,007.1</b>	<b>1,059.5</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, 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>
Equity, January 1, 2018	39.3	506.5	51.4	597.2
Profit				
Profit for the year			46.0	46.0
Total profit			46.0	46.0
Total transactions with shareholders	-	-	-	-
<b>EQUITY, DECEMBER 31, 2018</b>	<b>39.3</b>	<b>506.5</b>	<b>97.4</b>	<b>643.1</b>
Equity, January 1, 2019	39.3	506.5	97.4	643.1
Profit				
Profit this period			-0.5	-0.5
Total profit			-0.5	-0.5
Total transactions with shareholders	-	-	-	-
<b>EQUITY, MARCH 31, 2019</b>	<b>39.3</b>	<b>506.5</b>	<b>96.9</b>	<b>642.7</b>

# Parent Company's cash flow statement

(MSEK)	Jan-Mar		Apr-Mar	Jan-Dec
	2019	2018	2018/2019	2018
<i>Cash flow from current activities</i>				
Operating profit before financial expenses	-2.9	-0.8	-14.5	-12.5
Items not affecting liquidity	-	-	-	-
Received interest	11.5	8.6	46.9	44.1
Paid interest	-8.4	-8.3	-32.9	-32.8
Paid income taxes	0.2	-0.7	0.9	0.0
Cash flow before changes in operating capital	0.4	-1.1	0.4	-1.1
<i>Cash flow from changes in operating capital</i>				
Decrease/increase in other current receivables	-4.1	-8.9	5.5	0.7
Decrease/increase in supplier liabilities	-0.8	-0.4	0.2	0.6
Decrease/increase in current liabilities	-6.2	-4.4	-4.0	-2.2
Total change in operating capital	-11.1	-13.7	1.7	-0.9
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-10.7</b>	<b>-14.9</b>	<b>2.1</b>	<b>-2.1</b>
<i>Cash flow from investment activities</i>				
Investments in financial assets	-9.7	-4.6	-55.3	-50.2
Cash flow from investment activities	-9.7	-4.6	-55.3	-50.2
<i>Cash flow from financing activities</i>				
Decrease/increase in liquid funds	-20.4	-19.4	-53.2	-52.2
Liquid funds, opening balance	28.4	80.6	61.2	80.6
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>8.0</b>	<b>61.2</b>	<b>8.0</b>	<b>28.4</b>

# Notes

## Note 1 General Information

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

## Note 2 Accounting policies

### *Basis for preparing the reports*

The consolidated accounts for the SSM Group have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with RFR 2 Reporting for Legal Entities and the Swedish Annual Accounts Act. The same accounting policies and methods of 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 2018 Annual Report.

### *Effects of new IFRS standards;*

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

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

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

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

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

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

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

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

As of March 31, 2019, the Group reports rights of use totaling 43.3 MSEK. The reporting of leases with SSM as the lessor remain unchanged in all material respects.

### Note 3 Financial instruments – fair value

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

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

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

Reported value	31/03/2019	31/03/2018	31/12/2018
Bond issue	397.1	394.3	396.4
Liabilities to credit institutions	96.3	336.1	96.6
Other long-term liabilities	38.5	0.5	-
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>532.0</b>	<b>730.8</b>
<b>493.0</b>			

Fair value	31/03/2019	31/03/2018	31/12/2018
Bond issue	400.0	400.0	400.0
Liabilities to credit institutions	96.3	336.1	96.7
Other long-term liabilities	38.5	0.5	-
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>534.9</b>	<b>736.5</b>
<b>496.7</b>			

#### Note 4 Net sales and major customers

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

Analysis of revenue by revenue type	Jan-Mar		
	2019	2018	2018
Project revenue, contracted	-	207.5	580.7
Sale of other construction services	8.9	12.4	42.0
Sale of other construction goods	0.9	1.0	13.0
Other revenue	5.6	4.6	16.8
<b>TOTAL</b>	<b>15.4</b>	<b>225.4</b>	<b>652.5</b>
Total revenue from large customers	8.9	205.2	580.4
No. of large customers (>10% of revenue)	2	2	4

#### Note 5 Sales and administration expenses

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

	Jan-Mar		
	2019	2018	2018
Overhead costs	-8.8	-11.2	-49.8
Salaries	-21.2	-23.4	-91.1
Administration, balanced	9.6	8.4	41.5
Time, balanced	9.6	14.9	48.8
Depreciations/amortization	-1.7	-0.3	-0.8
<b>Sales and administration costs</b>	<b>-12.5</b>	<b>-11.5</b>	<b>-51.4</b>

