



Year-end report 2018

## “Increased share of rentals, more focused housing product to the target group.”

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



### Summary of October – December

- Net sales for projects run entirely by SSM totaled 58.2 MSEK (241.0).
- Operating profit was -33.6 MSEK (12.4). The profit includes write-downs of -13.5 MSEK in the Clustret project, -7.8 MSEK in Turbinhallen and 7.0 MSEK in Metronomen. The operating margin was -57.7% (5.1).
- Cash flow from operating activities amounted to -2.8 MSEK (46.0).
- 38 (18) pre-purchase agreements signed during the quarter.
- An agreement was signed to sell Täby Turf, a project with 178 homes, for 473.0 MSEK company Willhem.
- Due to a lack of commercial preconditions, SSM decided not to continue process to acquire 1,200 building rights in Greater Stockholm.
- The Swedish Land and Environment Court revoked city plan for Bromma Boardwalk, SSM not liable to pay purchase price of 500.0 MSEK.
- Change of strategic direction and targets – 50.0% of units in production to be rental units upcoming years, 90.0% of cooperative apartments to be priced under 2.0 MSEK..

### Summary of January – December

- Net sales for projects run entirely by SSM totaled 652.5 MSEK (753.8).
- Operating profit was 51.8 MSEK (226.7) and the operating margin was 7.9% (30.1).
- Cash flow from operating activities amounted to 172.4 MSEK (26.2).
- 101 (247) pre-purchase agreements signed during the year.
- Production started for Täby Turf and Sollentuna Quarters rental projects with a total of 270 units.
- Completion of Bromma Tracks, Turbinhallen and The Tube with a total of 504 cooperative apartments. All units now occupied.
- SSM's bond terms changed to start production of projects with lower sales rate provided total number of cooperative apartments in production is at least 60.0%.
- Board of Directors proposes that the AGM resolve on a dividend of 0.0 (0.0) SEK for the financial year 2018.

### Significant events after the balance sheet date

- Termination of Clustret project in Jakobsberg with about 200 building rights due to change in municipality's plan and following negotiations with the seller. SSM not liable to pay purchase price of 182.0 MSEK.
- On January 31, 2019, the City Planning Committee announced to continue planning for Tellus Towers.
- Cost-efficiency program introduced to reduce overhead costs in 2019 by 50.0% or 25.0 MSEK.

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

(MSEK)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Net sales	58.2	241.0	652.5	753.8
Net sales JV	-34.8	39.1	434.5	672.6
Gross profit	-13.3	23.4	32.0	118.2
Operating profit	-33.6	12.4	51.8	226.7
Earnings for the period	-46.4	4.4	15.3	188.7
Gross margin, percent	-22.8	9.7	4.9	15.7
Operating margin, percent	-57.7	5.1	7.9	30.1
Interest coverage ratio, times	-3.1	1.4	1.5	5.3
Equity ratio, %	57.0	45.4	57.0	45.4
Return on equity, percent	-23.5	2.4	2.0	47.7
Earnings per share, before and after dilution, SEK	-1.18	0.11	0.39	5.12
Number of acquired building rights	-	400	100	1,935
Number of completed cooperative apartments	-	-	515	255
Number of production started cooperative apartments	-	-	-	204
Number of cooperative apartments in production	899	1,414	899	1,414
Accumulated number of sold cooperative apartments in production	871	1,371	871	1,371
Share sold cooperative apartments in production, %	96.9	97.0	96.9	97.0
Number of production started rental apartments	-	-	270	-
Number of rental apartments in production	272	-	272	-

<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 is recognized when the final customer takes possession of the housing cooperative project (the completed contract method). Consequently, quarterly variations will be greater in SSM's financial statements.

# CEO's comments



“SSM’s strategic direction and goals going forward: 50% rental units and more focused cooperative apartments.”

“Good liquidity, cost-efficiency program initiated for improved profitability in the near future.”

“515 homes, completed, all sold-out and occupied.”

## 50% rental units and a more focused cooperative apartment offering for SSM’s target group

The housing market in Stockholm remains cautious despite a certain level of stabilization during the year, mainly in the secondary market. At the end of 2018, SSM adapted its strategy and housing product to meet the changed financial situation of its target group. Increased amortization requirements and internal interest calculations at banks have made it more difficult for many young adults and single-person households to buy a home.

In light of the change, we have adjusted our strategic product mix, which means that in the near future and going forward, we intend to increase the production of rental apartments to 50,0 percent. Another strategically important adjustment was to quickly adjust prices in projects where sales had started to under 2.0 MSEK which we achieved by redesigning a number of units as smaller and even more space-efficient homes. The goal is for at least 90,0 percent of our cooperative apartments to cost less than 2.0 MSEK. In mid-February 2019, we relaunched about 70 redesigned cooperative apartments in combination with an offer to pay 50,0 percent of the down payment for new buyers. The initial response from customers has been positive. In 2018, SSM signed 101 pre-purchase agreements, 38 of which in the fourth quarter. The sales rate for projects in production was 96.9 percent at the end of the year.

During the year, SSM started production of the company’s first two rental projects, which include an agreement that was signed to sell Täby Turf, a project with 178 homes, for 473.0 MSEK to the property company Willhem via forward funding. SSM has an attractive portfolio of rental apartments and we expect strong growth in the rental market as a result of the conversions of rental units into cooperative apartments that has taken place in the past ten years together with planned conversions of municipal property companies’ holdings in the region.

## Liquidity good, cost-efficiency program initiated for improved profitability in the near future

The operating profit and operating margin developed negatively during the year, mainly due to lower gross profits and increased project costs. In addition to the above-mentioned changes to the company’s commercial offering, SSM’s organization has been adapted to lower salary costs by -15,0 percent, or 14.0 MSEK, during 2019. During 2019 we have introduced a cost-efficiency program aiming reduce overhead costs in 2019 by 50 percent, which corresponds to about 25.0 MSEK. SSM’s liquidity is good thanks to positive cash flow during the year and as a consequence of changes within the Bromma Boardwalk and Clustret projects that benefited the company from a liquidity perspective.

## Relevant housing concept & portfolio of building rights portfolio for continued growth

It is my opinion that with our offering housing concept, product mix and portfolio is well positioned for continued growth. This has been confirmed by the fact that all 515 cooperative apartments we completed during the year have been sold and are now occupied. In 2019, our goal is to start production of 300 homes, both cooperative apartments and rental units, and then gradually increase production to 1,500 homes by 2023. Finally, I’d like to highlight the joyful news from the end of January that the City Planning Committee announced that planning work would continue for our Tellus Towers project.

**Mattias Roos**  
President & CEO

# Housing market in Greater Stockholm

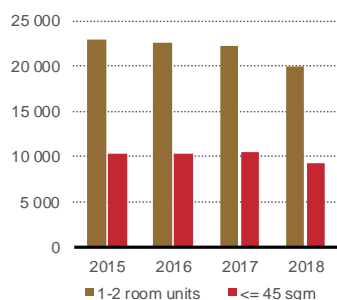
“Continued cautious market with stabilization during 2018 following record-high prices in 2017.”

## Continued uncertainty in housing market

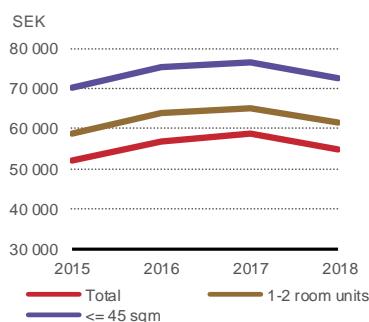
According to SEB's Swedish Housing Price Indicator from January 14, 2019, housing prices dropped for the fourth month in a row, confirming the continued high level of uncertainty in the market. Mixed sales figures and the Central Bank of Sweden's first interest rate increase in seven years added to the cautious mood. For the first time in SEB's Swedish Housing Price Indicator's 15-year history, the number of people who believe that prices will go up versus down is evenly weighed. Stockholmers continue to be the most hesitant when it comes to price trends, which is natural given the high price levels in the city and reports of sluggish sales and possible oversupply in certain segments

On February 13, 2019, the Central Bank of Sweden announced that the repo rate would remain unchanged at -0.25 percent. It is expected to go up again during the second half-year of 2019.

