



SSM

Financial report

January – June 2016

SSM

Financial report January - June 2016

1 April - 30 June 2016

- » Net sales amounted to SEK 130,108 thousand (67, 275)
- » Operating profit was SEK 33,725 thousand (16 226)
- » The operating margin was 25.9 per cent (24.1)
- » Profit after tax was SEK 23,446 thousand (12,270)
- » On the closing date we had 1,337 apartments in production
- » On the closing date 98 per cent of apartments in production had been sold

1 January - 30 June 2016

- » Net sales amounted to SEK 203,004 thousand (235,506)
- » Operating profit was 62,262 thousand (42,247)
- » The operating margin was 30.7 per cent (18.1)
- » Profit after tax was SEK 48,465 thousand (34,931)
- » 2,601 (160) apartments were acquired
- » 61 (86) apartments were sold

Key indicators relating to the period, amounts in SEK million	2016Q2	2015Q2	2016H1	2015H1
Net sales, SSM Group	130.1	67.3	203	236
Net sales, joint ventures	152.0	70.3	297	169
Gross profit	23.0	20.6	35	43
Operating profit	33.7	16.2	62	43
Profit for the period, after tax	23.4	12.3	48	35
Gross margin	17.6%	30.6%	17,5 %	18,3 %
Operating margin	25.9%	24.1%	30,7 %	18,1 %
Interest coverage ratio	2.8	3.5	3.5	5.6
Return on equity	45.6%	45.3%	49.9%	73.1%
Profit after tax per share, SEK	78	41	200	118

Changes compared to the same period previous year	2016Q2	2015Q2	2016H1	2015H1
Net sales	93.4%	-15.7%	-13.8%	27.5%
Gross profit	11.6%	31.4%	-17.8%	50.5%
Operating profit	107.8%	-2.9%	45.8%	62.0%
Operating margin	1.8%	3.2%	12.5%	3.9%

Per balansdatum, belopp i MSEK	2016-06-30	2015-06-30
Liquidity ratio	6.3	1.9
Equity ratio	29.0%	30.1%
Shareholders' equity	215	113
Total assets	742	377
No. of shares, thousand	301	301
Equity per share, SEK	715	376

Project portfolio, including joint ventures	2016H1	2015	2014	2013
No. of apartments at end of period	1,337	1,287	813	455
No. of apartments started	50	547	515	370
No. of apartments completed	0	73	157	99
No. of acquired building rights	800	513	887	507
Project optimization	- 6	145		
No. of building rights at end of period	4,928	2,337	1,752	1,022
No. of apartments sold, accumulated	1,310	1,249	773	230
No. of apartments sold	61	549	700	145
Percentage of sold apartments in production	98%	97%	95%	51%

CEO's statement

Market

After the first half of the year, I can say that demand for new housing in Stockholm has remained strong. SSM's target demographic, young adults, is demonstrating a seemingly insatiable need to find housing that they can afford to buy or rent.

During the first six months, real estate figures have shown that increases in housing costs in Stockholm have subsided. In some areas, they have even gone down one percent. In my opinion, price stabilization at a high level in the coming years is good for society at large, just as I have said in my words in an earlier report.

National development with high growth in Sweden's largest cities has led to increased urban growth. Urbanization, in turn, contributes to demand for housing in prime locations close to the city's pulse. The availability of low-cost financing remains good despite new regulations regarding minimum amortization requirements.

On June 15, 2016, the new long-debated amortization requirement took effect. New constructions are exempt for the first five years, but the effects of the exemption have been nullified as banks demonstrate they are unwilling to finance newly constructed apartments with special conditions that differ from general conditions of the market. We have noticed this in our ongoing sales where in several cases, the bank has not extended the necessary loan commitment to allow the buyer to book or buy a home.

I feel that society at large faces a great challenge to figure out how to finance new housing. First-time buyers find it extremely hard to save up for the down payment needed to purchase a home. SSM's ambition is to enable our customers through financing solutions to decide if they wish to rent or own a home.

In early June, we began selling units from our Metronomen project (176 apartments). The project is located near Telefonplan, a neighborhood of Stockholm. Units range in size from studios to 3-bedroom apartments. Interest before the start of sales was high and more than half of the apartments have already been booked.

