





Summary of the fourth quarter of 2017

- Net sales decreased by 7.250 ksek to 31.379 ksek (38.629 ksek)
- Operating result increased to 29,019 ksek (–3,284 ksek)
- Result after tax amounted to –178,187 ksek (7,637 ksek)
- The solidity amounted to 58% (65%)
- Earnings per share before dilution -1,781.9 sek (76.4 sek)*
- Number of apartments under zoning planning 434 (545)
- Number of apartments under production/production planning 368 (453)
- Number of occupied apartments during the period 59 (0)
- Number of apartments in the portfolio 802 (998)

KSEK – SEK in thousands	Oct-dec 2017	Oct-dec 2016	Jan-dec 2017	Jan-dec 2016
Net sales	31,379	38,629	139,726	56,381
Operating result	29,019	-3,284	80,409	162,666
Financial items, net	-212,221	16,989	-292,076	135,903
Result after tax	-178,187	7,637	-204,072	276,530
Total comprehensive income for the period	-177,581	9,482	-207,798	270,169
Balance sheet total	1,897,079	2,098,346	1,897,079	2,098,346
Earnings per share	-1,781.9	76.4	-2,040.7	2,765.3
Operating margin, %	92.4	-8.5	57.5	288.5
Solidity %	58	65	58	65
Number of apartments under zoning planning	434	545	434	545
Number of apartments under production/production plar	nning 368	453	368	453
Number of occupied/completed apartments during the pe	eriod 59	0	162	0
Number of apartments in the portfolio	802	998	802	998

Significant events during the quarter

Project Juvelen 1 and Juvelen 2, located next to Municipal House in Norrtälje, consist of more than 300 well-designed apartments. Final settlement has been done as per December 31 in project Juvelen 1 and the profit from the housing cooperative project is estimated to about 110 msek. Until the 31th of December 2017, 162 of the 185 homes have been sold. Remaining 23 housing cooperatives have been bought of the jointly owned associated company. In relation with the purchase of the 23 housing cooperatives, the associated company has set up a reserve on 9 msek in case of future losses.

Under the project name Norrtälje Torn, Index is developing 470 residences consisting of 5 blocks. In addition to residences, the project also contains 12 premises.

The sale of the first block, project Soltornet, in Norrtälje Torn was launched in the second half of 2016. As of December 31, 2017, 85 out of 87 houses were sold. The production of the block started in February 2017, and the residences are expected to be ready for occupation during the second quarter of 2019.

The second block, project Magasinet consists of 46 residences. Sale start for Magasinet was Q2 2017, as per December 31, 2017, 16 of the homes were sold.

Market development

The housing market in Norrtälje municipality is following the Swedish market at large. The development of Norrtälje Harbour is proceeding as planned and the area is expected to generate 2,000 new homes, of which Index accounts for 20%.

The sales of the first areas show strong demand in the area. As the interest of Havstornet in Norrtälje is great we are choosing to launch the project to the market during May 2018.

Pricing in Kista is showing a smaller percentage growth compared to previous period. The development of the Kista Äng area is proceeding according to plan

Result and position in October to December

The Group reports a quarterly result before tax of –183,207 ksek (13,705 ksek) and a result after tax of –178,187 ksek (7,637 ksek). Revenues from the percentage of completion method amount to 31,461 ksek (0 ksek) and the operating profit from the percentage of completion method amount to 17,168 ksek (0 ksek). The balance sheet amounted to 1,897 msek (2,098 msek). Net financial items amounted to –212,221 ksek (16,989 ksek). SEK has developed weakly against CAD and USD during the quarter. This has resulted in a currency effect of –7 msek (40 msek). The exchange rate effect relates to lending in foreign currency for the financing of the sister group's operations in Florida, USA and Ontario, Canada.