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



Average price for cooperative apartments in Greater Stockholm area



Source: Svensk Mäklarstatistik, January 14, 2019

## New financial requirements obstacle to apartment sales

According to Svensk Mäklarstatistik, a real estate consultancy, and SCB (Statistics Sweden), year-on-year, the number of sold cooperative apartments decreased by -9.4 percent compared with the record year of 2017 to a total of 36,418 (40,221) apartments in 2018. The number of sold one- and two-room apartments was 20,088 (22,585) and for homes of up to 45 square meters, it was 9,195 (10,453). In the fourth quarter, the number of sold one- and two-room apartments was 4,771 (5,186). For apartments of up to 45 square meters, the number was 2,146 (2,474). The change in the number of sold apartments can likely be attributed to the increased amortization requirements introduced on March 1, 2018 as well as the fact that the banks' internal interest calculations have made it more difficult for people in Stockholm to finance their real estate purchases and enter the property market.

## Stabilized price levels but slight decrease during Q4

According to Svensk Mäklarstatistik, average housing prices in Stockholm County stabilized during 2018 after having dropped during the fall 2017. During the fourth quarter of 2018, there was a certain negative development in prices for smaller homes, although the market is too uncertain to draw any conclusions.

The average price for cooperative apartments in the Greater Stockholm area decreased by -5.9 percent during the year to SEK 54,813 (58,293) per square meter. Prices for one- and two-room apartments fell -5.7 percent in 2018 to SEK 61,393 (65,124). Cooperative apartments of up to 45 square meters decreased by -5.3 percent to SEK 72,421 (76,487) per square meter.

The average square meter price for one- and two-room apartments under 45 square meters went down in the fourth quarter of 2018 compared with the third quarter, decreasing by -2.8 and -3.4 percent respectively.

# Project portfolio

Property	Floor area	Area	Schedule			Sales started		Sold <sup>1</sup>		Sales rate <sup>1)</sup>	Antagen detaljplan
			Sales start	Start of production	Occupation	Total	During Q4 2018	Total			
<b>OWNER ASSOCIATION WHERE PRODUCTION HAS STARTED</b>											
Turbinhallen (JV)	205	12 871	Nacka	2015-10-11	Q4 2015	Q4 2017 - Q3 2018	205	-	205	100,0	Ja
The Tube	50	2 354	Sundbyberg	2016-04-10	Q2 2016	Q1 2018 - Q3 2018	50	-	50	100,0	Ja
West Side Solna (JV)	252	11 906	Solna	2015-10-15	Q4 2015	Q3 2019 - Q1 2020	252	1	251	99,6	Ja
Metronomen (JV)	188	7 612	Telefonplan	2016-05-29	Q3 2016	Q1 2020 - Q4 2020	188	-	183	97,3	Ja
Kosmopoliten	204	10 122	Kista	2017-04-26	Q2 2017	Q1 2023 - Q2 2023	204	1	182	89,2	Nej
<b>Total</b>	<b>899</b>	<b>44 865</b>					<b>899</b>	<b>2</b>	<b>871</b>	<b>96,9</b>	
<b>RENTALS WHERE PRODUCTION HAS STARTED</b>											
Täby Turf	178	8 713	Täby		Q1 2018	Q1 2021 - Q2 2021					Ja
Sollentuna Quarters	94	5 070	Sollentuna		Q2 2018	Q3 2021 - Q4 2021					Nej
<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	2017-05-21	2020	2021 - 2022	94	11	40	42,6	Nej
Platform West	109	4 901	Täby	2017-05-31	2019	2021	109	10	59	54,1	Ja
Täby Market	90	4 198	Täby	2017-09-28	2019	2022	90	-	-	n/a	Ja
Elverket i Nacka (JV)	438	19 270	Nacka	2017-10-05	2020-2021	2021 - 2023	168	5	18	4,1	Nej
Tentafabriken (JV)	72	1 828	Sollentuna	2017-10-26	2019	2020	72	6	9	12,5	Ja
<b>Total</b>	<b>803</b>	<b>36 087</b>					<b>533</b>	<b>32</b>	<b>126</b>	<b>23,7</b>	
<b>OWNER ASSOCIATION UNDER DEVELOPMENT</b>											
Järla Station (JV)	312	13 546	Nacka	2020	2021	2023	-	-	-	n/a	Nej
Urbaniten	250	12 700	Hägersten	2020	2021	2023	-	-	-	n/a	Nej
Tellus Towers (58) (JV)	228	9 627	Telefonplan	2020	2022	2025	-	-	-	n/a	Nej
Tellus Towers (78) (JV)	683	28 034	Telefonplan	2020	2023	2025	-	-	-	n/a	Nej
East Side Spånga	230	10 650	Spånga	2021	2022	2024	-	-	-	n/a	Nej
Bromma Tracks II	90	3 900	Bromma	2021	2022	2023	-	-	-	n/a	Nej
Bromma Square (JV)	85	4 550	Bromma	2022	2023	2025	-	-	-	n/a	Nej
Järnet	240	11 550	Ulvsunda	2022	2023	2024	-	-	-	n/a	Nej
Bromma Square (JV)	160	8 500	Bromma	2023	2024	2027	-	-	-	n/a	Nej
Bromma Boardwalk	268	17 002	Mariehäll	-	-	-	-	4	6	2,2	Nej
<b>Total</b>	<b>2 546</b>	<b>120 059</b>						<b>4</b>	<b>6</b>	<b>2,2</b>	
<b>RENTALS UNDER DEVELOPMENT<sup>1</sup></b>											
Clustret (x)	200	5 000	Jakobsberg	n/a	2019	2021	n/a	n/a	n/a	n/a	Nej
The Loft (JV)	120	2 968	Täby	n/a	2020	2022	n/a	n/a	n/a	n/a	Nej
Akalla City	190	8 700	Akalla	n/a	2020	2022	n/a	n/a	n/a	n/a	Nej
Spånga Studios	173	6 700	Spånga	n/a	2020	2023	n/a	n/a	n/a	n/a	Nej
Wiking	150	7 000	Sollentuna	n/a	2021	2022	n/a	n/a	n/a	n/a	Nej
Älvsjö Quarters	516	21 000	Älvsjö	n/a	2021	2025	n/a	n/a	n/a	n/a	Nej
Kandidaten (JV)	104	2 700	Bromma	n/a	2022	2023	n/a	n/a	n/a	n/a	Nej
Bromma Square (JV)	110	5 800	Bromma	n/a	2022	2024	n/a	n/a	n/a	n/a	Nej
Tellus Lamell (JV)	18	1 475	Telefonplan	n/a	2022	2024	n/a	n/a	n/a	n/a	Nej
Tellus Towers (58) (JV)	305	12 538	Telefonplan	n/a	2022	2025	n/a	n/a	n/a	n/a	Nej
Örjan	101	4 050	Spånga	n/a	2023	2025	n/a	n/a	n/a	n/a	Nej
<b>Total</b>	<b>1 987</b>	<b>77 931</b>									
<b>Total 12/31/2018</b>	<b>6 507</b>	<b>292 725</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.

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

(X). Project Cluster was closed down in January 2019.

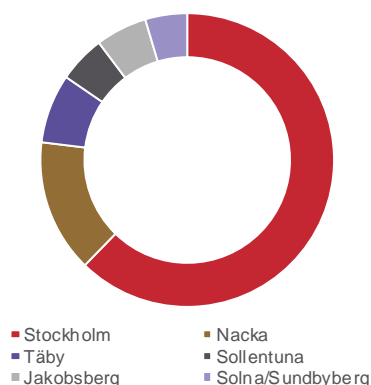
(JV). SSM conducts an active joint venture strategy that strives for an equal distribution of projects run as joint ventures and by SSM alone. SSM also participates in joint ventures to acquire building rights as well as to maintain a desired level of risk within the Group. At time being SSM has joint venture agreements with Partners Group (Tellus Towers, Järla Sjö and Metronomen), Alecta (West Side Solna), Profi Fastigheter (Turbinhallen and Bromma Square), Studentbacken (The Loft and Kandidaten) and Libu Invest (Elverket i Nacka). At the end of the quarter 50.4 percent of SSM's building rights were within the framework of joint venture agreements.