Growth

During the first half of 2016, SSM showed continued strong growth. We started another construction project (The Tube in Sundbyberg with 50 apartments) and at the end of the second quarter, we had eight projects in production. Of these, three are wholly owned and five are joint ventures. Sales from joint venture projects for the first half year increased by 23 percent compared with the previous year, while the operating margin improved significantly.

Organizationally, despite fierce competition for talents, we managed to recruit 24 new employees. Today, the company employs 63 people.

Just before the summer, we acquired two projects including 800 building permits for properties in exciting urban locations close to rail transport. Today, SSM has 4,928 building rights in its portfolio, 1,337 of which are in production. We continue to have a great need to acquire more land to meet our expansion goals in the long term as well as construction starts in the short term.

Strategy

We work tirelessly to improve our business and offering to customers. During the second quarter, we launched SSM Property Services, a division responsible for managing our up-and-running cooperative associations and rental properties during the warranty period. With it we aim to provide the customer with a greater sense of security when buying while simultaneously raising the standard of the facility management of their property.

We work in accordance with our long-term strategy to break ground on 60 percent cooperative units, 30 percent rental units and 10 percent student housing units per year. We currently have cooperative and student housing units in production as well as several projects to build rental units in the works. These projects are still in the development phase.

Financial development

In the second quarter, the company refinanced its bond loan by issuing a new bond with a total frame of 700 MSEK and a first-time loan of 400 MSEK. The bond was issued with consideration to the company's continued strong growth and capital requirements linked to the increasing number of homes under construction and continued investments in new construction projects and building rights.

During the quarter, we announced our ambition to publically list the company on a suitable exchange within a year's time. To this end, we have contracted a number of advisors and initiated several internal projects in preparation for the listing.

Stockholm

Stockholm is steaming ahead and construction is going on all over the place. Most of Stockholm's residents are relatively well off and unemployment is declining as a result of the strong economy and the need for human resources. In the first half of the year, we have noticed that the region's available resources for construction are limited. Importing labor can be a solution, but it would be better still to integrate and utilize the existing migrant population that has come to Sweden with the ambition for a better, safer life. I hope we will see initiatives to make this happen in the near future.

Future prospects

I believe that demand for housing in Sweden's metropolitan regions will continue to be high, even if it may slow somewhat. We would like to start more housing projects and continue our expansion, but to do this we need more zoned projects. At the moment, all of our approved building projects are in production.

With a 98 percent sales rate for our ongoing projects and a well-positioned construction portfolio, I am enthusiastically looking forward to an exciting fall.



Stockholm, August 2016

Mattias Roos, Verkställande direktör

The Group

Statement of comprehensive income

SEK thousand	2016-01-01 2016-06-30	2015-01-01 2016-06-30
Net sales	203 004	235 506
Expenses for production and management	- 167 529	- 192 774
Gross profit	35 475	42 732
Sales and administration expenses	- 4 476	- 12 738
Participations in joint ventures	31 263	12 253
Operating profit	62 262	42 247
Financial income	5 655	4 379
Financial expenses	- 19 677	- 10 854
Net financial items	- 14 022	- 6 475
Pre-tax profit	48 240	35 772
Tax	225	- 841
EARNINGS FOR THE PERIOD	48 465	34 931
Profit attributable to		
Parent company shareholders	48 464	34 928
Minority interest	1	3
	48 465	34 931

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.

The Group

Statement of financial position

ASSETS			
SEK thousand	2016-06-30	2015-06-30	2015-12-31
Fixed assets			
<i>Intangible assets</i>			
Software	1 102	-	1 469
Total intangible assets	1 102	-	1 469
<i>Tangible assets</i>			
Machinery and equipment	298	496	349
Total tangible assets	298	496	349
<i>Financial assets</i>			
Holdings in joint ventures	161 478	65 629	130 189
Receivables from joint ventures	45 011	8 927	22 080
Other long-term receivables	118 601	120 261	71 030
Total financial assets	325 090	194 817	223 299
Deferred tax receivables	5 223	5 223	5 223
Total fixed assets	331 713	200 536	230 340
Current assets			
<i>Inventories</i>			
Warehouse property	175 382	64 999	114 952
Total inventories	175 382	64 999	114 952
<i>Other current assets</i>			
Accounts receivables	3 967	425	1 714
Recognised, non-invoiced revenue	63 503	77 922	61 928
Receivables from joint ventures	114	-	95
Tax receivables	1	19	-
Other receivables	22 449	14 096	68 806
Prepaid costs and accrued income	15 237	9 112	13 884
Liquid funds	129 697	9 524	52 696
Total current assets	410 350	176 097	314 075
TOTAL ASSETS	742 063	376 633	544 415

