



INDEX

RESIDENCE /

*JANUARY–
MARCH
2017*

Interim Report First Quarter 2017
Index Residence AB (publ)

Highlights

The Group

Equity/assets ratio (%)

2017	62
2016	65
2015	47
2014	41
2013	51
2012	62
2011	58
2010	58
2009	52

Total assets

2017	2,242,101
2016	2,098,346
2015	2,353,760
2014	2,627,624
2013	1,909,880
2012	1,591,200
2011	1,524,841
2010	1,635,142
2009	991,640

Equity

2017	1,385,033
2016	1,361,297
2015	1,113,953
2014	1,084,495
2013	978,855
2012	982,495
2011	881,737
2010	950,708
2009	517,931

Parent Company

Equity/assets ratio (%)

2017	37
2016	36
2015	33
2014	30
2013	35
2012	53
2011	72
2010	72
2009	66

Total assets

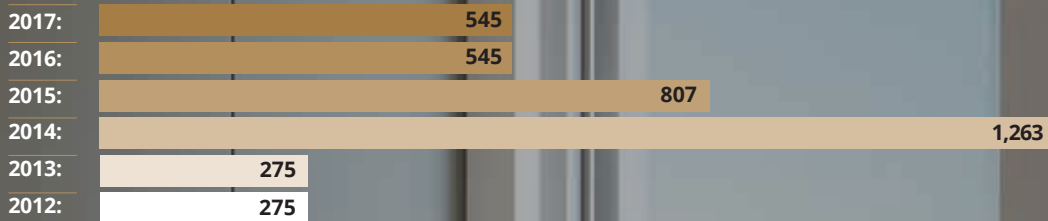
2017	1,830,362
2016	1,823,261
2015	1,717,587
2014	1,606,420
2013	1,224,302
2012	832,469
2011	681,119
2010	754,059
2009	820,569

Equity

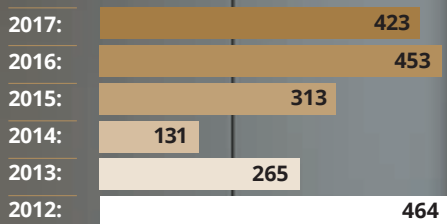
2017	608,927
2016	604,596
2015	538,618
2014	488,137
2013	428,105
2012	437,988
2011	491,124
2010	543,104
2009	544,271

Index Portfolio

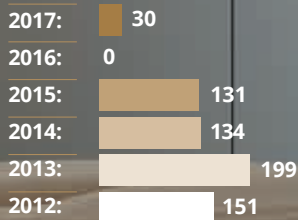
Total units under planning/zoning:



Total units in production:



Total units occupied during the period:



Sum total of units in portfolio:



Consolidated Income Statement in Summary

Amounts in SEK thousands	Note	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Operating income	5			
Net sales		47,699	11,318	17,803
Other operating income		-	634	38,578
Total		47,699	11,952	56,381
Operating expenses				
Purchase of goods and services		-40,165	-13,299	-30,555
Other external expenses		-7,592	-15,768	-40,319
Personnel costs		-4,795	-5,052	-17,025
Depreciation/amortization of property, plant and equipment and intangible fixed assets		-267	-303	-13,074
Change in value of properties		644	-	-
Result from participations in group companies		522	212,613	191,338
Result from participations in associates and joint venture		2,218	1,167	15,920
Total operating expenses		-49,435	179,358	106,285
Operating result		-1,736	191,310	162,666
Financial income		50,584	58,420	297,200
Financial expenses		-35,186	-64,034	-161,297
Net financial items		15,398	-5,614	135,903
Result before tax		13,662	185,696	298,569
Tax		15,706	-5,583	-22,039
Result for the period		29,368	180,113	276,530
Other comprehensive income				
Items that may later be reserved in the income statement:				
Exchange differences		-457	-11,586	-6,361
Exchange differences, non-controlling interests		-	-	-
Total items that may later be reserved in the income statement		-457	-11,586	6,361
Total comprehensive income for the period		28,911	168,527	270,169
Result for the period attributable to:				
Parent company shareholders		29,368	180,113	276,530
Non-controlling interests		-	-	-
Total comprehensive income attributable to:				
Parent company shareholders		28,911	168,527	276,530
Non-controlling interests		-	-	-
Earnings per share before dilution, SEK		289.11	1,685.27	2,701.69
Earnings per share after dilution, SEK		289.11	1,685.27	2,701.69

