

The logo for SSM, with 'SS' in red and 'M' in purple, is positioned in the top left corner of the page. The background of the entire page is a photograph of a woman with long, wavy hair, wearing a black knit beanie, a black fur-trimmed jacket, and blue jeans with a black belt. She is holding a red water bottle with a green lid in her right hand. The background is a textured wall with some graffiti.

SSM

Significant profit increase and continued strong market

Year-End Report 2016

Year-End Report 2016

October 1 - December 31, 2016

- » Net sales increased by 242.8% to 257.2 MSEK (75.0).
- » Operating profit went up 12.4% to 61.7 MSEK (54.9), operating margin totaled 24.0% (73.2). The high margin in 2015 is a result of three projects that were started during the fourth quarter of 2015.
- » Profit after tax was 50.7 MSEK (54.5).
- » Earnings per share totaled 1.68 SEK (1.81).*
- » 350 building rights were acquired in the city of Nacka.
- » Casper Tamm was recruited as Director of Finance and Ann-Charlotte Johansson was recruited as Director of Communications & IR. Both are members of the Group Management team.
- » At an Extraordinary General Meeting, founder Ulf Morelius was elected as a member of the Board of Directors and a share split of 1:100 was resolved on.

January 1 - December 31, 2016

- » Net sales increased by 85.1% to 649.9 MSEK (351.1).
- » Operating profit went up 83.5% to 187.1 MSEK (101,9), operating margin totaled 28.8% (29.0).
- » Profit after tax was 144.7 MSEK (95.6).
- » Earnings per share totaled 4.81 SEK (3.17).*
- » Proposed dividend for the year is 0 MSEK** (18.5).
- » 2,951 building rights were acquired (513).
- » 5,255 (2,337) building rights in the project portfolio, of which 1,479 (1,287) are in production.
- » 96% (97) sales rate for apartments in production.

Events after the reporting date

- » On February 13, SSM won a land allocation competition to build 180 rental units and 90 cooperative apartments in Täby Park.

** The Board of Directors has adopted new financial targets and a new dividend policy with effect from 2017. The dividend policy applies to the 2017 financial year, with the first possible dividend in connection with the Annual General Meeting 2018.

Financial key ratios, MSEK	2016Q4	2015Q4	2016	2015
Net sales	257.2	75.0	649.9	351.1
Net sales, joint ventures	252.8	583.9	748.4	844.1
Gross profit	58.2	8.8	147.1	52.1
Operating profit	61.7	54.9	187.1	101.9
Profit for the period after tax	50.7	54.5	144.7	95.6
Gross margin, per cent	22.6	11.7	22.6	14.8
Operating margin, per cent	24.0	73.2	28.8	29.0
Interest coverage ratio, times	5.7	18.9	4.0	5.8
Return on equity, per cent	73.7	149.1	61.0	75.1
Earnings after tax per share, before and after dilution, SEK*	1.68	1.81	4.81	3.17
Changes compared to the same period previous year, per cent				
Net sales	242.8	-63.1	85.1	-14.6
Gross profit	560.9	-66.9	182.1	-9.4
Operating profit	12.4	82.9	83.5	62.2
Operating margin, per cent units	-49.2	58.4	-0.3	13.7
Per ending date, MSEK				
			12/31/2016	12/31/2015
Liquidity ratio, times			2.5	2.9
Equity ratio, %			29.1	31.9
Shareholders' equity			301.3	173.5
Total assets			1,035.8	544.4
No. of shares*			30,100,000	30,100,000
Equity per share, SEK*			10.01	5.76

* Registered no. of shares at the end of the period was 301,000. On 23 January 2017, the Swedish Companies Registration Office, registered a share split 1:100. Total no. of shares amount to 30,100,000 after the split. Earnings and equity per share has been calculated based on the no. of shares after the split.

No. of apartments in production, including joint ventures	2016Q4	2015Q4	2016	2015	2014	2013
In production	1,479	1,287	1,479	1,287	813	455
Started	-	501	238	547	515	370
Completed	-	-	46	73	157	99
Acquired	350	297	2,951	513	887	507
Changes in existing portfolio	-70	-8	13	145		
Building rights (including apartments in production)	5,255	2,337	5,255	2,337	1,752	1,022
Accumulated no. sold	1,427	1,249	1,427	1,249	773	230
Sold	37	463	224	549	700	145
Sold share of apartments in production, %	96	97	96	97	95	51

Words from the CEO

Significant profit growth and momentum

SSM had a year of powerful development in 2016, and there is considerable momentum within the company. We can look back on a year of 83 per cent growth in earnings and strong development in our project portfolio at the same time as we strengthened and adapted our organization to suit the company's new and future needs.

The improvement in operating profit during the year is largely a result of running more projects ourselves. The operating margin remains at a high level and exceeded the company's financial goals during the year.