The Group

Statement of financial position

LIABILITIES AND EQUITY			
SEK thousand	2016-06-30	2015-06-30	2015-12-31
<i>Shareholders' equity</i>			
Share capital	30 100	30 100	30 100
Profit brought forward including profit for the year	185 257	83 205	143 293
Equity attributable to parent company shareholders	215 357	113 305	173 393
Minority interest	12	75	151
Total equity	215 369	113 380	173 544
LIABILITIES			
<i>Long-term liabilities</i>			
Bond issues	382 257	196 028	196 822
Liabilities to credit institutions	99 646	-	99 521
Provisions	6 127	-	5 042
Deferred tax liabilities	1 453	7 727	1 678
Total long-term liabilities	489 483	203 755	303 063
<i>Current liabilities</i>			
Liabilities to joint ventures	-	1	-
Liabilities to credit institutions	-	12 163	-
Advance payments from customers	-	4 950	10 425
Accounts payable - trade	10 067	5 396	28 565
Provisions	1 096	7 964	1 537
Current tax liabilities	24	2 938	3 036
Overdraft facility	-	913	-
Other liabilities	12 529	18 830	11 965
Accrued costs and prepaid income	13 495	6 343	12 280
Total current liabilities	37 211	59 498	67 808
TOTAL LIABILITIES AND EQUITY	742 063	376 633	544 415
<i>Pledged assets</i>			
Mortgages	-	42 242	42 242
Restricted funds	-	9 000	9 000
Chattels	20 000	20 000	20 000
Participations in Group companies	154 923	48 685	100 096
Total pledged assets	174 923	119 927	171 338
<i>Contingent liabilities</i>			
Guarantees	1 087 862	489 480	887 095

The Group

Statement of changes in equity

SEK thousand	Attributable to Parent Company shareholders				
	Share capital	Profit brought forward	Total	Minority interest	Total equity
Equity, 1 January 2015	30 100	50 315	80 415	172	80 587
Retroactive recalculation earlier periods	-	13 128	13 128	-	13 128
Equity, 1 January 2015	30 100	63 443	93 543	172	93 715
<i>Profit</i>					
Profit this year		82 348	82 348	79	82 427
Total profit		145 791	175 891	251	176 142
<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, 31 DECEMBER 2015	30 100	143 293	173 393	151	173 544
Equity, 1 January 2016	30 100	143 293	173 393	151	173 544
<i>Profit</i>					
Profit this period		48 464	48 464	1	48 465
Total profit		191 756	221 857	152	222 009
<i>Transactions with shareholders</i>					
Paid dividend		- 6 500	- 6 500	- 140	- 6 640
Total transactions with shareholders		- 6 500	- 6 500	- 140	- 6 640
CLOSING BALANCE, 30 JUNE 2016	30 100	185 256	215 357	12	215 369

Comments Group financials

Net sales

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

Participations in joint ventures

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

Holdings in joint ventures

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

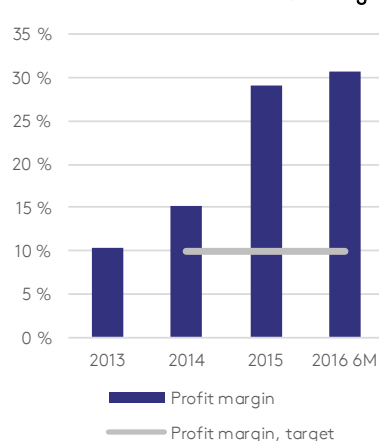
Recognised non-invoiced revenue

This item refers to the projects The Tube, ND Studios, and Bromma Tracks.