Consolidated Balance Sheet in Summary

Amounts in SEK thousands	Note	2017-03-31	2016-03-31	2016-12-31
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Balanced development expenses	5	1,601	2,087	1,707
Total Intangible assets		1,601	2,087	1,707
Property, plant and equipment				
Investment properties	5	33,045	123,031	32,607
Equipment, tools, fixtures and fittings		4,769	1,854	4,929
Total property, plant and equipment		37,814	124,885	37,536
Non-current financial assets				
Investments in associates	5	24,052	775	21,106
Investments in joint ventures	5	6,293	2,513	6,396
Other non-current receivables	4	1,726,849	1,370,953	1,538,655
Financial assets available for sale	4	5,000	7,500	5,000
Total non-current financial assets		1,762,194	1,381,741	1,571,157
TOTAL NON-CURRENT ASSETS		1,801,609	1,508,713	1,610,400
Current assets				
Residential units under development		218,613	247,359	223,200
Securities		86,233	89,649	85,649
Accounts receivables		18,825	5,129	8,808
Tax assets		21	122	62
Receivables to associates		69,495	4,398	89,935
Other receivables		25,394	13,676	20,779
Financial assets available for sale	4	-	15,000	-
Prepaid expenses and accrued income		2,131	6,703	2,993
Derivatives	4	3,620	5,607	3,410
Cash and cash equivalents		16,160	109,009	53,110
Non-current assets held for sale		-	49,000	-
TOTAL CURRENT ASSETS		440,492	545,652	487,946
TOTAL ASSETS		2,242,101	2,054,365	2,098,346

Consolidated Balance Sheet in Summary, Continued

Amounts in SEK thousands	Note	2017-03-31	2016-03-31	2016-12-31
EQUITY				
Equity attributable to Parent company shareholders				
Share capital		10,000	10,000	10,000
Reserves		4,011	-757	4,468
Retained earnings including comprehensive income for the year		1,371,022	1,245,237	1,346,829
Non-controlling interests		-	-	-
Total equity		1,385,033	1,254,480	1,361,297
LIABILITIES				
Non-current liabilities				
Borrowings	4	116,077	101,774	15,661
Bond loan	4	372,498	370,427	371,980
Derivatives	4	7,793	13,287	9,413
Other non-current liabilities		-	1,584	84,233
Deferred tax liabilities		49,570	70,823	64,673
Other provisions		86,987	120,243	2,753
Total long-term liabilities		632,925	678,138	548,713
Current liabilities				
Borrowings	4	3,881	7,965	43,885
Accounts payable		12,522	15,105	11,783
Invoiced but not earned income		119,640	-	-
Current tax liabilities		10,313	10,020	19,902
Derivatives	4	26,927	3,296	43,136
Other current liabilities		47,666	60,469	65,655
Accrued expenses and deferred income		3,194	24,892	3,975
Total current liabilities		224,143	121,747	188,336
TOTAL EQUITY AND LIABILITIES		2,242,101	2,054,365	2,098,346

For information in regards to pledged assets and contingent liabilities, see note 6-7.

Consolidated Statement of Changes in Equity, in Summary

Attributable to Parent company shareholders

Amounts in SEK thousands	Share Capital	Restricted reserves	Non-restricted reserves	Total	Non-controlling interests	Total equity
Opening balance 1 January 2016	10,000	10,829	1,093,124	1,113,953	-	1,113,953
Result for the period	-	-	180,113	180,113	-	180,113
Other comprehensive income	-	-11,586	-	-11,586	-	-11,586
Total comprehensive income for the period	-	-11,586	180,113	168,527	-	168,527
Paid Dividend	-	-	-28,000	-28,000	-	-28,000
Closing balance 31 March 2016	10,000	-757	1,245,237	1,254,480	-	1,254,480
Opening balance 1 januari 2017	10,000	4,468	1,346,829	1,361,297	-	1,361,297
Result for the period	-	-	29,368	29,368	-	29,368
Other comprehensive income	-	-457	-	-457	-	-457
Total comprehensive income for the period	-	-457	29,368	28,911	-	28,911
Disposed capital	-	-	-5,175	-5,175	-	-5,175
Closing balance 31 March 2017	10,000	4,011	1,371,022	1,385,033	-	1,385,033