More people should have access to great housing

SSM's vision is a housing market with room for many more people. This vision steers our business and we have developed it into our business concept – to build homes for the urbanites of tomorrow. We focus on functionally-smart and affordable homes with vibrant common areas, close to public transport and the city. Our vision is also to offer housing with different forms of tenancy. At SSM, we aim to produce 60 per cent cooperative apartments, 30 per cent rental units and 10 per cent student housing.

Our vision also shines through in our conceptual product development and during the year, we launched student housing in the form of a cooperative association, an innovative product in this area.

Continued high sales and satisfied customers

We are continuing to maintain a high degree of sales in our construction projects, which has given us a sense of security while at the same time reducing the risks in our business. At year-end, 96 per cent of our 1,479 homes in production were sold. During the year, we started sales in two new cooperative apartment projects in Stockholm: Metronomen at Telefonplan and The Tube in Sundbyberg.

We target customers in the 20 to 44 age group. In this phase of life, people generally move about 12 times on average. To be the natural choice for these customers over time, it is important that our homes meet their needs and preferences and that we have satisfied customers. This is why my colleagues and I were happy and proud that SSM received the highest CSI score of five out of nine factors in an industry survey published recently.

Significant growth in our project portfolio and high level of production

In 2016, we enjoyed significant growth in our building rights portfolio and we acquired nearly 3,000 building rights, all within our prioritized municipalities in the greater Stockholm area. Our latest acquisition was in early February 2017 when we won a land allocation competition in Täby. This means that right now, we have

more than 5,500 development building rights in the portfolio.

Today, SSM stands for an increasingly large share of new construction in the Stockholm region. Our intention is to gradually expand the number of housing starts by 2021 to reach a level of 1,800 starts per year. In 2017, our goal is to start production of approximately 1,000 apartments.

Business plan 2021 and new financial goals for continued profitable growth

SSM began 2017 with a renewed long-term business plan that includes new financial targets. SSM has a history of strong growth and high returns. Our new financial goals confirm our continued focus on profitable growth and strong returns together with long-term value creation.

We have also started preparing the company for a potential listing on Nasdaq Stockholm. Even if SSM is financially prepared, not least as a result of our current bond loan with a limit of 700 MSEK of which 400 MSEK has been utilized, a stock exchange listing will mean better access to credit and valuable capital to realize the company's long term business plan.

Favorable market in 2017 as well

Housing prices in the greater Stockholm area continued to increase during the year. The current urbanization and macroeconomic situation with low unemployment in Stockholm together with the high demand for homes is favorable for our industry and represents a continued strong underlying demand for housing in the greater Stockholm region.

Leading housing developer with a stable platform

Today, SSM is the leading housing developer within its niche in the greater Stockholm area.

We have a customer base with a genuine need for homes, an attractive and profitable business concept, a significant project portfolio and strong financial preparedness supported by a professional and efficient project and production organization.

These factors constitute a stable platform for continued profitable growth in 2017 and beyond.

Mattias Roos
CEO



© FOTO: PETER KNUTSON

The housing market in the greater Stockholm area

The housing market in Sweden continues to be strong. According to Svensk Mäklarstatistik, a real estate consultancy, prices for cooperative apartments increased by 1 percent in the last quarter of the year and by 6 percent in 2016 as a whole. During the year, the average price per square meter was 38,001 SEK.

Prices for cooperative apartments in the greater Stockholm area, just as in central Stockholm, grew by 1 percent during the fourth quarter. In the Municipality of Nacka, where SSM is running three projects, the increase was 8 percent – the largest in Stockholm County during the same period. In Nacka, the average price per square meter was 51,794 SEK during the quarter. The price level for cooperative apartments in Uppsala remained unchanged during the period.