Solidity

The solidity was 58% (65%)

Cash flow, January-December

Cash flow for the Group's investments comes primarily from equity, bank loans, bond loans, income from construction contracts and divestment of real estate projects. Revenue from construction contracts is obtained on a regular basis, while results from project development of condominiums only provide a positive cashflow when occupancy occurs. The Group invests primarily in development properties in which the company is involved in the creation of the detailed development plan. The advantage of investing in projects at an early stage is that the company can thus take part in the entire value chain. This gives higher profits but longer lead times.

Cashflow from operating activities amounted to 21,928 ksek (-63,896 ksek). The change relates, among other things, to paid income taxes, increase of short-term receivables (-22,932 ksek) and a increase of short-term liabilities (56,597 ksek)

Cashflow from investing activities amounted to –174,475 ksek (4,476 ksek). The change mainly relates to obtaining -payment for land sales 36,852 ksek (0), received payment of 30,000 ksek for the sales of shares in Förvaltnings AB Odalen and investment in Norrtälje Harbour –22,741 ksek. Of the change in other non-current receivables, the other non-current receivables on Soltornet account for 143,963 ksek.

Cashflow from financing activities amounted to 197,910 ksek (–77,405 ksek). Changes relate to new loans of 111,648 ksek. Amortization of loans –40,000 ksek and repayment of claims from sister companies in North America of 180,837 ksek (MUSD 21.8) and paid dividend amounted to –50,000 ksek.

Liquidity

The Group's liquid assets amounted to, at the end of the period, 97 msek (53 msek). The company focuses strongly on liquidity monitoring. Rolling one-year forecasts as well as four-year forecasts are established on a continuous basis.

Parent company's, earnings and position, October-December

The parent company results before tax amounted to –219,672 ksek (4,377 ksek) and a result after tax of –173,666 ksek (–38,242 ksek). The balance sheet amounted to 1,380 mesk (1,823 msek). Net financial items amounted to –214,596 ksek (12,083 ksek). The securities portfolio has developed positively during the quarter and has generated a profit of 14,538 ksek (–30,425 ksek). The effects of a weaker crown against USD and CAD during the period gives an exchange rate effect of 9,164 ksek (29,404 ksek).

Significant risks and uncertainties in the operation

Significant risks and uncertainties are described in the latest annual report. No significant changes have occurred during the interim period.

Restructuring and Acquisition

There have been no restructuring or acquisitions in the group in the reported quarter.

Events after reporting period

The dispute between the power plant and the construction company has been dismissed due to the completion of the reconstruction of Index Energy Mills Road Corporation in Canada. As a result, the Group having previously been the largest claimant, has acquired the assets of a new whollyowned Canadian subsidiary, Index Energy Ajax Corporation "IEAC". As part of the acquisition process, IEAC has taken over the debt against Index Residence AB (publ).

In connection with the acquisition, the company's new investment in IEAC was amounted to 28.2 MCAD (181 MSEK). It has been financed through a loan of 10 MCAD and the remaining amount has been financed through own resources.

At the beginning of December, the value of the existing claim has been depreciated by 257 Msek. The remaining 428 Ksek in debt has been converted to equity in connection with the acquisition of assets in January 2018. Through this process, we have now created the necessary conditions for IEAC to develop its operations independently.

Prospects

The Group's prospects are solid. The Swedish project portfolio amounts to 802 homes. The Group has a project portfolio of approximately 2,000 homes under development, together with the sister group's, Index Enterprise LLC, whose investments are funded by Index Residence AB (publ). This includes the sister's group's ongoing and future projects in Florida, USA.

Transactions with related parties

Related parties to the parent company are the subsidiaries, Index Enterprise LLC Group, Index Equity Sweden AB Group, Index Equity US Group and associated companies as well as joint ventures. The parent company's transactions with related companies have mainly been of financial nature. Transactions have taken place on market terms. The Group has sold receivables on Canadian companies to Index Equity Sweden AB to book value. The sales amounts to 32 msek. The sales are part of the company's restructuring process. The intention is to streamline the business and to optimize the capital structure of the Group.