# Project portfolio

**“Agreement was signed to sell Täby Turf, a project with 178 homes, for 473.0 MSEK.”**

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 company’s 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 during the year further locked this group out of the Stockholm housing market. To make it easier for this group to enter the market, SSM focused its production during the fourth quarter on more rental units while at the same time optimizing its offering of space-efficient and flexible cooperative apartments into a price range below 2.0 MSEK. As a first step, SSM will start producing more rental units in the near future. At the same time, approximately 200 one- and two-room cooperative apartments in the Elverket i Nacka and Täby Market projects were redesigned to fall into this price range. These homes will be relaunched during the first quarter 2019.

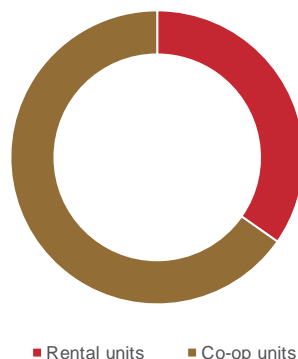
**Building rights, by municipality**



At the end of the period, SSM had signed 101 pre-purchase agreements of which 38 were signed during the fourth quarter. Most of the sales were in the Sollentuna Hills and Platform West projects. All of the units in Turbinhallen and The Tube have been sold and the last tenants moved in during the third quarter. The projects were completed during the fourth quarter 2018. The remaining three projects in production are West Side Solna, Metronomen and Kosmopoliten, which together account for 644 cooperative apartments. West Side Solna has come furthest in production and tenants are expected to start moving in from the third quarter 2019. The sales rate in SSM’s ongoing production was 96.9 percent at the end of the quarter.

In 2018, production of 270 homes was started, all of which are rental units within the framework of the Täby Turf and Sollentuna Quarters projects. During the fourth quarter, an agreement was signed to sell Täby Turf to the property company Willhem. The selling price was 473.0 MSEK.

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



During the fourth quarter, the Swedish Land and Environment Court revoked the City of Stockholm’s city plan for the Bromma Boardwalk project. The payment of the purchase price was conditional on the city plan for the project gaining legal force and that building would start before February 28, 2019. As a result of the decision, the conditions could not be met and SSM is not liable to pay the purchase price of SEK 500.0 MSEK. SSM intends to continue dialogue with Niam on the basis of the new conditions for the project.

During January 2019, SSM terminated the Clustret project. The acquisition of the project was in part conditional on the adoption of a new city plan for the property by the Municipality of Järfälla before December 31, 2018. The municipality announced that it would stop working to develop the city plan for the property and instead integrate it into a larger project that includes Jakobsberg’s town square and the new town hall. As a result, SSM and the seller decided to terminate the project and SSM is not liable to pay the purchase price of 182.0 MSEK.

At year-end, the project portfolio included 6,507 building rights, of which 1,171 are in production. Of the 5,336 building rights that are now being developed, 42.3 percent will be rental units.

# Current projects

Täby Turf (Täby), which is based on a land allocation from the Municipality of Täby and part of the new Täby Park area, will offer 178 rental apartments. The property is attractively located near Täby Centrum and 400 m from the Galoppfältet light rail station. It will feature a fresh design with buildings that vary in height and feature brick and plaster facades. The total floor space of the project is 8,713 m<sup>2</sup> and the apartments are one- to three-room units of 35 to 70 m<sup>2</sup> of which 85 percent are one- and two-room units of 35 to 48 m<sup>2</sup>. The project also includes three commercial premises and a preschool. Construction is expected to start in the Q2 2019, with the first tenants moving in during the fourth quarter 2020. On October 15, 2018, an agreement was signed to sell the project to housing company Willhem.

täby turf



elverket i Nacka



Following the redesign in February 2019, the Elverket i Nacka (Nacka City) project now includes 469 cooperative apartments. The project is located in a new urban that is being developed in western Sicklaön. 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-six percent of the apartments will be one- and two-room units of 24 to 58 m<sup>2</sup>, most with a private balcony. Sales have started for 168 homes and the sales rate at the end of the year was 4.1 percent. In February 2019, SSM relaunched 71 redesigned apartments to create an even more affordable and space-efficient product for younger buyers. The first tenants are expected to move in during 2021. The project is being run together with Libu Invest.

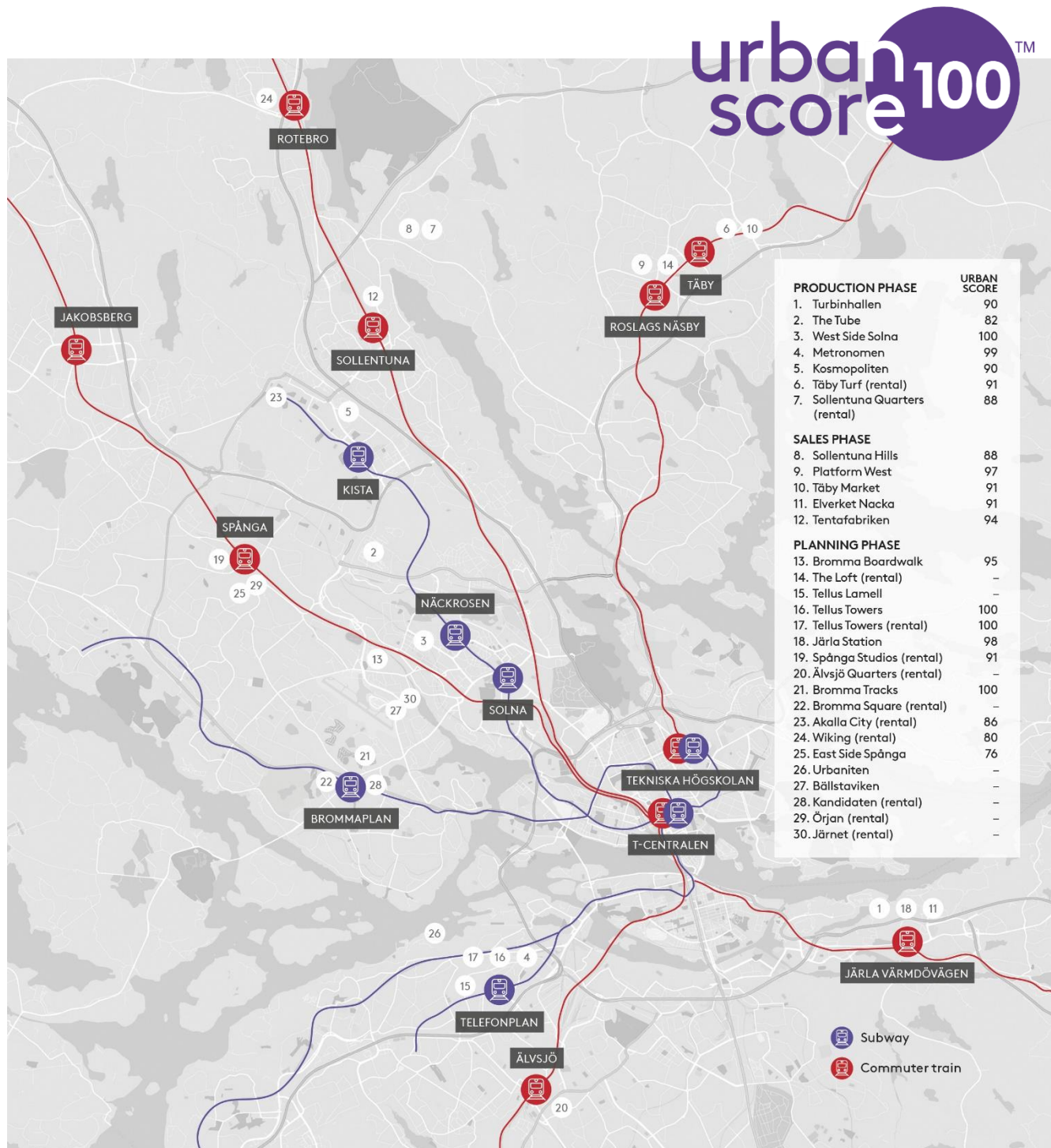
West Side Solna is made up of 252 centrally-located cooperative apartments near the subway, shopping and the Ulvsundasjön lakefront. The buildings will be six to eight stories high. The apartments will be one- to four-room units between 23 and 97 m<sup>2</sup>, of which 91 percent will be one- and two-room units of 23 to 56 m<sup>2</sup>. The total floor space of the project is 11,906 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 had a sales rate of 99.6 percent as at December 31, 2018 and tenants are expected to start moving in during Q3 2019. 54 buyers have taken legal action to terminate their pre-purchase agreements in the project. The main hearing for one of the above-mentioned disputes will take place in Stockholm's District Court in April 2019.

