

interim report

January to March 2018

summary*	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Rental income, EUR million**	119	116	469
Like-for-like growth in rental income, percent	3.7	5.4	5.1
Net operating income, EUR million	62	60	251
Like-for-like growth in net operating income, percent	5.9	10.8	10.7
EBITDA, EUR million	57	57	231
Net operating income margin, percent	52.1	51.7	53.5
Adjusted net operating income margin, percent	68.2	68.2	68.0
Profit before tax, EUR million	220	313	984
Property fair value, EUR million	10,926	9,478	10,624
Change in property fair value, percent	1.9	3.1	9.7
Number of apartments	48,297	45,823	47,177
Real vacancy residential, percent	0.9	0.9	0.9
Like-for-like rent level increase, percent	0.7	1.2	4.7
Loan-to-value ratio, percent	45	42	44
Interest coverage ratio	1.9	6.3	4.7
Interest coverage ratio, excluding realized value growth	1.8	2.2	1.9

*) The Group's reporting currency is euro as of 2018.

***) Revenue from operating expenses invoiced to the tenants in France and Germany are not netted with expenses reported as operating expenses as of 2018, due to the application of the new revenue recognition principles based on IFRS 15. Rental income and operating expenses for prior years have been restated accordingly.



175 rue Championnet, Paris

Akelius now reports in euro

It is a natural step as we grow outside Sweden. Forty percent of our properties are located in the euro countries Germany and France, thirty percent are located in Sweden. Akelius' financing is mainly in euro. Reporting in euro facilitates access to new capital.

purchases EUR 283 million

We bought new properties for EUR 283 million, in 26 transactions in the first quarter. The largest volume were in Stockholm, Montreal, Paris, New York, Toronto. On April 1, after the end of the quarter, Akelius sold properties for EUR 234 million in the Greater Stockholm area. In April, we signed an agreement for the sale of three hundred apartments in Lund. The closing date is June.

change in value properties 1.9 percent

The key explanation is our growing net operating income. Like-for-like growth was six percent in net operating income and four percent in rental income.

loan-to-value ratio 45 percent

The loan-to-value ratio increased marginally, from 44 to 45 percent. Both debt maturities and fixed interest terms are around five years.

EUR 500 million hybrid bond

After the end of the quarter, we issued a EUR 500 million hybrid bond. The maturity is sixty years. Akelius has an option of early repurchase. The coupon is 3.875 percent. Standard and Poor's considers the hybrid bond as fifty percent equity, fifty percent debt.