THE GROUP

Sales and result for the fourth quarter

Amounts in SEK millions	Q4 / 17	Q4 / 16
Net sales	31	39
Operating result	29	

Consolidated Income Statement in Summary

Amounts in SEK thousands	Note Oct-dec 2017	Oct-dec 2016	Jan-dec 2017	Jan-dec 2016
Operating income	5			
Net sales	31,379	1,733	139,726	17,803
Other operating income	-	36,896	-	38,578
Total	31,379	38,629	139,726	56,381
Operating expenses				
Purchase of goods and services	-14,907	-15,084	-80,098	-30,555
Other external expenses	-8,651	-10,359	-26,400	-40,319
Personnel costs	-4,615	-4,671	-16,651	-17,025
Depreciation/amortization of property, plant and				
equipment and intangible fixed assets	-237	-12,407	-1,017	-13,074
Change in value of properties	8,535	_	9,164	
Result from participations in group companies	-	-2,044	-6,297	191,338
Result from participations in associates and joint ventur	re 17,510	2,652	61,982	15,920
Total operating expenses	-2,365	-41,913	-59,317	106,285
Operating result	29,014	-3,284	80,409	162,666
Write down of receivables	-257,149		-257,149	
Financial income	37,645	79,191	155,832	297,200
Financial expenses	7,283	-62,202	-190,759	-161,297
Net financial items	-212,221	16,989	-292,076	135,903
Result before tax	-183,207	13,705	-211,667	298,569
Тах	5,020	-6,068	7,595	-22,039
Result for the period	-178,187	7,637	-204,072	276,530
Other comprehensive income				
Items that may later be reserved in the income stateme	nt:			
Exchange differences	606	1,845	-3,726	- 6,361
Exchange differences, non-controlling interests	-	-	-	-
Total items that may later be reserved in the income	statement 606	1,845	-3,726	-6,361
Total comprehensive income for the period	J 177 E01	9,482	-207,798	270,169
	d –177,581	3,402	-201,130	
Result for the period attributable to:	u -1/7,561	7,702	-201,130	
	-177,361 -178,187	•	· ·	
Result for the period attributable to:		7,637	-204,072 -	
Result for the period attributable to: Parent company shareholders Non-controlling interests	-178,187 -	•	· ·	
Result for the period attributable to: Parent company shareholders Non-controlling interests Total comprehensive income attributable	-178,187 - to:	7,637	-204,072 -	276,530 -
Result for the period attributable to: Parent company shareholders Non-controlling interests	-178,187 -	•	· ·	
Result for the period attributable to: Parent company shareholders Non-controlling interests Total comprehensive income attributable to the parent company shareholders	-178,187 - to:	7,637 - 9,482	-204,072 -	276,530 -

Consolidated Balance Sheet in Summary

Amounts in SEK thousands	Note	2017-12-31	2016-12-31
ASSETS			
Non-current assets			
Intangible assets			
Balanced development expenses	5	1,283	1,707
Total Intangible assets		1,283	1,707
Property, plant and equipment			
Investment properties	5	32,376	32,607
Equipment, tools, fixtures and fittings	5	4,600	4,929
Total property, plant and equipment		36,976	37,536
Non-current financial assets			
Investments in associates	5	4,276	21,106
Investments in joint ventures	5	49,345	6,396
Other non-current receivables	4	796,486	1,538,655
Financial assets at fair value, through profit and loss statement	4	5,000	5,000
Total non-current financial assets		855,107	1,571,157
TOTAL NON-CURRENT ASSETS		893,366	1,610,400
Current assets			
Residential units under development		233,104	223,200
Securities		79,043	85,649
Accounts receivables		17,213	8,808
Tax receivables		15,057	62
Receivables to associates		49,286	89,935
Other receivables		508,459	20,779
Prepaid expenses and accrued income		696	2,993
Derivatives	4	3,620	3,410
Cash and cash equivalents		97,235	53,110
Total current assets		1,003,713	487,946
TOTAL ASSETS		1,897,079	2,098,346