west side solna



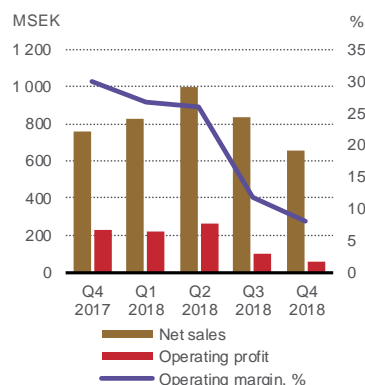
# Project portfolio

SSM offers smart, affordable homes that target people age 20 to 44 with “normal” incomes. To ensure future relevance and accessibility for this target group, the company constantly optimizes its concept. In 2018, SSM launched Urban Score, a transparent index that ranks four relevant areas for the target group: *communications, 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



## October – December 2018

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

The changed consolidation principle for housing associations affects the point of time of SSM's revenue recognition. 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. See also Note 8: Retroactive recalculation of financial reports.

### Net sales and profit/loss

*Net sales in the Group* totaled 58.2 MSEK during the quarter (241.0). The drop in sales was chiefly due to the construction contract turnover in the Turbinhallen joint venture project. As no end customers (apartment buyers) took possession of their cooperative apartments during the period, no revenue was recognized. The *gross loss* during the quarter was 13.3 MSEK (profit: 23.4). The gross loss between quarters was due to project-related write-downs for Clustret. Remaining values recognized in the balance sheet for the Clustret project were written down by -13.5 MSEK, as the project has now been completed.

The *cost of sales and administration* dropped to -13.8 MSEK (-18.7). The same quarter in the previous year included items affecting comparability of -4.4 MSEK related to a higher rate of capitalization in the third quarter, which was reversed in the fourth quarter 2017. The net change in costs between quarters was -0.5 MSEK. See also Note 5: Cost of sales and administration.

*Participations in joint ventures* amounted to -6.6 MSEK (7.7). The negative participations during the period were due to the participation of -7.0 MSEK in the joint venture with Partners Group, increased forecast costs in the Metronomen project and a cost increase of -9.1 MSEK in the Turbinhallen project in connection with completed project work. 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 -33.6 MSEK (12.4), which was mainly due to project-related impairment losses recognized in gross profit/loss, negative participations from the Metronomen and Turbinhallen joint venture projects and a write-down of joint venture holdings according to the above explanatory variables. The operating margin was -57.7 percent (5.1).

The *loss for the quarter* was -46.4 MSEK (4.4) and in addition to the above, it was affected by a reduced net financial expense of -7.2 MSEK (-8.2) as well as a provision for an estimated tax payment of -5.3 MSEK (0.0) for the quarter.

## January – December 2018

### Net sales and profit/loss

*Net sales in the Group* totaled 652.5 MSEK (753.8) during the period. Sales in the period primarily consisted of construction contract-related sales in relation to the Turbinhallen joint venture project, which was completed during the year. Occupied cooperative apartments for which revenue has been recognized comprise apartments from The Tube, which was run entirely by SSM. The *Gross margin* during the period was 4.9 MSEK (15.7). The lower gross margin was partly due to project-related impairment losses of -13.5 MSEK in total including the fourth quarter for Clustret, see also the description for the quarter. The lower gross margin is otherwise mainly attributable to the high proportion of construction contract turnover during the year.

The *cost of sales and administration* dropped to -51.4 MSEK (-73.8). The previous year contained an item affecting comparability of -8.7 MSEK for costs related to the IPO. Measures aimed at gradually reducing costs were implemented in the first six months of 2018 and have generated cost savings during the year. Such measures include a general reduction in the number of consultants in the production unit and reduced development costs for projects not yet in production.

*Participations in joint ventures* amounted to 54.3 MSEK (36.6). The increase in participations in joint ventures during the period was due to the year's cooperative apartments in the Turbinhallen project, which were completed during the period. These apartments are now occupied and revenue has been recognized. Participations in joint ventures dropped due to increased costs of -19.0 MSEK in the joint ventures with Partners Group, primarily increased forecasted costs for the Metronomen project. See also Note 6 for summaries of the income statement and balance sheet for the joint ventures.

*Other operating income* was 6.9 MSEK (145.6). During the period, an additional deduction was made for the future earn-out for the transfer of the Tellus Towers project to the joint venture with Partners Group, of which 6.9 MSEK was recognized as income in the second quarter. Of the comparative period's revenue, 145.6 MSEK constitutes the initial impact on the profit from the Partners Group transaction in connection with the establishment of the joint venture.

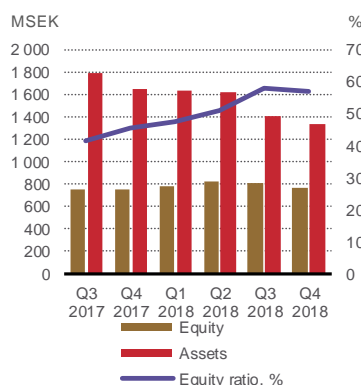
*The Group's operating profit* for the period was 51.8 MSEK (226.7), chiefly due to the lower gross profit and other income according to the independent variables provided above. The operating margin was 7.9 percent (30.1). The year's operating profit, adjusted for non-recurring expenses over the gross profit of -13.5 MSEK, amounted to 65.3 MSEK. The operating profit for the comparative period, adjusted for the impact on the profit from establishing a joint venture with Partners Group of -145.6 MSEK and an item affecting comparability of 8.7 MSEK, was 89.8 MSEK. The adjusted operating margin for both periods then amounted to 10.0 percent (11.9).

*The profit for the period* was 15.3 MSEK (188.7) and in addition to the above, it was affected by a reduced net financial expense of -7.2 MSEK (-8.2) as well as a provision for an estimated tax payment of -5.3 MSEK (0.0) for the quarter.

*The profit* was 15.3 MSEK (188.7). The net financial expense was -30.3 MSEK (-37.9) while the year contained a provision for an estimated tax payment of -5.3 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 6,507 (6,938) building rights in its project portfolio. Of these, 1,171 (1,414) were homes in production. The sales rate for cooperative apartments in production was 96.9 percent (97.0). The value of unsold homes in production was 83.2 (143.0) at the end of the quarter. These homes are expected to be completed in 2019–2023 based on current production planning.

Capital tied up in project properties, joint ventures and claims on joint ventures was 877.7 MSEK (1,145.5) on December 31, 2018. In 2017, capital tied up was considerably impacted by several housing cooperative projects in production that were run entirely by SSM, which did not occur to the same extent in 2018, as the housing cooperative projects in question were completed, resulting in a reduction in capital tied up. The asset side of the balance sheet was reduced by 309.8 MSEK compared with December 31, 2017. The Group's equity was SEK 766.7 MSEK (751.5) on the balance sheet date and the debt/equity ratio increased to 57.0 percent (45.4), 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 493.0 MSEK (729.0) on the balance sheet date, of which the bond loan accounted for 396.4 MSEK (393.4). Cash and cash equivalents amounted to 274.8 MSEK (346.1) on December 31, 2018. 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 December 2018 was 172.4 MSEK (26.2) and -2.8 MSEK for the quarter (46.0). The strong cash flow for the current 12-month period can be explained by the fact that housing cooperative projects run entirely by SSM were gradually completed during the year. Cash flow from financing activities for the same period totaled -239.6 MSEK (288.7), which was due to the repayment of long-term financing for housing cooperative projects run entirely by SSM that were completed.

## Terms and conditions of the bond loan

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

## Seasonal variations

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

## Parent Company

The Parent Company had limited operations in the period January to December 2018 and the comparative period alike. The profit for the period was 46.0 MSEK (1.4). The year's earnings improvement is mainly an effect of increased earnings from shares and participations in Group companies.