Consolidated Cash Flow Statement in Summary

Amounts in SEK thousands	Note	2017-03-31	2016-03-31	2016-12-31
Cash flow from operating activities				
Operating result		-1,736	191,310	162,666
Depreciation		267	303	918
Unrealized change in value		-644	-	-
Other non-cash items		-2,326	8,096	25,211
Result from participation in group companies		-	-158,624	-132,361
Interest paid		-9,680	-25,125	-54,940
Interest received		925	7,484	28,851
Income tax		-8,945	-21 204	-32,882
Net cash flow from operating activities before changes in working capital		-22,139	2 240	-2,537
Cash flows from changes in working capital				
Change in inventories and work in progress		2,503	-4,745	-9,823
Change in current receivables		-13,230	1,218	-16,628
Change in current liabilities		-19,157	-19,654	-34,908
Total cash flows from changes in working capital		-29,884	-23,181	-61,359
Cash flows from operating activities		-52,023	-20,941	-63,896
Cash flows from investing activities				
Investments in intangible fixed assets		-	-1,901	-1,839
Investments in tangible fixed assets		-	-45,865	-4,230
Sales of subsidiaries		-	-144,254	-135,159
Investments in associated companies and joint venture		-	-25	-17,917
Result from associates and joint venture		-	-	28,550
Change in receivables in associated companies		20,440	-4,398	-89,935
Change in other non-current receivables		-60,368	143,315	225,006
Total cash flows from investing activities		-39,928	-53 128	4,476
Cash flows from financing activities				
Borrowings		85,412	25,826	5,260
Repayment of loan		-25,000	-216	-59,840
Disposed capital		-5,175	-	5,175
Dividends received/paid		-	-28,000	-28,000
Total cash flow from financing activities		55,237	-2,390	-77,405
Changes in cash and cash equivalents				
Opening balance, cash and cash equivalents		53,110	186,407	186,407
Exchange effect in cash and cash equivalents		-236	-939	3,528
Closing balance, cash and cash equivalents		16,160	109,009	53,110

Parent Company income Statement

Amounts in SEK thousands	Note	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Operating income				
Net sales		92	288	1,943
Total operating income		92	288	1,943
Operating expenses				
Other external expenses		-6,020	-5,050	-20,534
Personnel costs		-2,529	-2,494	-10,264
Depreciation/amortization of property, plant and equipment		-52	-20	-103
Total operating expenses		-8,601	-7,564	-30,901
Operating result		-8,509	-7,276	-28,958
Result from investments in group companies		-	-	11,834
Result from investments in associates		-	1,500	28,200
Result from other securities and receivables accounted for as fixed assets		-1,439	9,933	104,195
Other interest income and similar result items		27,471	45,946	173,443
Interest expenses and similar result items		-11,916	-29,306	-118,618
Result after financial items		5,607	20,797	170,096
Result before tax		5,607	20,797	170,096
Appropriations		-1,276	-	-48,810
Tax on earnings for the period		-	-4,520	-27,308
Result for the period		4,331	16,277	93,978

In the parent company, there are no items reported as other comprehensive income and therefore total comprehensive income equals result for the period.

Parent Company Balance Sheet

Amounts in SEK thousands	Note	2017-03-31	2016-03-31	2016-12-31
ASSETS				
Non-current assets				
Intangible assets				
Balanced development expenses		195	-	207
Property, plant and equipment				
Equipment, tools, fixtures and fittings		718	803	757
Non-current financial assets				
Investments in Group companies		154,792	52,652	154,792
Receivables from Group companies		75,971	127,832	77,101
Investments in associates		-	800	-
Investments in joint ventures		1,532	1,532	1,532
Other non-current receivables		1,436,902	1,323,608	1,420,479
Total non-current financial assets		1,669,197	1,506,424	1,653,904
Total non-current assets		1,670,110	1,507,227	1,654,868
Current assets				
Current receivables				
Trade receivables		895	493	1,761
Receivables from group companies		133,887	90,023	112,275
Receivables from associates and joint venture		6,085	-	4,047
Other receivables		10,301	3,872	8,205
Prepaid expenses and accrued income		171	94,226	2,353
Total current receivables		151,339	188,614	128,641
Cash and cash equivalents		8,913	-	39,752
Total current assets		160,252	188,614	168,393
TOTAL ASSETS		1,830,362	1,695,841	1,823,261

Parent Company Balance Sheet, continued.