Consolidated Balance Sheet in Summary, Continued

Amounts in SEK thousands	Note	2017-12-31	2016-12-31
EQUITY			
Equity attributable to Parent company shareholders			
Share capital		10,000	10,000
Reserves		742	4,468
Retained earnings including comprehensive income for the year		1,088,182	1,346,829
Total equity		1,098,924	1,361,297
LIABILITIES			
Non-current liabilities			
Borrowings	4	100,129	15,661
Bond loan	4	-	371,980
Derivatives	4	7,793	9,413
Other non-current liabilities		-	84,233
Deferred tax liabilities		56,061	64,673
Other provisions		34,720	2,753
Total long-term liabilities		198,703	548,713
Current liabilities			
Bond loan		374,050	
Borrowings		18,628	43,885
Accounts payable		18,838	11,783
Invoiced but not earned income		78,381	_
Current tax liabilities		12,762	19,902
Derivatives	4	26,927	43,136
Other current liabilities		58,362	65,655
Accrued expenses and deferred income		11,504	3,975
Total current liabilities		599,452	188,336
TOTAL EQUITY AND LIABILITIES		1,897,079	2,098,346

For information regarding pledged assets and contingent liabilities, see note 6–7.

Consolidated Statement of Changes in Equity, in Summary

Attributable to Parent compa	ny shareholde	rs				
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	_		276,530	276,530	_	276,530
Other comprehensive income	_	-6,361	-	-6,361	-	-6,361
Total comprehensive income for the period	-	-6,361	276,530	270,169	-	262,532
Paid dividend			-28,000	-28,000	-	-28,000
Contributed capital	-	-	5,175	5,175	-	5,175
Closing balance 31 December 2016	10,000	4,468	1,346,829	1,361,297	-	1,361,297
Opening balance 1 January 2017	10,000	4,468	1,346,829	1,361,297	-	1,361,297
Result for the period	_		-204,072	-204,072		-204,072
Other comprehensive income	-	-3,726	-	-3,726	-	-3,726
Total comprehensive income for the period	-	-3,726	-204,072	-207,798	-	-207,798
Dividend			-50,000	-50,000		-50,000
Disposed capital	-	-	-4,575	-4,575	-	-4,575
Closing balance 31 December 2017	10,000	742	1,088,182	1,098,924	-	1,098,924

Consolidated Cash Flow Statement in Summary

Amounts in SEK thousands	Note	2017-12-31	2016-12-31
Cash flow from operating activities			
Operating result		80,409	162,666
Depreciation		1,017	918
Other non-cash items		-61,938	25,211
Result from participation in group companies		-	-132,361
Interest paid		-33,704	-54,940
Interest received		21,894	28,851
Income tax		-23,152	-32,882
Net cash flow from operating activities before changes in working capital		-15,474	-2,537
Cash flows from changes in working capital			
Change in inventories and work in progress		3,737	-9,823
Change in current receivables		-22,932	-16,628
Change in current liabilities		56,597	-34,908
Total cash flows from changes in working capital		37,402	-61,359
Cash flows from operating activities		21,928	-63,896
Cash flows from investing activities			
Investments in intangible fixed assets		_	-1,839
Investments in tangible fixed assets		-22,944	-4,230
Sales of tangible fixed assets		36,852	-
Sales of associated companies		30,000	-
Sales of subsidiaries		-	-135,159
Investments in associated companies and joint venture		-	-17,917
Result from associates and joint venture		-	28,550
Change in receivables in associated companies		40,650	-89,935
Change in other non-current receivables		-259,033	225,006
Total cash flows from investing activities		-174,475	4,476
Cash flows from financing activities			
Borrowings		111,648	5,260
Repayment of loan		-40,000	-59,840
Repayment of lending		180,837	-
Disposed capital		-4,575	5,175
Dividends received/paid		-50,000	-28,000
Total cash flow from financing activities		197,910	-77,405
Changes in cash and cash equivalents			
Opening balance, cash and cash equivalents		53,110	186,407
Exchange effect in cash and cash equivalents		-1,238	3,528
Closing balance, cash and cash equivalents		97,235	53,110