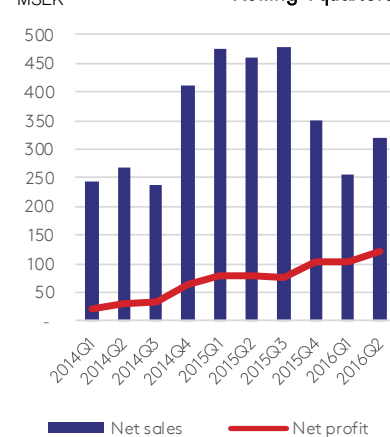
MSEK **Equity and equity ratio**



Profit margin



MSEK **Rolling 4 quarters**



The Group

Cash flow statement

SEK thousand	2016-01-01 2016-06-30	2015-01-01 2015-06-30
<i>Cash flow from current activities</i>		
Operating profit before financial expenses	62 262	42 694
Items not affecting liquidity	- 44 689	- 12 690
Received interest	5 655	122
Paid interest	- 19 677	- 8 976
Paid income taxes	- 3 012	- 802
Cash flow before changes in operating capital	539	20 348
<i>Cash flow before changes in operating capital</i>		
Decrease/increase in property projects	- 62 005	38 633
Decrease/increase in accounts receivables	- 2 253	128
Decrease/increase in other current receivables	45 004	10 450
Decrease/increase in supplier liabilities	- 28 923	- 4 242
Decrease/increase in current liabilities	1 781	4 057
Total change in operating capital	- 46 396	49 026
Cash flow from current activities	- 45 857	69 374
<i>Cash flow from investment activities</i>		
Investments in tangible assets	-	- 41
Investments in financial assets	- 70 502	- 58 383
Sale of financial assets	-	32 500
Cash flow from investment activities	- 70 502	- 25 924
<i>Cash flow from financing activities</i>		
Dividend	- 6 640	- 2 598
Increase in long-term liabilities	245 000	-
Amortisation of long-term liabilities	- 45 000	- 60 000
Cash flow from financing activities	193 360	- 62 598
Decrease/increase in liquid funds	77 001	- 19 148
Liquid funds, opening balance	52 696	28 672
LIQUID FUNDS AT THE END OF THE PERIOD	129 697	9 524

Parent company

Statement of comprehensive income

SEK thousand	2016-01-01 2016-06-30	2015-01-01 2015-06-30
Net sales	-	-
Gross profit	-	-
Sales and administration costs	- 177	- 192
Operating profit	- 177	- 192
Interest income and similar profit/loss items	9 015	7 930
Interest expenses and similar profit/loss items	- 15 201	- 8 964
Profit after financial items	- 6 363	- 1 226
Tax	-	-
PROFIT FOR THE PERIOD	- 6 363	- 1 226

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

SEK thousand	2016-06-30	2015-06-30	2015-12-31
<i>Fixed assets</i>			
Participations in Group companies	92 270	92 270	92 270
Receivables from Group companies	345 312	161 939	164 064
Restricted funds	-	9 000	9 000
Total fixed assets	437 582	263 209	265 334
<i>Current assets</i>			
Receivables from Group companies	-	-	5 000
Cash and bank balances	9 940	23	32
Total current assets	9 940	23	5 032
TOTAL ASSETS	447 522	263 232	270 366
EQUITY AND LIABILITIES			
SEK thousand			
2016-06-30			
2015-06-30			
2015-12-31			
<i>Shareholders' equity</i>			
Share capital	30 100	30 100	30 100
Unrestricted equity	36 697	35 746	35 746
Profit/loss for the year	- 6 363	- 1 226	7 451
Total equity	60 434	64 620	73 297
<i>Long-term liabilities</i>			
Other long-term liabilities	382 257	196 028	196 823
Total long-term liabilities	382 257	196 028	196 823
<i>Current liabilities</i>			
Liabilities to Group companies	50	2 499	50
Accounts payable - trade	30	-	23
Accrued costs and prepaid liabilities	4 751	85	173
Total current liabilities	4 831	2 584	246
TOTAL EQUITY AND LIABILITIES	447 522	263 232	270 366
Pledged assets	92 270	101 270	101 270
Contingent liabilities	-	73 000	-

Parent company Cash flow statement

SEK thousand	2016-01-01 2016-06-30	2015-01-01 2015-06-30
<i>Cash flow from current activities</i>		
Operating profit before financial expenses	- 177	- 192
Received interest	9 015	7 930
Paid interest	- 15 201	- 8 170
Cash flow before changes in operating capital	- 6 363	- 432
<i>Cash flow from changes in operating capital</i>		
Decrease/increase in supplier liabilities	6	-
Decrease/increase in current liabilities	4 578	2 452
Total change in operating capital	4 584	2 452
CASH FLOW FROM CURRENT ACTIVITIES	- 1 779	2 020
<i>Cash flow from investment activities</i>		
Investments in financial assets	- 176 247	-
Sale of financial assets	9 000	488
Cash flow from investment activities	- 167 247	488
<i>Cash flow from financing activities</i>		
Paid dividend	- 6 500	- 2 498
Increase in long-term liabilities	185 434	-
Cash flow from financing activities	178 934	- 2 498
Decrease/increase in liquid funds	9 908	10
Liquid funds, opening balance	32	13
LIQUID FUNDS AT THE END OF THE PERIOD	9 940	23