#### Note 6 Holdings in joint ventures

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

##### ALECTA

Consolidated share amounts to 30,0%

Summarized income statement	Jan-Mar	
	2019	2018
Net Sales	-	0.2
Costs for production and management	-0.1	-
Other operating expenses	-0.0	-0.1
<b>Operating profit/loss</b>	<b>-0.1</b>	<b>0.1</b>
Depreciation, amortization and impairment	-	-
Financial income	0.0	-
Financial expenses	-1.0	-0.4
<b>Profit/loss before tax</b>	<b>-1.0</b>	<b>-0.2</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-1.0</b>	<b>-0.2</b>

Summarized balance sheet	31/03/2019	31/03/2018
<b>Current assets</b>		
Liquid funds	85.2	62.2
Projektfastigheter	557.9	336.1
Other receivables	2.0	4.5
<b>Total current assets</b>	<b>645.0</b>	<b>402.9</b>
Current liabilities	-29.4	-19.6
<b>Total current liabilities</b>	<b>-29.4</b>	<b>-19.6</b>
Fixed assets	-	-
Long-term financial debt	-557.6	-288.6
Other long-term liabilities	-5.7	-
<b>Total assets and long-term liabilities</b>	<b>-563.3</b>	<b>-288.6</b>
<b>Net assets</b>	<b>52.3</b>	<b>94.7</b>
<b>STUDENT HILL</b>		
Consolidated share amounts to 50,0%		Jan-Mar
<b>Summarized income statement</b>	<b>2019</b>	<b>2018</b>
Net Sales	-	-
Costs for production and management	-0.4	-1.6
Other operating expenses	-0.1	-
<b>Operating profit/loss</b>	<b>-0.5</b>	<b>-1.6</b>
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-0.3	-0.0
<b>Profi/loss before tax</b>	<b>-0.7</b>	<b>-1.6</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-0.7</b>	<b>-1.6</b>
<b>Summarized balance sheet</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
<b>Current assets</b>		
Liquid funds	3.0	4.5
Other receivables	34.1	16.0
<b>Total current assets</b>	<b>37.1</b>	<b>20.5</b>
Current liabilities	-34.1	-19.1
<b>Total current liabilities</b>	<b>-34.1</b>	<b>-19.1</b>
Fixed assets	0.9	0.9
Long-term financial debt	-3.2	-1.2
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-2.3</b>	<b>-0.3</b>
<b>Net assets</b>	<b>0.8</b>	<b>1.0</b>

**PROFI Turbinhallen**

Consolidated share amounts to 50,0%

	<b>Jan-Mar</b>	
<b>Summarized income statement</b>	<b>2019</b>	<b>2018</b>
Net Sales	1.3	177.6
Costs for production and management	-8.7	-107.4
Other operating expenses	-	-
<b>Operating profit/loss</b>	<b>-7.4</b>	<b>70.2</b>
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-	-1.8
<b>Profi/loss before tax</b>	<b>-7.4</b>	<b>68.4</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-7.4</b>	<b>68.4</b>
<b>Summarized balance sheet</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
<b>Current assets</b>		
Liquid funds	4.3	50.3
Projektfastigheter	-	452.0
Other receivables	6.7	0.1
<b>Total current assets</b>	<b>11.0</b>	<b>502.4</b>
Current liabilities	-7.4	-153.7
<b>Total current liabilities</b>	<b>-7.4</b>	<b>-153.7</b>
Fixed assets	-	-
Long-term financial debt	-	-272.0
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-</b>	<b>-272.0</b>
<b>Net assets</b>	<b>3.6</b>	<b>76.7</b>

**PARTNERS GROUP**

Consolidated share amounts to 50,0%

	<b>Jan-Mar</b>	
<b>Summarized income statement</b>	<b>2019</b>	<b>2018</b>
Net Sales	-	0.1
Costs for production and management	-1.2	-6.1
Other operating expenses	-0.7	-3.1
<b>Operating profit/loss</b>	<b>-1.9</b>	<b>-9.1</b>
Depreciation, amortization and impairment	-	-
Financial income	-	0.0
Financial expenses	-0.1	-0.2
<b>Profi/loss before tax</b>	<b>-2.0</b>	<b>-9.2</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-2.0</b>	<b>-9.2</b>