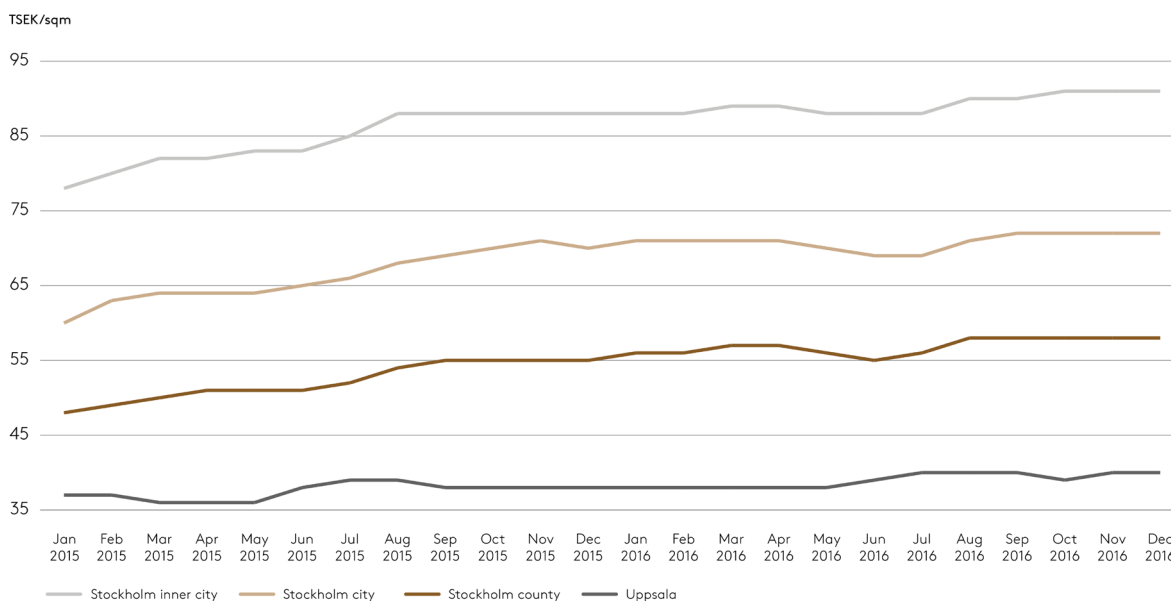
In 2016, prices for cooperative apartments in the greater Stockholm area went up by 6 percent. In central Stockholm, the corresponding increase was 4 percent. In the city of Stockholm, prices for cooperative apartments rose 2 percent during the year. In this area, a cooperative apartment cost 70,824 SEK per square meter on average. The largest price increase in the region was in the

Municipality of Upplands-Bro where prices went up 20 percent with an average price per square meter of 31,913 SEK. The annual growth in prices for cooperative apartments in Uppsala was 5 percent.

SEB's Housing Price Indicator for December shows that households' expectations regarding home prices remain high. During the year, expectations went down, and then rose again in the fall. Fluctuations in the Housing Price Indicator during the year may be due to uncertainty related to the presidential election held in the United States, Brexit and amortization requirements that were introduced during the summer. At the same time, market-driving factors such as strong demand, the financial strength of customers and low interest rates remained high.

In the Bank of Sweden's monetary policy statement at the end of the year, the repo rate was unchanged at -0.5 percent and the Bank has indicated that it remains likely that rates will be lowered rather than increased in the near future. The Bank expects to start raising rates slowly from the beginning of 2018.

Prices for cooperative apartments, 2015–2016



Source: Svensk Mäklarstatistik, SEB's Housing Price Indicator and Bank of Sweden's decision regarding the repo rate on December 20, 2016.

Residential sales and portfolio development

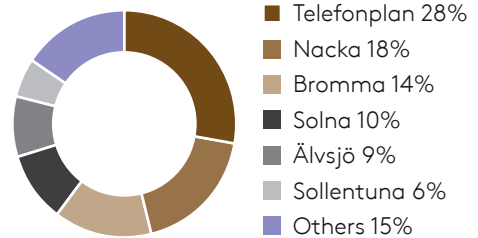
SSM has a clear focus on the greater Stockholm area, including Uppsala, which in practice means that the company is actively focusing on nine municipalities within this area. All of the building rights in the portfolio are in line with the company's strategy to build near the city and public transport. At year-end, 46 percent of the building rights in the portfolio were in attractive Telefonplan and Nacka.

During the quarter, 37 homes were sold and during the year, 224 (549) were sold. The sales rate for housing units under construction was high at 96 percent (97). As at December 31, no apartments with completed production remained unsold (0). SSM has a clear business concept and a great number of interested customers per home, and the market showed high interest in the year's sales starts – Metronomen at Telefonplan and The Tube in Sundbyberg.

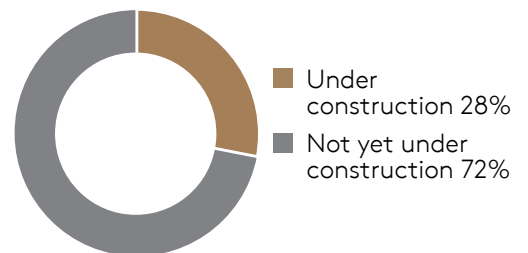
During the year, production began at Metronomen and The Tube, corresponding to 238 homes compared to last year's production starts at ND Studios, Turbinhallen, Twin House and West Side Solna (547 homes). At year-end, there were 5,255 (2,337) building rights in the project portfolio, with 1,479 (1,287) homes under construction in eight projects.

SSM's intention is to gradually expand the number of housing starts by 2021 to reach a level of 1,800 per year. In 2017, SSM's goal is to start production of approximately 1,000 apartments.