Assets chiefly comprise participations in and receivables from Group companies, which amounted to 1,025.3 MSEK (926.6) at the end of the period. Equity was SEK 643.1 MSEK (597.2) 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 66 people (72) during the quarter, of which 25 (29) were women. For the period January to December 2018, the average number of employees was 71 people (70), of which 26 (27) were women. The number of employees is related to production volumes. Since the fourth quarter 2017, SSM has gradually decreased its use of consultants and a greater share of work within SSM's project unit has been carried out by SSM's own staff. The lower production volume has also meant a reduced number of employees during the fourth quarter through natural retirement.

## Transactions between 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. SSM has a stable financial position and good banking relationships.

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.

### **Proposed dividend**

The Board of Directors proposes a dividend of 0.00 SEK (0.00) per share.

### **Significant events after the reporting period**

The Clustret project in Jakobsberg, which has approximately 200 building rights, was terminated due to the municipality's changed planning work and following negotiations with the seller. Accordingly, SSM is no longer liable to pay the purchase price of 182.0 MSEK. This change, however, had a negative impact of -13.5 MSEK on the profit for the fourth quarter 2018.

On January 31, 2019, the Stockholm City Planning Committee announced that it would continue the planning work for Tellus Towers. Consultations are planned to the third and fourth quarters 2019.

Cost-efficiency program introduced to reduce overhead costs in 2019 by 50.0 percent or 25.0 MSEK.

# The Group's statement of comprehensive income

(MSEK)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Net sales	58.2	241.0	652.5	753.8
Expenses for production and management	-71.5	-217.7	-620.4	-635.6
<b>Gross profit</b>	<b>-13.3</b>	<b>23.4</b>	<b>32.0</b>	<b>118.2</b>
Sales and administration expenses	-13.8	-18.7	-51.4	-73.8
Earnings from joint ventures	-6.6	7.7	64.3	36.6
Other income	-	-0.0	6.9	145.6
<b>Operating profit</b>	<b>-33.6</b>	<b>12.4</b>	<b>51.8</b>	<b>226.7</b>
Financial income	2.8	2.3	12.2	6.4
Financial expenses	-10.0	-10.4	-42.5	-44.2
<b>Net financial items</b>	<b>-7.2</b>	<b>-8.2</b>	<b>-30.3</b>	<b>-37.9</b>
<b>Pre-tax profit</b>	<b>-40.8</b>	<b>4.2</b>	<b>21.4</b>	<b>188.8</b>
Tax	-5.6	0.2	-6.2	-0.1
<b>EARNINGS FOR THE PERIOD</b>	<b>-46.4</b>	<b>4.4</b>	<b>15.3</b>	<b>188.7</b>
Profit attributable to				
Parent company shareholders	-46.4	4.4	15.3	188.7
Minority interest	0.0	0.0	0.0	0.0
<b>PROFIT FOR THE PERIOD</b>	<b>-46.4</b>	<b>4.4</b>	<b>15.3</b>	<b>188.7</b>
Earnings per share, before and after dilution (SEK)	-1.18	0.11	0.39	5.12
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	39,252,542	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)	12/31/2018	12/31/2017
<b>ASSETS</b>		
<i>Fixed assets</i>		
<i>Intangible assets</i>		
Software	2.9	0.9
Total intangible assets	2.9	0.9
<i>Tangible assets</i>		
Machinery and equipment	0.3	0.5
Total tangible assets	0.3	0.5
<i>Financial assets</i>		
Participations in joint ventures	140.3	81.3
Receivables from joint ventures	253.5	212.5
Other long-term receivables	102.0	88.0
Total financial assets	495.8	381.7
<b>Total fixed assets</b>	<b>499.0</b>	<b>383.1</b>
<i>Current assets</i>		
<i>Inventories</i>		
Warehouse property	467.0	675.7
Completed homes	-	31.1
Total inventories	467.0	706.9
<i>Other current assets</i>		
Accounts receivable	42.3	19.3
Receivables from joint ventures	16.9	153.6
Tax receivables	1.0	0.5
Other receivables	32.7	35.8
Prepaid costs and accrued income	9.6	8.7
Liquid funds	274.8	346.1
<b>Total current assets</b>	<b>845.2</b>	<b>1,270.9</b>
<b>TOTAL ASSETS</b>	<b>1,344.2</b>	<b>1,654.0</b>



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

(MSEK)	12/31/2018	12/31/2017
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
Share capital	39.3	39.3
Paid-up capital	506.5	506.5
Reserves	-	-
Profit brought forward	220.9	205.7
<b>Equity attributable to Parent Company shareholders</b>	<b>766.7</b>	<b>751.4</b>
Minority interest	0.0	0.0
<b>Total equity</b>	<b>766.7</b>	<b>751.5</b>
<i>Long-term liabilities</i>		
Bond issues	396.4	393.5
Liabilities to credit institutions	-	335.5
Other long-term liabilities	-	0.7
Provisions	7.7	12.5
Deferred tax liabilities	0.5	0.5
<b>Total long-term liabilities</b>	<b>404.6</b>	<b>742.7</b>
<i>Current liabilities</i>		
Liabilities to joint ventures	0.1	0.1
Liabilities to credit institutions	96.6	-
Accounts payable – trade	27.5	66.8
Provisions	12.5	4.3
Current tax liabilities	2.5	2.7
Other liabilities	10.6	59.1
Accrued costs and prepaid income	23.1	26.8
<b>Total current liabilities</b>	<b>172.9</b>	<b>159.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,344.2</b>	<b>1,654.0</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		10.5	40.6	0.0	40.6
Profit						
Profit for the year			188.7	188.7	0.0	188.7
Total profit			188.7	188.7	0.0	188.7
Transactions with shareholders						
New issue at IPO	9.2	530.8		540.0		540.0
Transaction costs in connection with IPO		-24.3		-24.3		-24.3
Share-based payments			6.5	6.5	-	6.5
Total transactions with shareholders	9.2	506.5	6.5	522.1	-	522.1
<b>EQUITY, DECEMBER 31, 2017</b>	<b>39.3</b>	<b>506.5</b>	<b>205.6</b>	<b>751.4</b>	<b>0.0</b>	<b>751.4</b>
Equity, January 1, 2018	39.3	506.5	205.6	751.4	0.0	751.4
Profit						
Profit for the year			15.3	15.3	-	15.3
Total profit			15.3	15.3	-	15.3
Total transactions with shareholders	-	-	-	-	-	-
<b>EQUITY, DECEMBER 31, 2018</b>	<b>39.3</b>	<b>506.5</b>	<b>220.9</b>	<b>766.6</b>	<b>0.0</b>	<b>766.7</b>



# The Group's cash flow statement

(MSEK)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
<i>Cash flow from current activities</i>				
Operating profit before financial expenses	-33.6	12.4	51.8	226.6
Items not affecting liquidity	-6.8	5.2	-15.8	-136.3
Recognized profits in joint ventures	6.6	-7.7	-64.3	-36.6
Received dividend from joint ventures	-0.0	42.0	87.2	42.0
Received interest	0.0	0.5	1.7	0.5
Paid interest	-8.9	-14.3	-40.9	-51.4
Paid income taxes	-0.2	-0.2	-0.3	-0.6
Cash flow before changes in operating capital	-43.0	37.9	19.3	44.3
<i>Cash flow from changes in operating capital</i>				
Decrease/increase in property projects	66.3	83.6	263.8	-35.0
Decrease/increase in accounts receivables	-25.8	-19.2	-14.4	10.1
Decrease/increase in other current receivables	-23.5	-80.7	-13.1	-6.3
Decrease/increase in supplier liabilities	8.1	-38.2	-39.7	-23.4
Decrease/increase in current liabilities	15.0	62.5	-43.5	36.5
Total change in operating capital	40.1	8.1	153.1	-18.1
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>-2.8</b>	<b>46.0</b>	<b>172.4</b>	<b>26.2</b>
<i>Cash flow from investment activities</i>				
Investments in intangible assets	-0.9	-0.8	-2.6	-0.8
Investments in tangible assets	-0.0	-0.4	-0.0	-0.5
Investments in financial assets	-30.8	-27.8	-90.6	-188.2
Decrease of financial assets	2.9	13.6	89.1	154.6
Cash flow from investment activities	-28.7	-15.4	-4.1	-34.9
<i>Cash flow from financing activities</i>				
Capital contributions	-	-0.4	-	515.7
Dividend	-	-	-0.1	-
Increase in long-term liabilities	-0.9	53.3	-0.5	139.4
Amortization of long-term liabilities	-32.8	-216.4	-239.1	-366.4
Cash flow from financing activities	-33.8	-163.4	-239.6	288.7
Decrease/increase in liquid funds	-65.3	-132.9	-71.3	279.9
Liquid funds, opening balance	340.1	479.0	346.1	66.2
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>274.8</b>	<b>346.1</b>	<b>274.8</b>	<b>346.1</b>