Summarized balance sheet	31/03/2019	31/03/2018
<b>Current assets</b>		
Liquid funds	21.9	7.9
Projektfastigheter	578.6	493.8
Other receivables	10.2	2.0
<b>Total current assets</b>	<b>610.7</b>	<b>503.7</b>
Current liabilities	-43.3	-96.9
<b>Total current liabilities</b>	<b>-43.3</b>	<b>-96.9</b>
Fixed assets	-	-
Long-term financial debt	-325.5	-325.5
Other long-term liabilities	-0.4	-
<b>Total assets and long-term liabilities</b>	<b>-325.9</b>	<b>-325.5</b>
<b>Net assets</b>	<b>241.5</b>	<b>81.4</b>
<b>PROFI Bromma Square</b>		
Consolidated share amounts to 50,0%	Jan-Mar	
Summarized income statement	2019	2018
Net Sales	5.1	5.1
Costs for production and management	-1.7	-1.4
Other operating expenses	-0.2	-0.3
<b>Operating profit/loss</b>	<b>3.1</b>	<b>3.4</b>
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-2.1	-2.4
<b>Profi/loss before tax</b>	<b>1.1</b>	<b>1.0</b>
Tax on profit/loss for the year	-0.2	-0.3
<b>Profit/loss for the year</b>	<b>0.8</b>	<b>0.7</b>
Summarized balance sheet	31/03/2019	31/03/2018
<b>Current assets</b>		
Liquid funds	4.8	13.4
Other receivables	2.1	3.3
<b>Total current assets</b>	<b>6.9</b>	<b>16.7</b>
Current liabilities	-12.3	-8.8
<b>Total current liabilities</b>	<b>-12.3</b>	<b>-8.8</b>
Fixed assets	275.9	252.4
Long-term financial debt	-233.1	-245.9
Other long-term liabilities	-7.2	-2.7
<b>Total assets and long-term liabilities</b>	<b>35.7</b>	<b>3.9</b>
<b>Net assets</b>	<b>30.3</b>	<b>11.8</b>

**LIBU Elverket**

Consolidated share amounts to 50,0%

	<b>Jan-Mar</b>	
	<b>2019</b>	<b>2018</b>
<b>Summarized income statement</b>		
Net Sales	0.1	-
Costs for production and management	0.0	-
Other operating expenses	-0.0	-0.0
<b>Operating profit/loss</b>	<b>0.1</b>	<b>-0.0</b>
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-0.8	-2.8
<b>Profi/loss before tax</b>	<b>-0.7</b>	<b>-2.8</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-0.7</b>	<b>-2.8</b>
<b>Summarized balance sheet</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
<b>Current assets</b>		
Liquid funds	0.6	1.3
Projektfastigheter	422.0	410.4
Other receivables	0.3	0.4
<b>Total current assets</b>	<b>422.9</b>	<b>412.1</b>
Current liabilities	-6.3	-1.6
<b>Total current liabilities</b>	<b>-6.3</b>	<b>-1.6</b>
Fixed assets	-	-
Long-term financial debt	-413.2	-413.2
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-413.2</b>	<b>-413.2</b>
<b>Net assets</b>	<b>3.3</b>	<b>-2.8</b>

**Note 7 Assets pledged as security and contingent liabilities***Assets pledged as security*

Shares in SSM Fastigheter AB have been pledged as collateral for issued bonds and the Group-wide value is 104.1 MSEK (183.8). Mortgages have been pledged totaling 97.2 MSEK (97.2) and floating charges totaling 23.7 MSEK (23.7).

*Contingent liabilities*

Guarantees of 170.8 MSEK (229.0) have been pledged to housing cooperatives that are not consolidated in the Group. The above refers to housing cooperatives that are controlled by joint ventures and are consolidated as part of the relevant joint venture. Guarantees of 10.3 MSEK (10.3) have been pledged to joint ventures. SSM is occasionally party to a dispute. No ongoing dispute is expected to have a material impact on the Group's financial position and profit.

## Note 7 Retroactive recalculation of financial reports

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

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

Translation effects from the retrospective restatement of the comparative period for the *Group's statement of comprehensive income* for January–March 2018 and the *Group's statement of financial position* on March 31, 2018 are set out below.