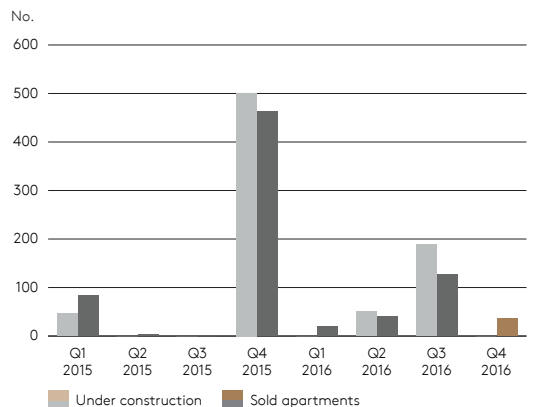
Project portfolio, by geography



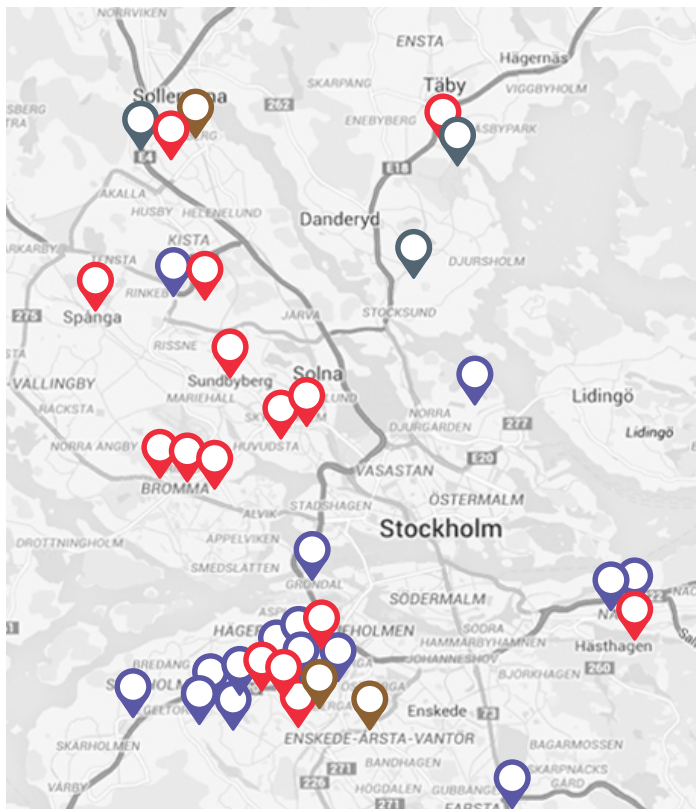
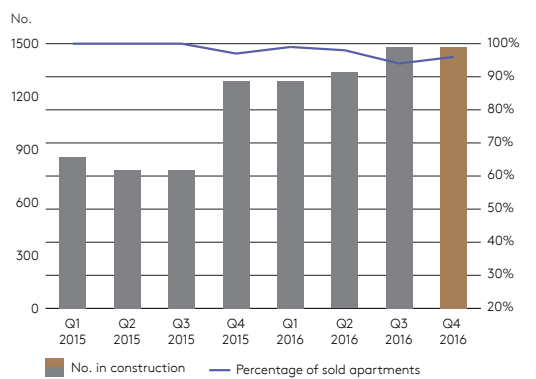
Project portfolio, by project status



Housing starts and sold apartments



Apartments under construction and share of sold apartments



- Rental apartments
- Student housing
- Completed projects
- Cooperative apartments

The Group

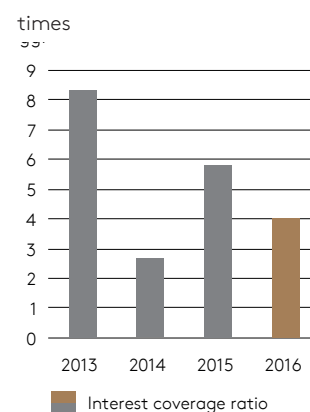
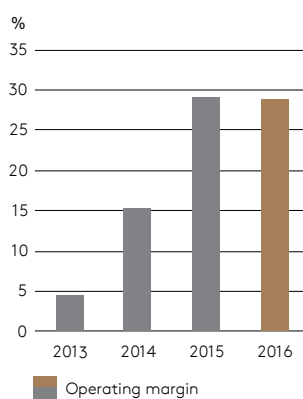
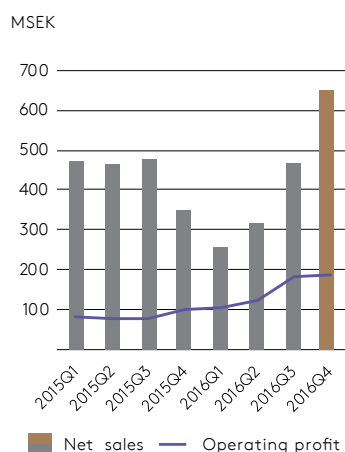
Statement of comprehensive income