Parent Company Income Statement

Amounts in SEK thousands Not	Oct-dec 2017	Oct-dec 2016	Jan-dec 2017	Jan-dec 2016
Operating income				
Net sales	1,784	379	4,212	1,943
Total operating income	1,784	379	4,212	1,943
Operating expenses				
Other external expenses	-4,566	-5,345	-19,058	-20,534
Personnel costs	-2,282	-2,712	-8,874	-10,264
Depreciation/amortization of property, plant and equipment	-12	-28	-131	-103
Total operating expenses	-6,860	-8,085	-28,062	-30,901
Operating result	-5,076	-7,706	-23,850	-28,958
Result from investments in group companies	_	-13	_	11,834
Result from investments in associates	-	_	5,000	28,200
Result from other securities and receivables				
accounted for as fixed assets	33,292	41,220	-91,416	104,195
Write down of receivables	-261,132		-261,132	
Other interest income and similar result items	23,941	26,740	100,123	173,443
Interest expenses and similar result items	-10,697	-55,864	-41,568	-118,618
Result after financial items	-219,672	4,377	-312,843	170,096
Result before tax	-219,672	4,377	-312,843	170,096
Appropriations	46,006	-41,705	37,914	-48,810
Tax on earnings for the period	-	-914	-	-27,308
Result for the period	-173,666	-38,242	-274,929	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

ASSETS Non-current assets Intangible assets Balanced development expenses 158 Property, plant and equipment Equipment, tools, fixtures and fittings 675 Non-current financial assets Investments in group companies 154,847 Receivables from group companies 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Current assets Current assets Current receivables 538,031 Total non-current system 538,031 Total non-current system 538,031 Total non-current financial assets 718,756 Current receivables 718,756 Current receivables 718,756 Current receivables 92,104 Receivables from group companies 95,086 Receivables from group companies 95,086 Receivables from associates and joint venture 96,315 Tax receivables 91,4689 Other receivables 91,799 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 91,851	Note 2017-12-31 2016-12-31
Intangible assets Balanced development expenses 158 Property, plant and equipment Equipment, tools, fixtures and fittings 675 Non-current financial assets Investments in group companies 154,847 Receivables from group companies 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Total non-current sinancial assets 718,756 Total non-current assets 719,589 Current assets Current assets Current receivables 2,104 Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	
Balanced development expenses 158 Property, plant and equipment Equipment, tools, fixtures and fittings 675 Non-current financial assets Investments in group companies 154,847 Receivables from group companies 24,346 Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current receivables 718,756 Total non-current assets 719,589 Current assets Current receivables Trade receivables 2,104 Receivables from group companies 55,086 Receivables from group companies 55,086 Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 9 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	ts
Property, plant and equipment Equipment, tools, fixtures and fittings 675 Non-current financial assets 154,847 Receivables from group companies 24,346 Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Total non-current assets 719,589 Current assets 2,104 Receivables 2,104 Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	
Equipment, tools, fixtures and fittings 675 Non-current financial assets 154,847 Receivables from group companies 24,346 Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Current assets 719,589 Current receivables 2,104 Receivables from group companies 55,086 Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	expenses 158 207
Non-current financial assets Investments in group companies 154,847 Receivables from group companies 24,346 Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Total non-current assets 719,589 Current assets Current receivables Trade receivables 2,104 Receivables from group companies 55,086 Receivables from group companies 6,315 Tax receivables 9 Other receivables 14,689 Other receivables 9 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	quipment