	Before adjustment	Adjustment	After adjustment
	Jan-mar		Jan-mar
	2018		2018
<b>Net sales</b>	95.5	130.0	225.5
Expenses for production and mgmt	-83.9	-122.8	-206.7
<b>Gross Profit</b>	<b>11.6</b>	<b>7.2</b>	<b>18.7</b>
 Sales and administration expenses	-11.5	-	-11.5
Other income	2.6	-2.6	-
Earnings from joint ventures	5.2	22.2	27.4
<b>Operating profit</b>	<b>7.9</b>	<b>26.8</b>	<b>34.7</b>
 Net financial items	-6.1	-	-6.1
<b>Pre-tax profit</b>	<b>1.8</b>	<b>26.8</b>	<b>28.6</b>
Tax	-0.3	-	-0.3
<b>Earnings for the period</b>	<b>1.6</b>	<b>26.8</b>	<b>28.4</b>
 Earnings per share, before and after dilution (SEK)	0.04		0.72
Average number of shares during the period	39,252,542		39,252,542

	<b>Before adjustment</b>	Adjustment	<b>After adjustment</b>		
	<b>31/03/2018</b>		<b>31/03/2018</b>		
<b>ASSETS</b>					
Intangible assets	0.9	-	0.9		
Tangible assets	0.4	0.0	0.4		
Holdings in joint ventures	212.1	-103.4	108.7		
Receivables from joint ventures	362.3	3.0	365.4		
Other non-current receivables	136.6	-47.6	89.0		
Project properties	463.6	250.9	714.5		
Accounts receivables	6.7	-0.7	6.0		
Recognized, non-invoiced revenue	74.7	-38.8	35.9		
Other receivables	67.4	-13.2	54.2		
Cash and cash equivalents	258.7	5.1	263.8		
<b>Total assets</b>	<b>1,583.3</b>	<b>55.4</b>	<b>1,638.8</b>		
<b>LIABILITIES AND EQUITY</b>					
Total equity	964.1	-184.3	779.8		
Other provisions	16.6	-	16.6		
Bond issues	394.3	0.0	394.3		
Liabilities to credit institutions	97.0	239.1	336.1		
Accounts payable – trade	39.5	0.0	39.5		
Other liabilities	39.5	0.8	40.3		
Accrued costs and prepaid income	32.3	-0.0	32.3		
<b>Total liabilities and equity</b>	<b>1,583.3</b>	<b>55.4</b>	<b>1,638.8</b>		

# 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, 2019

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

## Number of shares

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

## Balance sheet total

Sum of assets.

## Gross margin

Gross profit in relation to net sales.

## Gross profit

Net sales less the cost of production and management.

## Equity per share

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

## Liquidity ratio

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

## Net sales, JV

Total net sales for SSM's joint ventures.

## Net sales including JV

Net sales for the Group and for joint ventures.

## Earnings per share after tax

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

## Return on equity

Profit after tax in relation to average equity.

## Interest coverage ratio

Profit after financial revenue in relation to financial expenses.

## Operating margin

Operating profit as a percentage of net sales.

## Operating profit

Profit before financial items.

## Debt/equity ratio

Total debt in relation to equity.

## Equity ratio

Equity in relation to total assets.

## Dividend per share, SEK

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

## Number of employees

Number of contracted employees at the end of the period.

## Total apartments in production

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

## Completed apartments

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

## Sales value of sold apartments

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

## Building right

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

## Production start

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

## Project

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

## Accumulated number of sold apartments

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

## Sold apartments

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

## Sold share in production

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

SSM applies the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs). The guidelines aim to make APMs in financial reports more comprehensible, reliable and comparable, thereby increasing their usefulness. According to these guidelines, an APM is a financial measurement of historical or financial performance, financial position, financial results or cash flows other than financial measurements defined or specified in the applicable financial reporting framework, IFRS and the Swedish Annual Accounts Act. Reconciliation of APMs is available at [ssmlivinggroup.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 50 percent cooperative apartments and 50 percent rental apartments. SSM is the leading residential developer in its niche in the Greater Stockholm area and has about 6,200 building rights in its project portfolio. SSM aims to gradually increase the number of housing starts to reach at least 1,500 units per year by 2023. SSM was listed on Nasdaq Stockholm (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 2019	May 15, 2019
Interim report Q2 2019	August 28, 2019
Interim report Q3 2019	November 19, 2019
Interim report Q4 2019	February 20, 2020
Interim report Q1 2020	May 14, 2020

Download SSM's financial reports at [ssmlivinggroup.com](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 07:00 CET on May 15, 2019.

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