TSEK	2016Q4	2015Q4	2016	2015
Net sales	257,208	75,022	649,901	351,098
Expenses for production and management	- 198,978	- 66,211	- 502,819	- 298,964
Gross profit	58,230	8,811	147,082	52,134
Sales and administration expenses	- 25,542	- 10,983	- 36,409	- 27,070
Participations in joint ventures	29,038	57,081	76,408	76,883
Operating profit	61,726	54,909	187,081	101,947
Financial income	3,982	2,746	11,867	10,023
Financial expenses	- 11,443	- 3,053	- 49,455	- 19,180
Net financial items	- 7,461	- 307	- 37 588	- 9,157
Pre-tax profit	54,265	54,602	149,493	92,790
Tax	- 3,599	- 75	- 4,750	2,764
EARNINGS FOR THE PERIOD	50,666	54,527	144,743	95,554
Profit attributable to				
Parent company shareholders	50,642	54,456	144,716	95,476
Minority interest	24	71	27	78
	50,666	54,527	144,743	95,554

There are no items for the Group reported as other comprehensive income, so the total comprehensive income is the same as the profit for the period.

Earnings per share, before and after dilution (SEK)*	1.68	1.81	4.81	3.17
Number of shares at end of period*	30,100,000	30,100,000	30,100,000	30,100,000
Average number of shares during the period*	30,100,000	30,100,000	30,100,000	30,100,000

* Registered no. of shares at the end of the period was 301,000. On 23 January 2017, the Swedish Companies Registration Office, registered a share split 1:100. Total no. of shares amount to 30,100,000 after the split. Earnings per share has been calculated based on the no. of shares after the split.



The Group

Statement of financial position

ASSETS		
TSEK	12/31/2016	12/31/2015
Fixed assets		
<i>Intangible assets</i>		
Software	1,388	1,469
Total intangible assets	1,388	1,469
<i>Tangible assets</i>		
Machinery and equipment	433	349
Total tangible assets	433	349
<i>Financial assets</i>		
Holdings in joint ventures	187,147	130,189
Receivables from joint ventures	69,069	22,080
Other long-term receivables	203,831	71,030
Total financial assets	460,047	223,299
Deferred tax receivables	-	5,223
Total fixed assets	461,868	230,340
Current assets		
<i>Inventories</i>		
Project properties	208,799	114,952
Total inventories	208,799	114,952
<i>Other current assets</i>		
Accounts receivables	29,394	1,714
Recognised, non-invoiced revenue	163,355	61,928
Receivables from joint ventures	3,064	95
Tax receivables	459	-
Other receivables	80,993	68,806
Prepaid costs and accrued income	24,007	13,884
Liquid funds	63,892	52,696
Total current assets	573,963	314,075
TOTAL ASSETS	1,035,831	544,415

Financial targets

The Board of Directors has adopted new financial targets and a new dividend policy with effect from 2017. The dividend policy applies to the 2017 financial year, with the first possible dividend in connection with the Annual General Meeting 2018. The new targets, which are shown below, are in line with the company's focus on long-term value creation and continued strong and profitable growth.

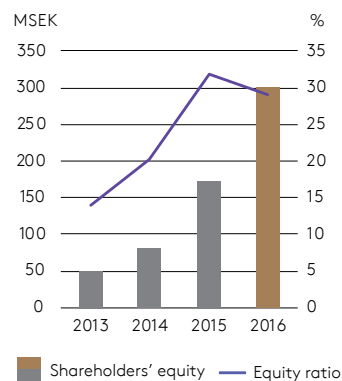
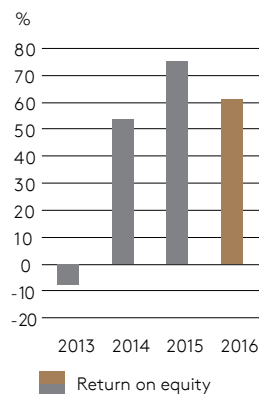
- » Operating margin: >20 per cent
- » Return on equity: >25 per cent
- » Interest coverage ratio: >2 times
- » Debt/equity ratio: >30 percent
- » Dividend policy: >30 percent of the year's profits from 2017 onwards with the first possible dividend in connection with the AGM in 2018.

The Group

Statement of financial position

LIABILITIES AND EQUITY

TSEK	12/31/2016	12/31/2015
<i>Shareholders' equity</i>		
Share capital	30,100	30,100
Profit brought forward including profit for the year	271,163	143,293
Equity attributable to parent company shareholders	301,263	173,393
Minority interest	37	151
Total equity	301,300	173,544
LIABILITIES		
<i>Long-term liabilities</i>		
Bond issues	390,663	196,822
Liabilities to credit institutions	132,771	99,521
Other long term liabilities	49,623	-
Provisions	14,444	5,042
Deferred tax liabilities	1,071	1,678
Total long-term liabilities	588,572	303,063
<i>Current liabilities</i>		
Advance payments from customers	-	10,425
Accounts payable - trade	43,332	28,565
Provisions	2,817	1,537
Current tax liabilities	1,620	3,036
Other liabilities	62,660	11,965
Accrued costs and prepaid income	35,530	12,280
Total current liabilities	145,959	67,808
TOTAL LIABILITIES AND EQUITY	1,035,831	544,415