Amounts in SEK thousands	Note	2017-03-31	2016-03-31	2016-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		10,000	10,000	10,000
Statutory reserve		2,000	2,000	2,000
Fund for development expenses		195	-	207
Total restricted equity		12,195	12,000	12,207
Non-restricted equity				
Non-restricted reserves		592,401	498,618	498,411
Result for the period		4,331	16,277	93,978
Total non-restricted equity		596,732	514,895	592,389
Total Equity		608,927	526,895	604,596
Untaxed reserves		76,500	35,200	76,500
Provisions				
Other provisions		31,100	10,976	49,139
Non-current liabilities				
Bond loan		372,498	370,427	371,980
Liabilities to Group companies		662,074	663,486	660,653
Total non-current liabilities		1,034,572	1,033,913	1,032,633
Current liabilities				
Trade payables		1,332	3,206	1,802
Liabilities to Group companies		40,829	29,740	12,442
Tax liabilities		10,184	8,015	19,673
Other liabilities		21,319	43,520	20,950
Accrued expenses and deferred income		5,599	4,376	5,526
Total current liabilities		79,263	88,857	60,393
TOTAL EQUITY AND LIABILITIES		1,830,362	1,695,841	1,823,261

For information in regards to pledged assets and contingent liabilities, see note 6-7.

GROUP KEY RATIOS	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Key ratios defined by IFRS			
Net sales	47,699	11,952	56,381
Result for the period	29,368	180,113	276,530
Earnings per share after tax, SEK	289	1,685	2,702
Key ratios not defined by IFRS			
Return on total equity in %	2.32	12.16	21.92
Return on equity in %	1.0	14.80	21.93
Return on total equity in % (Parent company)	0.96	2.95	15.84
Return on equity in % (Parent company)	0.84	3.75	25.61
EBITDA, SEK in thousands	-1,469	191,613	175,740
Operating income in SEK thousands	-1,736	191,310	162,666
Operating margin in %	-3.64	1,600.65	288.51
Cash liquidity in %	197	448	259
Solidity i %	61.77	61.06	64.87
Equity in SEK thousands	1,385,033	1,254,480	1,361,297
Equity per share, SEK	13,385	12,545	13,613
Number of share	100,000	100,000	100,000
Average number of shares	100,000	100,000	100,000
Average number of employees	13	9	9
Operational key ratios			
Number of apartments under zoning planning	545	807	545
Number of apartments under production	423	313	453
Number of occupied apartments	30	0	0
Number of apartments in the portfolio	968	1,300	998

The key ratio table contains a few financial and operational key ratios that does not have been defined by IFRS. Index Residence AB consider that these key ratios give valuable information to investors because of the combination with (but not instead of)

other key ratios enable evaluation of actual trends in a valuable way. These key ratios should not be regarded as replacement for items that are calculated according to IFRS.

Definition of key ratios

Number of outstanding shares	Number of registered shares at the end of the period
Return on equity in %	Result after financial items divided by total equity
Return on total equity in %	Operating result plus financial income divided by balance sheet total
Balance sheet total	Total assets or total equity and liabilities
EBITDA	Earnings before interest, tax, depreciation and amortization
Total equity per shares	Equity that is related to the owner of the parent company divided by number of outstanding shares at the end of the period
Cash liquidity in %	Current assets divided by current liabilities
Earnings per share after tax, SEK	Total comprehensive income for the period divided by number of outstanding shares
Solidity in %	Equity divided by Balance sheet total
Operating margin in %	Operating result divided by total operating income

Notes

Not 1 General information

Index Residence AB (publ), corporate identity number 556561-0770 is parent company in Index-Group. Index Residence AB (publ) is headquartered in Stockholm with address Kungsträdgårdsgatan 18, Box 7744, 103 95 Stockholm, Sweden. The operations of the Parent Company consists of group functions and organization with CEO and administrative functions. Organization of projects and management of real estate is headed by subsidiaries of the Group. No properties is owned directly by the parent company.