Investments in group companies 154,847 Receivables from group companies 24,346 Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Total non-current assets 719,589 Current assets Current receivables Receivables From group companies 2,104 Receivables from group companies 55,086 Receivables from group companies 6,315 Tax receivables 6 Other receivables 14,689 Other receivables 189,999 Prepaid expenses and accrued income 179 Total current receivables 91,851 Total current assets 660,223	res and fittings 675 757
Receivables from group companies 24,346 Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Total non-current assets 719,589 Current assets Current receivables Current receivables Frade receivables 2,104 Receivables from group companies 55,086 Receivables from group companies 6,315 Tax receivables 14,689 Other receivables 146,899 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	l assets
Investments in joint ventures 1,532 Other non-current receivables 538,031 Total non-current financial assets 718,756 Total non-current assets 719,589 Current assets Current receivables Trade receivables 2,104 Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 91,851 Total current ssets 660,223	companies 154,847 154,792
Other non-current receivables538,031Total non-current financial assets718,756Total non-current assets719,589Current assets2,104Receivables2,104Receivables from group companies55,086Receivables from associates and joint venture6,315Tax receivables14,689Other receivables489,999Prepaid expenses and accrued income179Total current receivables568,372Cash and cash equivalents91,851Total current assets660,223	p companies 24,346 77,101
Total non-current financial assets Total non-current assets Total non-current assets Current assets Current receivables Trade receivables Trade receivables from group companies Receivables from associates and joint venture 6,315 Tax receivables Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851	ntures 1,532 1,532
Total non-current assets Current assets Current receivables Trade receivables 2,104 Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851	eivables 538,031 1,420,479
Current assetsCurrent receivablesTrade receivables2,104Receivables from group companies55,086Receivables from associates and joint venture6,315Tax receivables14,689Other receivables489,999Prepaid expenses and accrued income179Total current receivables568,372Cash and cash equivalents91,851Total current assets660,223	ancial assets 718,756 1,653,904
Current receivablesTrade receivables2,104Receivables from group companies55,086Receivables from associates and joint venture6,315Tax receivables14,689Other receivables489,999Prepaid expenses and accrued income179Total current receivables568,372Cash and cash equivalents91,851Total current assets660,223	rets 719,589 1,654,868
Trade receivables Receivables from group companies Receivables from associates and joint venture Tax receivables Other receivables Other receivables Prepaid expenses and accrued income Total current receivables Cash and cash equivalents Total current assets 660,223	
Receivables from group companies 55,086 Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	
Receivables from associates and joint venture 6,315 Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	2,104 1,761
Tax receivables 14,689 Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	p companies 55,086 112,275
Other receivables 489,999 Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	ciates and joint venture 6,315 4,047
Prepaid expenses and accrued income 179 Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	14,689
Total current receivables 568,372 Cash and cash equivalents 91,851 Total current assets 660,223	489,999 8,205
Cash and cash equivalents 91,851 Total current assets 660,223	accrued income 179 2,353
Total current assets 660,223	bles 568,372 128,641
·	ents 91,851 39,752
	660,223 168,393
TOTAL ASSETS 1,379,812	1,379,812 1,823,261