The Group

Statement of changes in equity

TSEK	Attributable to Parent Company shareholders			Minority interest	Total equity
	Share capital	Profit brought forward	Total		
Equity, January 1, 2015	30,100	50,315	80,415	172	80,587
<i>Profit</i>					
Profit this year		95,476	95,476	79	95,555
Total profit		95,476	95,476	79	95,555
<i>Transactions with shareholders</i>					
Paid dividend		- 2,498	- 2,498	- 100	- 2,598
Total transactions with shareholders		- 2,498	- 2,498	- 100	- 2,598
EQUITY, DECEMBER 31, 2015	30,100	143,293	173,393	151	173,544
Equity, January 1, 2016	30,100	143,293	173,393	151	173,544
<i>Profit</i>					
Profit this period		144,716	144,716	27	144,743
Total profit		144,716	144,716	27	144,743
<i>Transactions with shareholders</i>					
Paid dividend		- 18,501	- 18,501	- 140	- 18,641
Share-based payments		1,655	1,655	-	1,655
Total transactions with shareholders		- 16,846	- 16,846	- 140	- 16,986
EQUITY, DECEMBER 31, 2016	30,100	271,163	301,263	37	301,300

Comments Group financials

Net sales

Bromma Tracks, Metronomen, ND Studios, and the Turbinhallen accounts for the lion's share of net sales.

Participations in joint ventures

Comprices earnings from Rosteriet, The Lab, Turbinhallen, Twin House, and West Side Solna.

Holdings in joint ventures

Comprices the holdings in joint ventures with Alecta, LIBU, Profi, and Student Hill.

Recognised non-invoiced revenue

Posten härrör i huvudsak till projekten Metronomen och Bromma Tracks.

The Group

Cash flow statement

TSEK	2016	2015
<i>Cash flow from current activities</i>		
Operating profit before financial expenses	187,081	101,947
Items not affecting liquidity	2,371	1,385
Recognized profits in joint ventures	- 76,427	- 76,883
Received dividend from joint ventures	62,000	-
Received interest	2,101	10,038
Paid interest	- 30,766	- 19,180
Paid income taxes	- 2,009	- 709
Cash flow before changes in operating capital*	144,351	16,598
<i>Cash flow before changes in operating capital</i>		
Decrease/increase in property projects	- 195,274	- 12,071
Decrease/increase in accounts receivables	- 27,680	- 1,161
Decrease/increase in other current receivables	- 25,279	- 44,063
Decrease/increase in supplier liabilities	14,767	29,352
Decrease/increase in current liabilities	69,713	- 3,901
Total change in operating capital	- 163,753	- 31,844
Kassaflöde från den löpande verksamheten	- 19,402	- 15,246
<i>Cash flow from investment activities</i>		
Investments in intangible assets	- 981	- 2,204
Investments in tangible assets	- 363	- 42
Investments in financial assets	- 212,550	- 46,816
Cash flow from investment activities	- 213,894	- 49,062
<i>Cash flow from financing activities</i>		
Dividend	- 18,641	- 2,598
Increase in long-term liabilities	516,131	163,093
Amortisation of long-term liabilities	- 253,000	- 72,163
Cash flow from financing activities	244,490	88,332
Decrease/increase in liquid funds	11,195	24,024
Liquid funds, opening balance	52,696	28,672
LIQUID FUNDS AT THE END OF THE PERIOD	63,892	52,696

* The cash flow was reclassified in Q4 2016 regarding sub-items in the cash flow prior to the change in operating capital.

Parent company

Statement of comprehensive income

TSEK	2016Q4	2015Q4	2016	2015
Net sales	-	-	-	-
Gross profit	-	-	-	-
Sales and administration costs	- 9,858	- 115	- 10,686	- 544
Operating profit	- 9,858	- 115	- 10,686	- 544
Earnings from shares in Group companies	46,000	10,000	46,000	10,000
Interest income and similar profit/loss items	8,310	3,969	26,001	15,931
Interest expenses and similar profit/loss items	- 9,166	- 4,441	- 40,639	- 17,936
Profit after financial items	35,286	9,413	20,676	7,451
Tax	-	-	-	-
PROFIT FOR THE PERIOD	35,286	9,413	20,676	7,451

There are no items for the parent company reported as other comprehensive income, so the total comprehensive income is the same as the profit for the period.