Index Group manages and develops real estate.

On May 30, 2017, this Interim report was approved by the Board of directors for publication.

This report has not been reviewed by the Index Residence's auditors.

All amounts are reported in thousands of Swedish kronor (ksek) unless otherwise stated.

Note 2 Basis for establishing of the reports

Index Residence AB applies IFRS (International Financial Reporting Standards) as adopted by the European Union. This report is prepared in accordance with IAS 34, Interim Financial Reporting. The interim report has been prepared in accordance with

Annual Accounts Act (AAA) chapter 9 and RFR 2 Accounting for Legal Entities. The interim report should be read in conjunction with the annual report for the fiscal year ended December 31, 2016.

Note 3 Accounting principles

The accounting policies are consistent with the principles applied in the previous financial year. See full accounting principles described in the Annual Report for 2016.

IFRS 15 Revenue from contract with customers

The new standard IFRS 15 Revenue from Contracts with Customers must be applied retrospectively and are required to apply for fiscal years beginning January 1, 2018 or later. The Group has started but not yet finished the evaluation of what impact the introduction of the standard will have. The Group's intention is to apply the new standard from the fiscal year beginning January 1, 2018.

Percentage-of-completion at project development of condominiums

The Group's project in Norrtälje as regard development of condominiums is performed by the Group sign an agreement where the condominium is the end-user. The Group recognize profit successively for the condominium projects when following criteria is established (i) The condominium has an association with an independent board in place, (ii) external financing has been obtained, (iii) agreements have been signed with residential buyers in the form of binding contract for the end-user, (iv) a signed agreement with the housing cooperative about building condominiums (v) and that a signed agreement between the condominium and an external contractor or a company within the Group is in place. The contracted revenue and expenses are reported according to the construction timeline. Income and expenses are thereby allocated to the period in which the work was completed.

The completion grade is calculated based on total accrued expenses compared to the total calculated expenditures excluding land cost. By land cost we mean acquisitions cost for land from third part. Per the new accounting standard IFRS 15 the work culminates from that of the commitment of the contract. The sales rate determines the number of condominiums sold and settlement rate takes into consideration the grade of completion along with the sales rate. It must be an agreement with a condominium holder before a condominium can be counted as sold. Any reassessment of the projects expected end-result cause correction of earlier accrued result in the project. This change of forecast is included in the result for the period. Estimated losses charge the periods result directly in total.

The Group has paid attention to the effects of the new accounting standard IFRS 15 in the model for the calculation of percentage-of-completion. Reported income of the project proportionate to the company's accrued expenses to meet the commitment in the contract and the Group only report income according to the construction timeline.

The Group is currently evaluating if the completion rate shall emanate from accrued expenses regarding the construct contract or if the completion rate shall emanate from the projects total accrued expenses. The Group has for this accounting period emanate from accrued expenses regarding the construct contract. The chosen method gives a lower result effect in the beginning of a project.

Notes

Note 4 Financial instruments – Fair value

Information on fair value of lending and borrowing

The carrying amount and fair value of long-term borrowing and lending are as follows:

	Booked value			Fair value		
	2017-03-31	2016-03-31	2016-12-31	2017-03-31	2016-03-31	2016-12-31
Oth non-curr rec.	1,726,849	1,370,953	1,538,655	1,726,849	1,370,953	1,538,655
Borrowing	-116,077	-101,774	-59,646	-116,077	-101,774	-59,546
Bond loan	-372,498	-370,427	-371,980	-372,498	-370,427	-371,980
Total long-term lending and borrowing	1,238,274	898,752	1,107,129	1,238,274	898,752	1,107,129

The fair value of current borrowings equal to its carrying amount, as the impact of discounting is not significant. Fair value is based on discounted cash flows using a rate based on the borrowing rate of 9 % and are classified in Level 2 of the fair value hierarchy.