Parent company

Statement of changes in equity

SEK thousand	Share capital	Unrestricted equity Profit brought forward	Total equity
Equity, 1 January 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, 31 DECEMBER 2015	30 100	43 197	73 297
Equity, 1 January 2016	30 100	43 197	73 297
<i>Profit</i>			
Profit for the period		- 6 363	- 6 363
Total profit	-	- 6 363	- 6 363
<i>Transactions with shareholders</i>			
Paid dividend		- 6 500	- 6 500
Total transactions with shareholders	-	- 6 500	- 6 500
CLOSING BALANCE, 30 JUNE 2016	30 100	30 334	60 434

Notes

Note 1 General information

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

The business of the parent company comprises Group-wide functions and organization of the CEO and administrative staffs. Organization of projects and management of property 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.

The SSM Group's financial statement for the period January-June 2016 was approved for publication via decision by the Board of Directors on 23 August 2016.

This interim report has not been verified by SSM's auditors.

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

Note 2 Basis for preparation of financial statements

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 financial year ending 31 December 2015.

Note 3 Accounting principles

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 fiscal year 2015.

For the first time 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, and thereby promote 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 which are not defined or stated in applicable rules for financial reporting; IFRS and the Swedish Annual Accounts Act. The guidelines are mandatory for financial reports which are published after 3 July 2016.

Reconciliation of APMs is available on www.ssmfastigheter.se.

Note 4 Financial instruments – Fair value

Information on the fair value of lending and borrowing. The carrying amounts and fair values of long-term debt are as follows:

Fair values are based on discounted cash flows using a rate based on the lending rate of 7,74 % (2015-06-30 7,88 %) and classified in Level 2 of the fair value hierarchy. The fair value of short-term borrowing corresponds to its carrying value, since the discount is not significant.

SEK thousand	Reported value			Fair value		
	2016-06-30	2015-06-30	2015-12-31	2016-06-30	2015-06-30	2015-12-31
Bond issue	382,257	196,028	196,822	400,000	200,000	200,000
Other long-term liabilities	99,646	12,163	99,521	100,000	12,163	99,521
Total long-term liabilities	481,903	208,191	296,343	500,000	212,163	299,521

Notes cont'd

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 SEK 203,004 thousand (Jan-June 2015: SEK 235,506 thousand) and total revenues from external customers in other countries amounted to SEK 0 (2015 Jan-June: SEK 0).

Total fixed assets, other than financial instruments and deferred tax receivables (there are no assets in connection with benefits following terminated employment or rights associated with insurance contracts) located in Sweden amounts to SEK 1,400 thousand (2015-06-30: SEK 496 thousand, and 2015-12-31: SEK 1,818 thousand), and the total of such fixed assets located outside Sweden amounts to SEK 0 (2015-06-30 : SEK 0, and 2015-12-31: SEK 0).

Revenues of SEK 168,417 thousand are attributable to The Tube, Turbinhallen, ND Studios, and Bromma Tracks. For the period Jan-

Analysis of revenue by revenue type	2016-01-01 2016-06-30	2015-01-01 2015-06-30
- Project revenue, contracted	194,676	225,177
- Sale of other construction services	6,756	9,844
- Sale of other construction goods	142	460
- Other revenue	1,430	25
TOTAL	203,004	235,506

June 2015 revenues of SEK 218,166 thousand were attributable to four individual external customers.

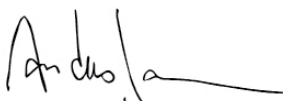
Future financial statements

Financial report for the period Jan-Sept will be published on 25 November 2016, 08.30 CET.

Auditor's verification

This report has not been verified by the company's auditors.

Stockholm 23 August 2016



Anders Janson
Chairman of the Board



Christofer Sjöstrand
Board member



Peri Kuldkepp
Board member

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.

Headquarters

SSM's headquarters are located on Kungsgatan 57A, 111 22 Stockholm, Sweden.

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.



SSM

**Smaller spaces
Larger living.**

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