Parent Company Balance Sheet, continued.

Amounts in SEK thousands Not	te 2017-12-31	2016-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	10,000	10,000
Statutory reserve	2,000	2,000
Fund for development expenses	158	207
Total restricted equity	12,158	12,207
Non-restricted equity		
Non-restricted reserves	542,438	498,411
Result for the period	-274,929	93,978
Total non-restricted equity	267,509	592,389
Total Equity	279,667	604,596
Untaxed reserves	76,500	76,500
Provisions		
Other provisions	3,302	49,139
Non-current liabilities		
Bond loan	-	371,980
Liabilities to group companies	566,024	660,653
Total non-current liabilities	566,024	1,032,633
Current liabilities		
Bond loan	374,051	-
Liability to credit institution	15,000	-
Trade payables	1,345	1,802
Liabilities to group companies	15,576	12,442
Tax liabilities	12,862	19,673
Other liabilities	28,775	20,950
Accrued expenses and deferred income	6,710	5,526
Total current liabilities	454,319	60,393
TOTAL EQUITY AND LIABILITIES	1,379,812	1,823,261

For information regarding pledged assets and contingent liabilities, see note 6–7.

GROUP KEY RATIOS	Oct–dec 2017	Oct–dec 2016	Jan–dec 2017	Jan-dec 2016
Key ratios defined by IFRS				
Net sales	31,379	38,629	139,726	56,381
Result for the period	-178,187	7,637	-204,072	276,530
Earnings per share after tax, SEK	-1,781.9	76.4	-2,040.7	2,765.3
Key ratios not defined by IFRS				
Return on total equity in %	3.5	3.6	12.4	21.9
Return on equity in %	-16.7	1.0	-19.3	21.9
Return on total equity in % (Parent company)	1.4	3.3	5.5	15.8
Return on equity in % (Parent company)	-78.5	0.7	-111.9	25.6
EBITDA, SEK in thousands	29,251	9,123	81,426	175,740
Operating income in SEK thousands	29,014	-3,284	80,409	162,666
Operating margin in %	92.4	-8.5	57.5	288.5
Cash liquidity in %	167	259	167	259
Solidity i %	57.9	64.9	57.9	64.9
Equity in SEK thousands	1,098,924	1,361,297	1,098,924	1,361,297
Number of share	100,000	100,000	100,000	100,000
Average number of shares	100,000	100,000	100,000	100,000
Average number of shares after dilution	100,000	100,000	100,000	100,000
Average number of employees	13	13	13	9
Operational key ratios				
Number of apartments under zoning planning	434	545	434	545
Number of apartments under production	368	453	368	453
Number of occupied apartments	59	0	162	0
Number of apartments in the portfolio	802	998	802	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 registrated shares at the end of the period
Return on equity in %	Result after financial items divided by adjusted 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	Result of the period attributable to Parent company divided by average number of outstanding shares
Solidity in %	Equity divided by Balance sheet total
Operating margin in %	Operating result divided by total operating income

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 consist 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 are owned directly by the parent company.

Index Group manages and develops real estate.

On February 28, 2018, 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 principles are in accordance with the principles applied in the previous financial year. See the full accounting principles as described in the Annual Report for 2016.

As of January 1, 2018, two new standards started to apply: IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers. Based upon the analysis that has taken place during 2017, the introduction of the new standards will not cause any significant changes to the Group's financial statements, except for new disclosure requirements.

IFRS 9 Financial Instruments

IFRS 9 introduces new principles for the classification of financial assets and liabilities as well as credit reserves. The Group has analyzed the effects of the introduction of the new standard. The new principles regarding the classification of financial assets are based on an analysis of the business model in which the asset is managed as well as the asset's cash flow characteristics. These principles are not expected to have any significant impact on the Group's earnings or position. IFRS 9 further implies that the principles for the provision of credit losses on receivables are calculated trough a model based on expected losses. The Group's analysis of the model shows that the transition to IFRS 9 will not have any significant effect on the reported values of the Group's profit or loss due to the risk nature of the receivables. The Group will not apply IFRS 9 retroactively and thus not recalculate corresponding figures in the 2018 financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 15 is applicable as of 2018 and replaces existing revenue recognition standards. The new IFRS standard 15 Revenues from contracts with customers is mandatory and the Group will apply the standard to the fiscal year beginning January 1, 2018.

Percentage of completion method based upon project development of condominiums

The Group has carefully analyzed the Group's project development agreement with condominium-owner associations to

assess how revenue from project development of residential properties should be reported. According to the Company's assessment, entered agreements with condominium-owner associations should be reported as a combined agreement; as pricing and risks are considered as a whole and are deemed to constitute clear performance commitments.

The total revenue for project development, i.e. land sales and construction, are reported over time. As a consequence, the principles of the percentage of completion method are mostly applied as done previosly. The Company will not apply IFRS 15 retroactively and thus not recalculate corresponding figures in the 2018 financial statements.

The Group's ongoing projects have been implemented in the form of the Group signing a design and construction contract with an independent condominium-owner association as the client. The Group applies the percentage of completion method on the result from the day on which the following criteria are met: (i) the tenant-owner association has an independent board of directors, (ii) an external financing has been obtained, (iii) agreements have been signed with the residential buyers in form of binding contracts with the final customer, (iv) binding service contracts have been concluded with the condominium-owner association to build condominiums, (v) binding design and construct contract has been concluded between the tenant-owner association and a company within the Group.