Calculating fair value

The table below analyzes financial instruments carried at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Other observable data for the asset or liability other than quoted prices included in Level 1, either directly (ie as prices) or indirectly (ie derived from prices) (level 2).
- The value of the asset or liability are not based on observable market data, it is financial forecasts underlying the calculation of the value. Input for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The following table shows the Group's financial assets and liabilities measured at fair value as of March 31, 2017.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through income statement	-	-	-	-
- Financial assets held for sale:				
Currency Option	-	3,620	-	3,620
Real Estate projects	-	-	5,000	5,000
Total assets	-	3,620	5,000	8,620
Liabilities				
Financial liabilities at fair value through income statement				
- Derivatives held for trading:				
Currency Option	-	26,927	-	26,927
Interest Rate Swap	-	7,793	-	7,793
Total liabilities	-	34,720	-	34,720

Notes

The following table shows the Group's financial assets and liabilities measured at fair value as of March 31, 2016.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through income statement				
– Derivatives held for trading:				
Currency Option	–	5,607	–	5,607
– Financial assets held for sale	–	–	22,500	22,500
Total assets	–	5,607	22,500	28,107
Liabilities				
Financial liabilities at fair value through income statement				
– Derivatives held for trading:				
Currency Option	–	3,296	–	3,296
Interest Rate Swap	–	13,287	–	13,287
Total liabilities	–	16,573	–	16,573

Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory agency are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. The Group has no financial instruments classified in Level 1.

Fair value of financial instruments not traded in an active market (such as OTC derivatives) is determined using valuation

specialists. The Group uses (as far as possible) market data where it is available and company-specific information is used as little as possible. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Consolidated financial instruments are included in level 2 consists of currency options.

In cases where one or more significant inputs not based on observable market data, the instrument is classified in level 3. Following table shows the changes in fair value of financial assets held for sale:

(SEK in thousands)	2017-03-31	2016-03-31	2016-12-31
Opening balance	5,000	22,500	22,500
Transfer to level 3	–	–	–22,500
Gains and losses recognized in the income statement	–	–	5,000
Closing balance	5,000	22,500	5,000

The real value in the table is based on the forecast net profit of fixed revenues from sales of newly built condominiums (to the condominium association), the costs of the works in construction

projects. Forecasts of projects based largely on fixed income, and expenses, resulting in a minimal margin of error for its results.

Notes

Not 5 Segment information

A breakdown of income for all products and services looks as follows:

(SEK in thousands)	2017-01-01 2017-03-31	2016-01-01 2016-03-31	2016-01-01 2016-12-31
Analysis of income per revenue:			
– Sales of goods	–	7,942	7,948
– Property revenue	47,153	3,439	45,918
– Income from services	546	571	2,515
Total income	47,699	11,952	56,381
Income from external customers			
– Sweden	47,344	2,703	44,203
– Canada	355	8,735	11,653
– USA	–	514	525
Total income	47,699	11,952	56,381
Total fixed assets other than financial instruments and deferred tax assets which are located in:			
– Sweden	37,121	100,271	34,545
– Canada	32,639	29,989	32,201
Total	69,760	130,260	66,746

Note 6 Pledged assets

Group	2017-03-31	2016-03-31	2016-12-31
Real estate mortgages	15,588	240,505	15,975
Pledged receivables	172,050	–	–
Pledged shares	–	–	2,409
Total Group	187,638	240,505	18,384
Parent company			
Pledged shares	–	1,040	1,040
Total parent company	–	1,040	1,040

Real estate mortgages and share pledges are pledged as collateral for the Group's interest-bearing liabilities.

Note 7 Contingent liabilities

Parent company	2017-03-31	2016-03-31	2016-12-31
General guarantees for subsidiary loans	133,775	60,000	60,000
General guarantees for other company loans	424,972	469,793	411,332
Total parent company	558,747	529,793	471,332

Notes

Note 8 Events post reporting date

Upcoming reporting dates

- August 31, 2017 Interim report for period January – June 2017
- November 30, 2017 Interim report for period January – September 2017

Stockholm den 30 maj 2017



Bjarne Borg
Chairman of the Board



Rickard Haraldsson
CEO



Arne Weinz
Board member