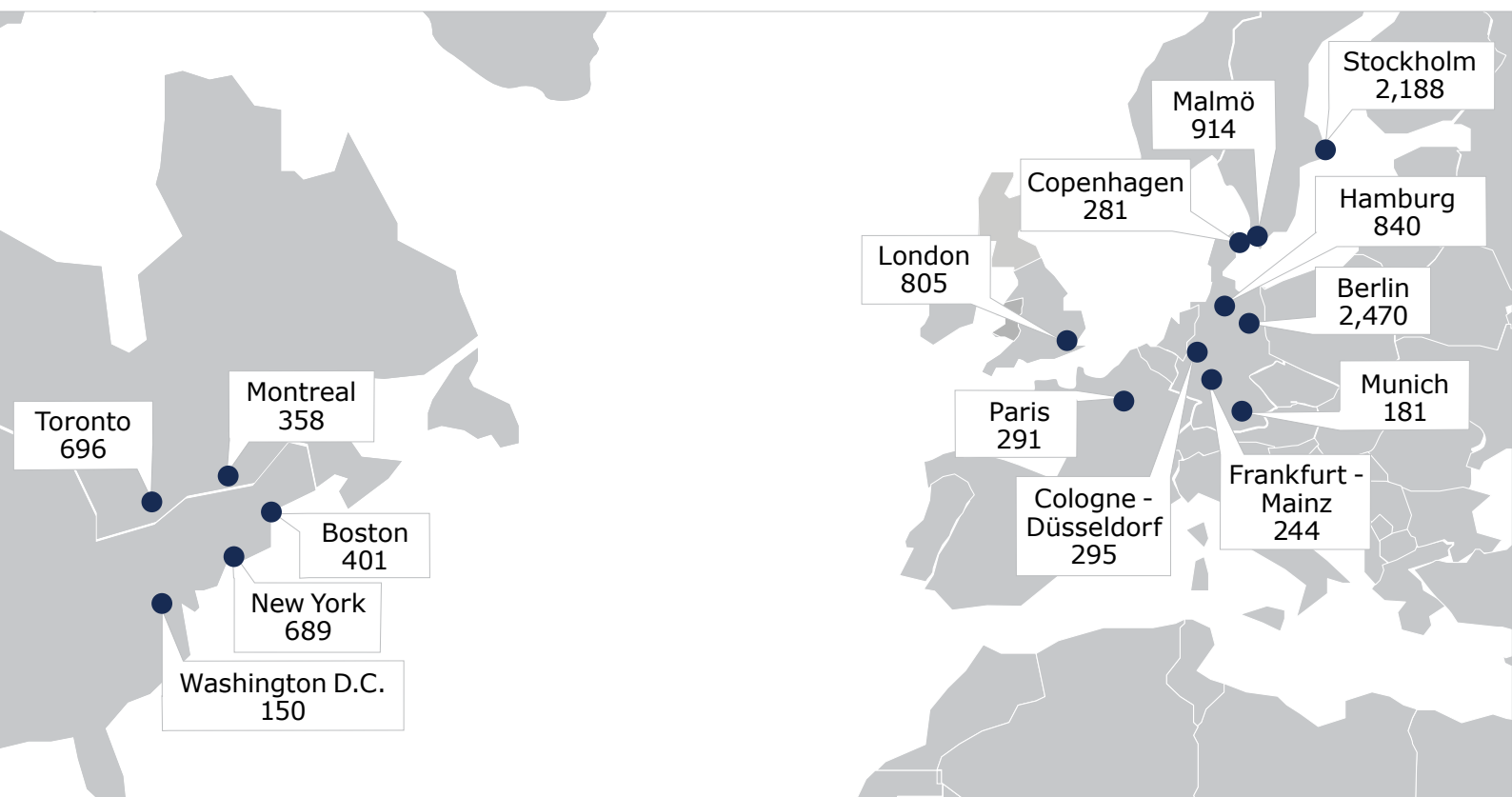
liquidity EUR 778 million

Liquidity covers two times short-term loans. The sale in the Greater Stockholm area on the first of April further strengthens liquidity.

Pål Ahlsén,
CEO and Managing director

property portfolio March 31, 2018

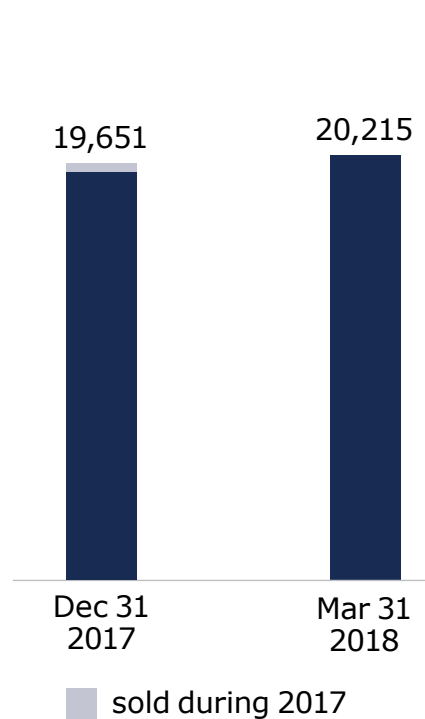
fair value properties, EUR 10,926 million