# Parent Company's statement of comprehensive income

(MSEK)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Net sales	5.9	6.3	21.2	21.3
Costs for production and management	-0.2	-	-0.2	-
Gross profit	5.8	6.3	21.0	21.3
Sales and administration costs	-11.9	-8.2	-33.5	-40.9
<b>Operating profit</b>	<b>-6.2</b>	<b>-1.9</b>	<b>-12.5</b>	<b>-19.6</b>
Earnings from Group companies	50.0	20.0	50.0	20.0
Interest income and similar profit/loss items	12.2	9.6	44.1	36.8
Interest expenses and similar profit/loss items	-9.0	-9.0	-35.6	-35.7
Profit after financial items	47.0	18.6	46.0	1.4
Tax	-0.0	0.0	-0.0	0.0
<b>PROFIT FOR THE PERIOD</b>	<b>46.9</b>	<b>18.6</b>	<b>46.0</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)	12/31/2018	12/31/2017
<b>ASSETS</b>		
<i>Fixed assets</i>		
Participations in Group companies	472.3	472.3
Receivables from Group companies	503.0	402.8
	3.0	3.0
<b>Total fixed assets</b>	<b>978.3</b>	<b>878.1</b>
<i>Current assets</i>		
Account receivables	0.2	-
Receivables from Group companies	50.0	51.4
Receivables from joint ventures	0.6	-
Tax receivables	0.2	0.2
Prepaid expenses and accrued revenue	1.9	1.8
Cash and bank balances	28.4	80.6
<b>Total current assets</b>	<b>81.2</b>	<b>134.1</b>
<b>TOTAL ASSETS</b>	<b>1,059.5</b>	<b>1,012.2</b>
<b>(MSEK)</b>	<b>12/31/2018</b>	<b>12/31/2017</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Shareholders' equity</i>		
Share capital	39.3	39.3
Share premium	506.5	506.5
Share-based payments	4.6	4.6
Unrestricted equity	46.8	45.4
Profit/loss for the period	46.0	1.4
<b>Total equity</b>	<b>643.1</b>	<b>597.2</b>
<i>Long-term liabilities</i>		
Bond issues	396.4	393.5
<b>Total long-term liabilities</b>	<b>396.4</b>	<b>393.5</b>
<i>Current liabilities</i>		
Liabilities to Group companies	1.7	-
Accounts payable – trade	3.6	3.0
Other liabilities	5.1	4.9
Accrued expenses and prepaid liabilities	9.6	13.7
<b>Total current liabilities</b>	<b>20.0</b>	<b>21.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,059.5</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 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			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>

# Parent Company's cash flow statement

(MSEK)	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
<i>Cash flow from current activities</i>				
Operating profit before financial expenses	-6.2	-1.9	-12.5	-19.6
Items not affecting liquidity	-	-	-	4.6
Received interest	12.2	9.6	44.1	36.8
Paid interest	-8.3	-8.3	-32.8	-32.8
Paid income taxes	0.0	-0.1	0.0	-0.1
Cash flow before changes in operating capital	-2.3	-0.8	-1.1	-11.2
<i>Cash flow from changes in operating capital</i>				
Decrease/increase in other current receivables	-2.6	28.9	0.7	-4.6
Decrease/increase in supplier liabilities	1.2	2.8	0.6	1.2
Decrease/increase in current liabilities	6.2	3.7	-2.2	4.6
Total change in operating capital	4.7	35.5	-0.9	1.2
<b>CASH FLOW FROM CURRENT ACTIVITIES</b>	<b>2.4</b>	<b>34.7</b>	<b>-2.1</b>	<b>-10.1</b>
<i>Cash flow from investment activities</i>				
Investments in financial assets	4.6	-62.4	-50.2	-435.2
Cash flow from investment activities	4.6	-62.4	-50.2	-435.2
Capital contributions	-	-0.4	-	515.7
Cash flow from financing activities	-	-0.4	-	515.7
Decrease/increase in liquid funds	7.0	-28.1	-52.2	70.4
Liquid funds, opening balance	21.4	108.8	80.6	10.2
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>28.4</b>	<b>80.6</b>	<b>28.4</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 area. All amounts are reported as MSEK unless otherwise stated. Figures in parentheses are for the previous year.

## Note 2 Accounting policies

### *Basis for preparing the reports*

SSM Holding AB (publ) applies IFRS (International Financial Reporting Standards) as adopted by the European Union, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies and methods of calculations were used in this interim report as in the latest Annual Report. Due to the changed consolidation principle for housing associations, the point in time that SSM recognizes revenue has also changed. Revenue arising out of the letting and transfer of a residential property is recognized at the point of time when control is transferred to the apartment buyer, which is usually when the individual owner of a cooperative apartment takes possession of the apartment. See also Note 8 Retroactive recalculation of financial reports.

### *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. The decision to change the principle for consolidating housing associations and when revenue is recognized means that from Q4 2018, the Group has changed an accounting estimate that has material importance. See Note 8 Retroactive recalculation of financial reports.

### *Effects of new IFRS standards*

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

IFRS 15, Revenue from Contracts with Customers, was applied from January 1, 2018 and it is a new regulation for assessing undertakings and transaction prices as well as when a company shall recognize revenue. SSM has analyzed the Group's agreements with housing associations to assess how revenue from the project development of residential properties should be recognized. Due to the changed consolidation principle for housing associations, the point in time that SSM recognizes the total revenue for the project development has also been impacted, that is, when revenues for land sales, design and construction are recognized.

Revenue arising from the letting and transfer of a residential property is recognized at the point in time when control is transferred to the apartment buyer, which is usually when the individual owner of a cooperative apartment takes possession of the apartment. The changed application in accordance with IAS 8 has been adjusted retroactively, that is, earlier periods have been recalculated. For this reason, SSM has recalculated comparative figures for its financial reports in 2017 and for the first three quarters of 2018. See also Note 8 Retroactive recalculation of financial reports.

*IFRS 16 Leases has replaced IAS 17 Leases and will be applied from the financial year beginning on January 1, 2019.* The lease model for lessees in IFRS 16 means that nearly all leases will be recognized in the statement on financial position. The right of use (the lease asset) and the liability will be measured as the present value of all future lease payments. The income statement will include depreciation of the right of use and interest expenses. There is no need to include short-term leases (12 months or less) or leases with low-value underlying assets in the statement on financial position. These will be included in operating profit/loss in the same way as current operating leases. Cash flow from financing activities will be affected in future periods, as repayments on lease liabilities will be classified as cash flow from financing activities.

For lessors, IFRS 16 does not entail any material changes.

In 2018, SSM analyzed the Group's leases and evaluated the effect of the new standard on the Group's financial statements. The standard will affect 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 of office equipment and the like. Low-value leases and leases with a term of less than 12 months will be recognized as expenses on a straight-line basis over the lease term.

SSM has not applied IFRS 16 in advance but will apply the standard from January 1, 2019. The Group intends to apply the simplified transition method, the modified retrospective approach, and will not restate comparative figures. Rights of use will be measured with 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. In SSM's case, there is only one "portfolio" of leases, referring to cars leased by the Group;

*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.