Parent company

Statement of financial position

TSEK	12/31/2016	12/31/2015
<i>Fixed assets</i>		
Participations in Group companies	92,270	92,270
Receivables from Group companies	330,698	164,064
Restricted funds	-	9,000
Total fixed assets	422,968	265,334
<i>Current assets</i>		
Receivables from Group companies	45,030	5,000
Other assets	3,611	-
Cash and bank balances	10,234	32
Total current assets	58,952	5,032
TOTAL ASSETS	481,920	270,366
EQUITY AND LIABILITIES		
TSEK		
<i>Shareholders' equity</i>		
Share capital	30,100	30,100
Unrestricted equity	24,697	35,746
Profit/loss for the year	20,676	7,451
Total equity	75,473	73,297
<i>Long-term liabilities</i>		
Other long-term liabilities	390,663	196,823
Total long-term liabilities	390,663	196,823
<i>Current liabilities</i>		
Liabilities to Group companies	-	50
Accounts payable - trade	1,865	23
Other receivables	43	-
Accrued costs and prepaid liabilities	13,876	173
Total current liabilities	15,784	246
TOTAL EQUITY AND LIABILITIES	481,920	270,366

Parent company Statement of changes in equity

TSEK	Restricted equity	Unrestricted equity	
	Share capital	Profit brought forward	Total equity
Equity, January 1, 2015	30,100	38,244	68,344
<i>Profit</i>			
Profit for the year		7,451	7,451
Total profit		7,451	7,451
<i>Transactions with shareholders</i>			
Paid dividend		- 2,498	- 2,498
Total transactions with shareholders		- 2,498	- 2,498
CLOSING BALANCE, DECEMBER 31, 2015	30,100	43,197	73,297
Equity, January 1, 2016	30,100	43,197	73,297
<i>Profit</i>			
Profit for the period		20,676	20,676
Total profit		20,676	20,676
<i>Transactions with shareholders</i>			
Paid dividend		- 18,501	- 18,501
Total transactions with shareholders		- 18,501	- 18,501
CLOSING BALANCE, DECEMBER 31, 2016	30,100	45,373	75,473

Parent company

Cash flow statement

TSEK	2016	2015
<i>Cash flow from current activities</i>		
Operating profit before financial expenses	- 10,686	- 544
Items not affecting liquidity	- 235	-
Received interest	26,007	15,931
Paid interest	- 22,619	- 16,744
Paid income taxes	- 77	-
Cash flow before changes in operating capital*	- 7,610	- 1,357
<i>Cash flow from changes in operating capital</i>		
Decrease/increase in current assets	- 3,611	-
Decrease/increase in supplier liabilities	1,842	23
Decrease/increase in current liabilities	9,257	41
Total change in operating capital*	7,488	64
CASH FLOW FROM CURRENT ACTIVITIES	- 122	- 1,293
<i>Cash flow from investment activities</i>		
Investments in financial assets	- 170,683	- 1,189
Divestments of financial assets	9,000	-
Received dividend from Group companies	10,000	5,000
Cash flow from investment activities	- 151,683	3,811
<i>Cash flow from financing activities</i>		
Paid dividend	- 18,501	- 2,498
Increase in long-term liabilities	388,508	-
Amortization of long-term liabilities	- 208,000	-
Cash flow from financing activities	162,007	- 2,498
Decrease/increase in liquid funds	10,202	20
Liquid funds, opening balance	32	12
LIQUID FUNDS AT THE END OF THE PERIOD	10,234	32

* The cash flow was reclassified in Q4 2016 regarding sub-items in the cash flow prior to the change in operating capital.

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 Kungsgatan 57A, 111 22 Stockholm, Sweden.

The business of the Parent company comprises Group-wide functions and the organization of the CEO and administrative staff. Organization of project and property management are performed by the Group's subsidiaries. The Parent company does not directly own property.

SSM acquires, develops, sells and produces residential property in the Stockholm region.

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

All amounts are reported as TSEK unless otherwise stated. Figures in brackets are for the previous year.

Note 2 Basis of preparation

SSM Holding AB (publ) applies IFRS (International Financial Reporting Standards) as adopted by the European Union. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting. The interim report has been prepared according to Chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim report should be read in conjunction with the annual accounts for the 2015 financial year.

Share-based payment – employee option plans

The Group has share-based payment plans where the company receives services from employees as consideration for the Group's equity instruments. The fair value of options granted under the Group's employee option plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. Social security contributions payable in connection with an option grant are considered to be an integral part of the grant itself and the charges are treated as cash-settled transactions. Further information about these plans will be provided in a note in the forthcoming 2016 Annual Report.

Note 3 Accounting policies

The accounting principles are in agreement with the principles used for the previous year. For a full description of the principles, see SSM Holding AB (publ)'s Annual Report for the 2015 financial year.

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 promoting their applicability. According to these guidelines, an APM is a financial measure of historical or future profit performance, financial position, financial results or cash flows that are not defined or specified in applicable rules for financial reporting: IFRS and the Swedish Annual Accounts Act. Reconciliation of APMs is available at ssmlivinggroup.com.