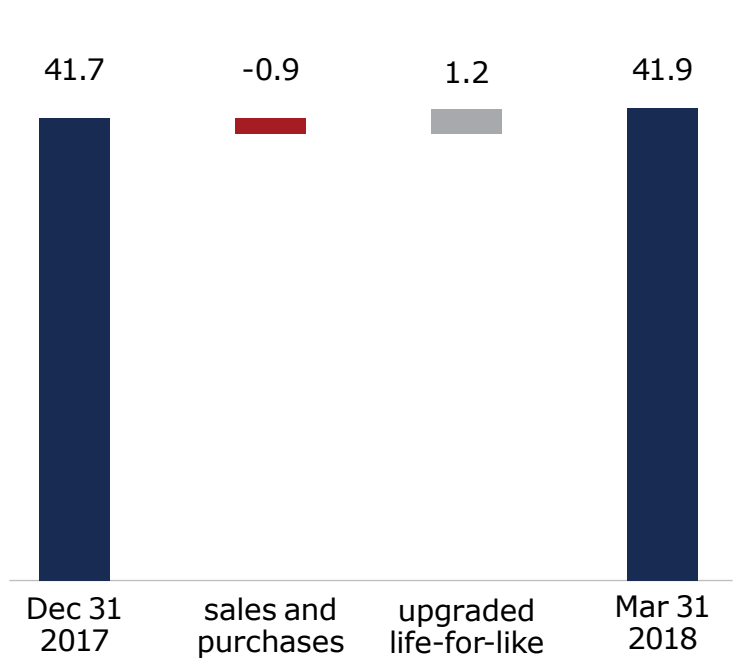
City	Residential units	Lettable space, thousand sqm			Fair value	
		Residential	Commercial	Total	EUR million	EUR/sqm
Berlin	12,933	813	66	879	2,470	2,811
Stockholm	9,390	677	50	727	2,188	3,011
Malmö	4,063	266	83	349	914	2,618
Hamburg	4,194	235	11	246	840	3,405
London	2,172	85	6	91	805	8,864
Toronto	3,869	213	4	217	696	3,212
New York	1,588	103	1	104	689	6,583
Boston	920	60	0	60	401	6,731
Montreal	2,196	150	1	151	358	2,371
Cologne-Düsseldorf	1,684	99	8	107	295	2,774
Paris	1,263	38	5	43	291	6,900
Copenhagen	1,031	83	6	89	281	3,178
Frankfurt-Mainz	1,086	66	6	72	244	3,384
Munich	735	40	2	42	181	4,298
Washington D.C.	673	48	0	48	150	3,094
Other	500	28	44	72	123	1,680
Total	48,297	3,004	293	3,297	10,926	3,314