### 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.

(MSEK)	12/31/2018	12/31/2017
Bond issue	396.4	393.5
Liabilities to credit institutions	96.6	335.5
Other long-term liabilities	-	0.7
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>493.0</b>	<b>729.8</b>

(MSEK)	Fair value	
	12/31/2018	12/31/2017
Bond issue	400.0	400.0
Liabilities to credit institutions	96.7	335.7
Other long-term liabilities	-	0.7
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>496.7</b>	<b>736.4</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-Dec	
	2018	2017
Project revenue, contracted	580.7	719.1
Sale of other construction services	42.0	21.7
Sale of other construction goods	13.0	1.8
Other revenue	16.8	11.1
<b>TOTAL</b>	<b>652.5</b>	<b>753.8</b>
Total revenue from large customers	622.2	742.0
No. of large customers (>10% of revenue)	4	3

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

## Note 5 Costs of sales and administration

Group-wide information. Breakdown of sales and administration costs in sub-items:

	Oct-Dec		Jan-Dec	
	2018	2017	2018	2017
Overhead costs	-14.9	-17.3	-49.8	-45.9
Salaries	-20.3	-23.2	-91.1	-97.9
Administration, balanced	9.4	6.3	41.5	32.5
Time, balanced	12.3	16.5	48.8	47.9
Depreciations/amortization	-0.2	-0.7	-0.8	-1.7
Other	-	-0.4	-	-8.7
<b>Sales and administration costs</b>	<b>-13.8</b>	<b>-18.7</b>	<b>-51.4</b>	<b>-73.8</b>

## Note 6 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%

Summarized income statement	Jan-Dec	
	2018	2017
Net Sales	-	599.5
Costs for production and management	-7.8	-476.9
Other operating expenses	-0.7	-0.3
Operating profit/loss	-8.5	122.3
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-3.3	-2.2
<b>Profi/loss before tax</b>	<b>-11.8</b>	<b>120.1</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-11.8</b>	<b>120.1</b>
Summarized balance sheet	12/31/2018	12/31/2017
<b>Current assets</b>		
Liquid funds	35.0	98.8
Projektfastigheter	477.5	312.8
Other receivables	0.5	1.6
<b>Total current assets</b>	<b>513.0</b>	<b>413.2</b>
Current liabilities	-22.2	-31.5
<b>Total current liabilities</b>	<b>-22.2</b>	<b>-31.5</b>
Fixed assets	-	-
Long-term financial debt	-437.4	-286.7
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-437.4</b>	<b>-286.7</b>
<b>Net assets</b>	<b>53.4</b>	<b>94.9</b>

#### STUDENT HILL

Consolidated share amounts to 50%

	Jan-Dec	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	-	19.5
Costs for production and management	-2.8	-11.0
Other operating expenses	-	-3.2
Operating profit/loss	-2.8	5.3
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-0.3	-0.6
<b>Profi/loss before tax</b>	<b>-3.1</b>	<b>4.7</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>-3.1</b>	<b>4.7</b>
<b>Summarized balance sheet</b>	<b>12/31/2018</b>	<b>12/31/2017</b>
<b>Current assets</b>		
Liquid funds	3.0	7.1
Projektfastigheter	-	-
Other receivables	0.3	0.0
<b>Total current assets</b>	<b>3.3</b>	<b>7.1</b>
Current liabilities	-3.4	-4.1
<b>Total current liabilities</b>	<b>-3.4</b>	<b>-4.1</b>
Fixed assets	0.9	0.9
Long-term financial debt	-1.3	-1.2
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>-0.3</b>	<b>-0.3</b>
<b>Net assets</b>	<b>-0.5</b>	<b>2.7</b>

#### PROFI Turbinhallen

Consolidated share amounts to 50%

	Jan-Dec	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	414.6	34.1
Costs for production and management	-258.9	-23.4
Other operating expenses	-0.0	-0.0
Operating profit/loss	155.7	10.7
Depreciation, amortization and impairment	-	-
Financial income	-	-
Financial expenses	-3.0	-6.5
<b>Profi/loss before tax</b>	<b>152.7</b>	<b>4.1</b>
Tax on profit/loss for the year	-	-
<b>Profit/loss for the year</b>	<b>152.7</b>	<b>4.1</b>

Summarized balance sheet	12/31/2018	12/31/2017
<b>Current assets</b>		
Liquid funds	4.3	8.2
Projektfastigheter	-	605.7
Other receivables	6.7	0.1
<b>Total current assets</b>	<b>11.0</b>	<b>614.0</b>
Current liabilities	-	-153.7
<b>Total current liabilities</b>	<b>-</b>	<b>-153.7</b>
Fixed assets	0.1	0.0
Long-term financial debt	-	-452.0
Other long-term liabilities	-	-
<b>Total assets and long-term liabilities</b>	<b>0.1</b>	<b>-452.0</b>
<b>Net assets</b>	<b>11.0</b>	<b>8.3</b>

#### PARTNERS GROUP

Consolidated share amounts to 50%

Jan-Dec

Summarized income statement	2018	2017
Net Sales	0.2	0.2
Costs for production and management	-32.4	-0.1
Other operating expenses	-5.5	-13.7
Operating profit/loss	-37.7	-13.6
Depreciation, amortization and impairment	-	-
Financial income	0.0	-
Financial expenses	-0.3	-0.1
<b>Profi/loss before tax</b>	<b>-37.9</b>	<b>-13.7</b>
Tax on profit/loss for the year	-0.1	-0.2
<b>Profit/loss for the year</b>	<b>-38.1</b>	<b>-13.9</b>

Summarized balance sheet	12/31/2018	12/31/2017
<b>Current assets</b>		
Liquid funds	25.1	21.1
Projektfastigheter	541.6	462.1
Other receivables	8.7	2.1
<b>Total current assets</b>	<b>575.5</b>	<b>485.3</b>
Current liabilities	-42.1	-69.2
<b>Total current liabilities</b>	<b>-42.1</b>	<b>-69.2</b>
Fixed assets	-	-
Long-term financial debt	-325.5	-
Other long-term liabilities	-0.4	-325.5
<b>Total assets and long-term liabilities</b>	<b>-325.9</b>	<b>-325.5</b>
<b>Net assets</b>	<b>207.5</b>	<b>90.6</b>

## PROFI Bromma Square

Consolidated share amounts to 50%

	Jan-Dec	
<b>Summarized income statement</b>	<b>2018</b>	<b>2017</b>
Net Sales	19.7	19.3
Costs for production and management	-6.2	-5.4
Other operating expenses	-1.4	-1.6
Operating profit/loss	33.7	12.3
Depreciation, amortization and impairment	-	-
Financial income	0.0	0.0
Financial expenses	-10.7	-7.0
<b>Profits/loss before tax</b>	<b>23.0</b>	<b>5.2</b>
Tax on profit/loss for the year	-4.7	-1.3
<b>Profit/loss for the year</b>	<b>18.3</b>	<b>4.0</b>
<b>Summarized balance sheet</b>	<b>12/31/2018</b>	<b>12/31/2017</b>
<b>Current assets</b>		
Liquid funds	4.0	13.0
Projektfastigheter	-	-
Other receivables	2.4	2.4
<b>Total current assets</b>	<b>6.4</b>	<b>15.4</b>
Current liabilities	-11.1	-7.3
<b>Total current liabilities</b>	<b>-11.1</b>	<b>-7.3</b>
Fixed assets	275.1	252.4
Long-term financial debt	-233.8	-246.6
Other long-term liabilities	-7.2	-2.6
<b>Total assets and long-term liabilities</b>	<b>34.2</b>	<b>3.2</b>
<b>Net assets</b>	<b>29.4</b>	<b>11.3</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 108.3 MSEK (154.2). Mortgages have been pledged totaling 97.2 MSEK (97.2) and floating charges totaling 23.7 MSEK (23.7).

### Contingent liabilities

Guarantees of 119.4 MSEK (318.7) have been pledged to housing cooperatives and 10.3 MSEK (10.3) to joint ventures. In addition, there are commitments under construction contracts and agreements to acquire unsold apartments in production that has been completed. From time to time, SSM is a party in a dispute. No ongoing dispute is estimated to have a material effect on the position or result of the Group.

### Note 8 Retroactive recalculation of financial reports

As stated in SSM's interim report for the third quarter of 2018, Nasdaq Stockholm initiated a dialogue in 2018 with listed housing developers regarding the application of IFRS 15 and the grounds for assessing whether housing associations are independent or not.