The project's contract revenues and expenses are reported in line with the completion rate based on costs occurred in the design and construct contract. This means that revenues and expenses and consequently the result are attributed to the reporting period during which the work in the design and construction contract is performed.

The completion rate is measured based upon the contracted expenses as compared to the contracted projected expenses excluding land expenses. Land expenses are here referred to as acquisition costs for land from a third-party. According to the new accounting standard IFRS 15, the accumulation should be based on the contractual commitment. The sales ratio consists of the number of apartments sold in relation to the total

number of apartments being produced. A property is deemed sold when there is a binding agreement with the condominium owner. Any revaluations of the project's expected result will result in a correction of the Group's previously accumulated result. This forecast change is included in the reported result for the period. Expected losses are recognized immediately and have a direct impact upon the result for the reported period.

The Group has taken into account the effects of the new IFRS 15 standard when applying the percentage of completion method. Reported revenue from the project is proportional to the Company's work towards fulfilling the performance commitment in the contractual agreement. The Group only reports revenue at the rate of which the contractual agreement progresses.

IFRS 16, Leasing

IFRS 16, shall be applied from January 1, 2019 and govern how leasing is to be reported. All leasing costs are to be discounted and reported as fixed assets in the balance sheet with the corresponding interest-bearing debt. In the income statement, leasing costs are replaced by depreciation and interest expenses. According to the current accounting standard, only financial leasing is reported in this manner. At the transition to IFRS 16, the balance sheet total, capital employed, net debt and operating profit will increase. If the company were to have numerous leases, the new standard would affect key ratios. However, as the Group only holds leasing agreements for copiers and office space, the Group initially assesses that the new standard will have no significant impact on the result.

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	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Oth non-curr rec.	796,486	1,538,655	796,486	1,538,655
Borrowing	-100,129	-15,661	-100,129	-15,661
Bond loan	-	-371,980	-	-371,980
Total long-term lending and borrowing	696,357	1,151,014	696,357	1,151,014

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 December 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

The following table shows the Group's financial assets and liabilities measured at fair value as of December 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	-	3,410	-	3,410
Financial assets held for sale	-	-	5,000	5,000
Total assets	-	3,410	5,000	8,410
Liabilities				
Financial liabilities at fair value through income statement				
Derivatives held for trading:				
Currency Option	-	43,136	-	43,136
Interest Rate Swap	-	9,413	-	9,413
Total liabilities	-	52,549	-	52,549

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

Not 5 Segment information

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

(SEK in thousands)	2017-01-01	2016-01-01
	2017-12-31	2016-12-31
Analysis of income per revenue:		
- Sales of goods	-	7,948
- Property revenue	136,974	45,918
- Income from services	2,752	2,515
Total income	139,726	56,381
Income from external customers		
- Sweden	136,971	44,203
- Canada	2,755	11,653
- USA	-	525
Total income	139,726	56,381
Total fixed assets other than financial instruments and def	erred tax assets which are located in:	
- Sweden	59,910	34,545
- Canada	31,971	32,201
Total	91,881	66,746

Note 6 Pledged assets

Group	2017-12-31	2016-12-31
Real estate mortgages	15,589	15,975
Pledged receivables	172,050	_
Pledged shares	-	2,409
Total Group	187,639	18,384
Parent company	2017-12-31	2016-12-31
Pledged shares	-	1,040
Total parent company	-	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	2017-12-31	2016-12-31
General guarantees for subsidiary loans	85,000	60,000
General guarantees for other company loans	316,565	411,332
Total parent company	401,565	471,332

Note 8 Events post reporting date

Upcoming reporting dates

• April 29, 2018 Annual report 2017

• May 31, 2018 Interim report January–March 2018

Stockholm, 28 th of February 2018

Bjarne Borg

Chairman of the Board

Rickard Haraldsson

CEO

Arne Weinz

Member of the Board

Marie-Louise Alamaa

Member of the Board