Note 4 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 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.

	Reported value		Fair value	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Bond issue	390,663	196,822	400,000	200,000
Other long-term liabilities	132,771	99,521	133,000	100,000
TOTAL LONG-TERM LIABILITIES	523,434	296,343	533,000	300,000

Note 5 Segment information

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

The Group has its registered office in Sweden. Revenues from external customers in Sweden amounted to 649,901 TSEK (351,098) and total revenues from external customers in other countries amounted to 0 TSEK (0).

Total non-current assets, other than financial instruments and deferred tax receivables (there are no assets in connection with post-employment benefits or rights associated with insurance contracts) located in Sweden amounted to 1,821 TSEK (1,818) and the total of such non-current assets located in other countries amounted to 0 TSEK (0).

Revenues of 454,894 TSEK are attributable to Bromma Tracks, Metronomen, ND Studios, and Turbinhallen. In 2015, revenues of 292,897 TSEK were attributable to two individual external customers.

Analysis of revenue by revenue type	2016	2015
– Project revenue, contracted	612,003	323,097
– Sale of other construction services	29,851	22,315
– Sale of other construction goods	2,490	740
– Other revenue	5,557	4,946
TOTAL	649,901	351,098

Notes cont'd

Note 6 Assets pledged as security and contingent liabilities

In 2016, the Group's contingent liabilities in the form of mortgages decreased by 42 MSEK, restricted funds went down by 9 MSEK, participations in Group companies increased by 126 MSEK and floating charges went up by 4 MSEK. The total value of assets pledged as security for the Group thereby amounted to 282 MSEK at the end of the period. The Parent company's assets pledged as security in the shape of restricted funds decreased by 9 MSEK. The total value of assets pledged as security for the Parent company thereby amounted to 92 MSEK at the end of the period.

During the period, the value of guarantees increased by 295 MSEK for the Group and remained unchanged for the Parent company. Consequently, the total value of guarantees at the end of the period amounted to 1,182 MSEK for the Group and 0 MSEK for the Parent company.

Certification by the Board

The Board of Directors and the CEO affirm that this year-end report provides an accurate overview of the operations, financial position and performance of the Parent company and the Group and describes the significant risks and uncertainties affecting the Parent company and the companies in the Group.

Stockholm, February 20, 2017

Anders Janson
Chairman

Bo Andersson
Board member

Per Berggren
Board member

Sheila Florell
Board member

Ulf Morelius
Board member

Ulf Sjöstrand
Board member

Jonas Wikström
Board member

Mattias Roos
CEO

Definitions of key indicators

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 right to dividend.

Leverage

Interest-bearing liabilities as a percentage of total assets.

Gross margin

Gross profit divided by net sales.

Gross profit

Net sales minus expenses for production and management.

Equity per share

Shareholders' equity divided by no. of shares.

Changes compared to the same period previous year

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

Adjusted equity

Shareholders' equity plus untaxed reserves less deferred tax liability.

Liquidity

Current assets excluding inventories in relation to current liabilities.

Net debt

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

Net sales joint ventures

Total net sales in SSM's joint ventures.

Net profit margin

Profit after financial items in relation to net sales.

Earnings per share after tax

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

Return on equity

Profit after tax divided by average shareholders' equity.

Return on total capital

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

Interest coverage

Profit after financial income in relation to financial costs.

Operating margin

Operating income as a percentage of net sales.

Operating profit

Earnings before financial items.

Gearing

Total debt relative to equity.

Equity ratio

Equity in relation to total assets.

No. of apartments in construction

Number of apartments started, and not completed.

No. of apartments started

Number of apartments for which SSM has started revenue recognition.

No. of apartments completed

Number of apartments in projects that have been closed out.

Project optimization

Changes in no. of building rights in previously acquired projects.

Building right

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

Project

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

Accumulated no. of sold apartments

Total number of apartments in production which are sold on binding contracts.

Sold apartments

Number of apartments that have been sold on binding contracts.

Percentage of sold apartments in production

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

Financial calendar and contact information

Financial calendar

Annual General Meeting	March 14, 2017
Interim Report Q1 2017	May 18, 2017
Interim Report Q2 2017	August 17, 2017
Interim Report Q3 2017	November 15, 2017

For further information

Mattias Roos	Ann-Charlotte Johansson
CEO	Director of Communications & IR
mattias.roos@ssmliving.se	ann-charlotte.johansson@ssmliving.se
	Mobil: +46 (0)761-65 17 71

The information in this financial report is such, which 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 20 February 2017.

The logo for SSM, with 'SS' in red and 'M' in blue, is positioned in the top left corner of the image. The background is a photograph of a person running in a tunnel with metallic walls and overhead lights.

SSM

**Smaller spaces.
Larger living.**

SSM Holding AB (publ) | Kungsgatan 57A | 111 22 Stockholm