On December 10, SSM and several other listed housing developers received Nasdaq's final conclusions, which included criteria and a presumption for the assessment of whether housing associations are independent and should be included in the consolidated accounts. According to the final conclusions, the Exchange is of the view that certain presumptions regarding the appointment and composition of the board must be met for a housing association to be considered independent. If a housing association cannot be considered independent, it should be included in the consolidated account and the revenue should be recognized at a specific point of time (when the customer takes control in connection with the delivery of the cooperative apartment to the individual owner) rather than over time (according to the percentage of completion method).

IFRS is a principle-based regulatory framework and its application requires assessments that can often lead to different possible conclusions. Previously, SSM considered every housing association with which it had entered into construction contracts as independent and separate legal entities with an independent board. The principal responsibilities of the board are to safeguard the interests of the future owners of the cooperative apartments, adopt a financial plan and enter into agreements on behalf of the housing association. Based on this assessment, housing associations were not previously included in SSM's consolidated accounts. Revenue arising out of the Group's assignment to construct a property on behalf of an association was recognized over time (using the percentage of completion method).

In the light of the new presumption expressed by Nasdaq, SSM analyzed the company's agreements and cooperation with housing associations and assessed the effects on the accounts for the company's entire housing development operation. Having completed the analysis, SSM has decided to adapt its reporting of housing cooperative projects. In accordance with IAS 8, the changed application has been adjusted retroactively, i.e. previous periods have been recalculated.

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

Consequently, the changed principle has affected the Group's previously reported income statements and balance sheets. To clarify the effects of the adaptation, recalculated summary income statements and balance sheets have been provided below. In 2017, the balance sheet was considerably affected by several housing cooperative projects in production run entirely by SSM, which did not occur to the same extent in 2018, as the housing cooperative projects in question were completed. The change in the company's profit for 2018 is a consequence of the high proportion of completed housing cooperative projects during the year. See also the section on *Comments on the earnings* or an in-depth analysis of and explanation for the period's profit/loss. The effects of the adjustments made are provided below and by press release on February 6, 2019 titled *SSM applies new accounting principle for housing development through housing associations*.

	Before adjustment	Adjustment	After adjustment
	Oct-Dec		Oct-Dec
	2017		2017
<b>Net sales</b>	107.3	133.8	241.0
Expenses for production and mgmt	-101.1	-116.6	-217.7
<b>Gross Profit</b>	<b>6.2</b>	<b>17.2</b>	<b>23.4</b>
Sales and administration expenses	-18.7	-	-18.7
Other income	3.5	-3.6	-0.0
Earnings from joint ventures	13.4	-5.6	7.7
<b>Operating profit</b>	<b>4.4</b>	<b>8.0</b>	<b>12.4</b>
Net financial items	-7.1	-1.1	-8.2
<b>Pre-tax profit</b>	<b>-2.7</b>	<b>6.9</b>	<b>4.2</b>
Tax	0.2	-	0.2
<b>Earnings for the period</b>	<b>-2.5</b>	<b>6.9</b>	<b>4.5</b>
Earnings per share, before and after dilution (SEK)	-0.06		0.11
Average number of shares during the period	39,252,542		39,252,542

	Before adjustment	Adjustment	After adjustment
	Jan-Dec		Jan-Dec
	2017		2017
<b>Net sales</b>	516.2	237.6	753.8
Expenses for production and mgmt	-448.2	-187.4	-635.6
<b>Gross Profit</b>	<b>68.0</b>	<b>50.2</b>	<b>118.2</b>
Sales and administration expenses	-73.8	-	-73.8
Other income	126.5	19.2	145.6
Earnings from joint ventures	49.5	-12.9	36.6
<b>Operating profit</b>	<b>170.2</b>	<b>56.4</b>	<b>226.7</b>
Net financial items	-31.0	-6.9	-37.9
<b>Pre-tax profit</b>	<b>139.2</b>	<b>49.6</b>	<b>188.8</b>
Tax	-0.0	-	-0.0
<b>Earnings for the period</b>	<b>139.2</b>	<b>49.6</b>	<b>188.8</b>
Earnings per share, before and after dilution (SEK)	3.78		5.12
Average number of shares during the period	36,820,223		36,820,223



	<b>Before adjustment</b>	Adjustment	<b>After adjustment</b>
	<b>Jan-Sep 2018</b>		<b>Jan-Sep 2018</b>
<b>Net sales</b>	221.1	373.2	594.2
Expenses for production and mgmt	-193.1	-355.9	-548.9
<b>Gross Profit</b>	<b>28.0</b>	<b>17.3</b>	<b>45.3</b>
Sales and administration expenses	-37.7	-	-37.7
Other income	13.4	-6.6	6.9
Earnings from joint ventures	8.4	62.5	70.9
<b>Operating profit</b>	<b>12.2</b>	<b>73.2</b>	<b>85.4</b>
Net financial items	-23.1	-	-23.1
<b>Pre-tax profit</b>	<b>-10.9</b>	<b>73.2</b>	<b>62.2</b>
Tax	-0.6	-	-0.6
<b>Earnings for the period</b>	<b>-11.5</b>	<b>73.2</b>	<b>61.7</b>
Earnings per share, before and after dilution (SEK)	-0.29		1.57
Average number of shares during the period	39,252,542		39,252,542

	<b>Before adjustment</b>	Adjustment	<b>After adjustment</b>
	<b>12/31/2017</b>		<b>12/31/2017</b>
<b>ASSETS</b>			
Intangible assets	1.4	-	1.4
Holdings in joint ventures	206.8	-125.6	81.3
Receivables from joint ventures	343.7	22.3	366.0
Other non-current receivables	135.2	-47.2	88.0
Project properties	427.9	279.1	706.9
Accounts receivables	19.3	-0.1	19.3
Recognized, non-invoiced revenue	70.9	-70.9	-
Other receivables	110.6	-65.6	45.0
Cash and cash equivalents	310.2	35.9	346.1
<b>Total assets</b>	<b>1,626.0</b>	<b>28.0</b>	<b>1,654.0</b>
<b>LIABILITIES AND EQUITY</b>			
Total equity	962.6	-211.1	751.4
Other provisions	12.5	-	12.5
Bond issues	393.5	0.0	393.5
Liabilities to credit institutions	97.1	238.4	335.5
Other liabilities	133.4	0.7	134.1
Accrued costs and prepaid income	26.8	-0.0	26.8
<b>Total liabilities and equity</b>	<b>1,626.0</b>	<b>28.0</b>	<b>1,654.0</b>



	<u>Before adjustment</u>	Adjustment	<u>After adjustment</u>
	<u>12/31/2016</u>		<u>12/31/2016</u>
<b>ASSETS</b>			
Intangible assets	1.8	-	1.8
Holdings in joint ventures	187.1	-112.7	74.5
Receivables from joint ventures	72.1	5.8	77.9
Other non-current receivables	203.8	-195.1	8.7
Project properties	208.8	647.1	855.9
Accounts receivables	29.4	-	29.4
Recognized, non-invoiced revenue	163.4	-163.4	0.0
Other receivables	105.5	-14.0	91.4
Cash and cash equivalents	63.9	2.3	66.2
<b>Total assets</b>	<b>1,035.8</b>	<b>170.0</b>	<b>1,205.8</b>
<b>LIABILITIES AND EQUITY</b>			
Total equity	301.3	-260.7	40.6
Other provisions	14.4	-	14.4
Bond issues	390.7	-0.1	390.6
Liabilities to credit institutions	132.8	430.3	563.1
Other liabilities	161.1	0.4	161.5
Accrued costs and prepaid income	35.5	-	35.5
<b>Total liabilities and equity</b>	<b>1,035.8</b>	<b>170.0</b>	<b>1,205.8</b>



# Signatures of the Board of Directors

The Board of Directors and the CEO confirm that this year-end 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, February 20, 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

## 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 production

Number of apartments started and not completed.

## 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)



Smaller spaces.  
Larger living.

## 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 6,500 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

Interim report Q1 2019	May 15, 2019
AGM 2019	May 15, 2019
Interim report Q2 2019	August 28, 2019
Interim report Q3 2019	November 19, 2019

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 February 21, 2019.

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