changes in the property portfolio

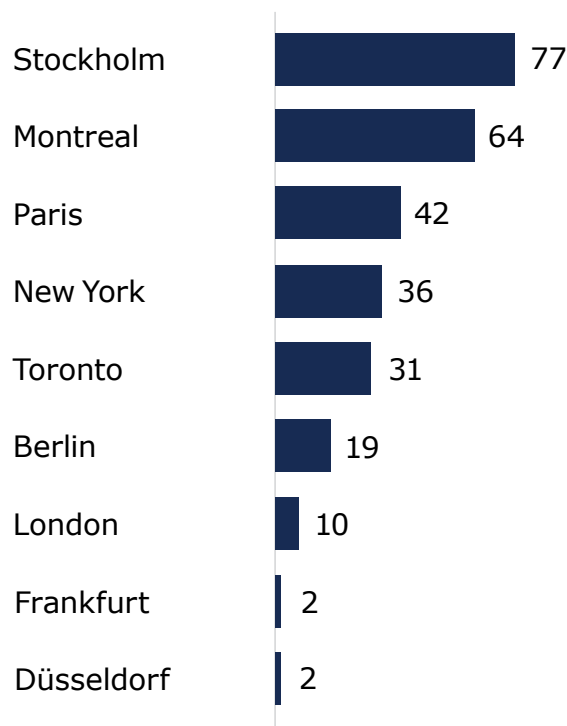
20,215 upgraded apartments



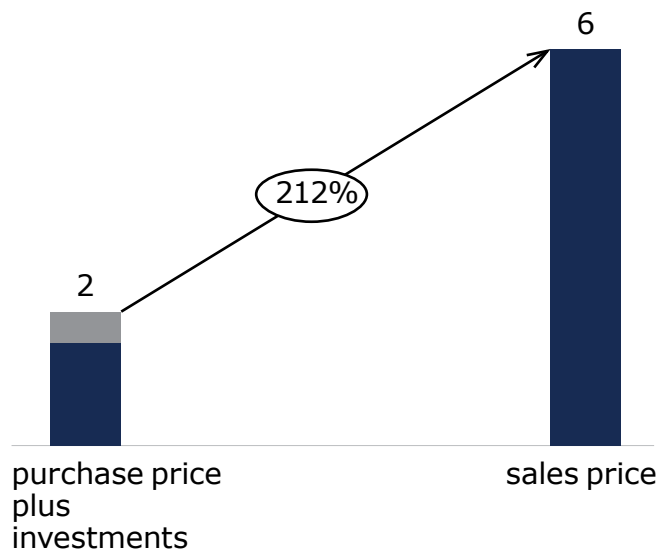
41.9 percent upgraded apartments



property purchases
EUR 283 million



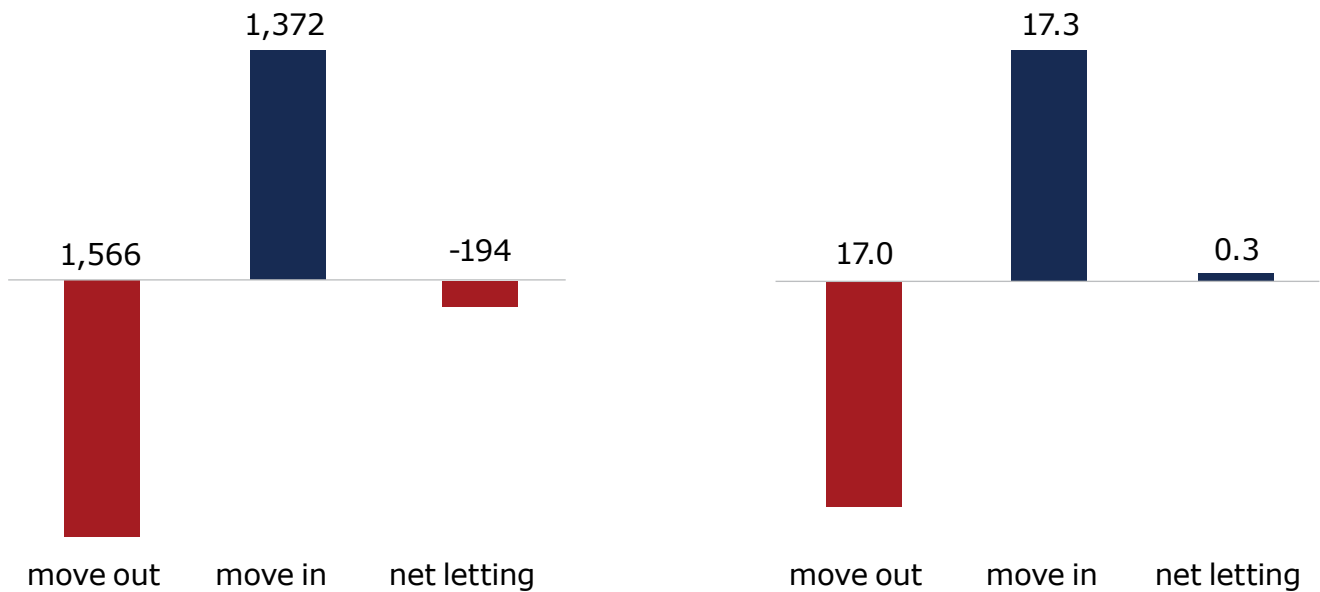
property sales
EUR 6 million



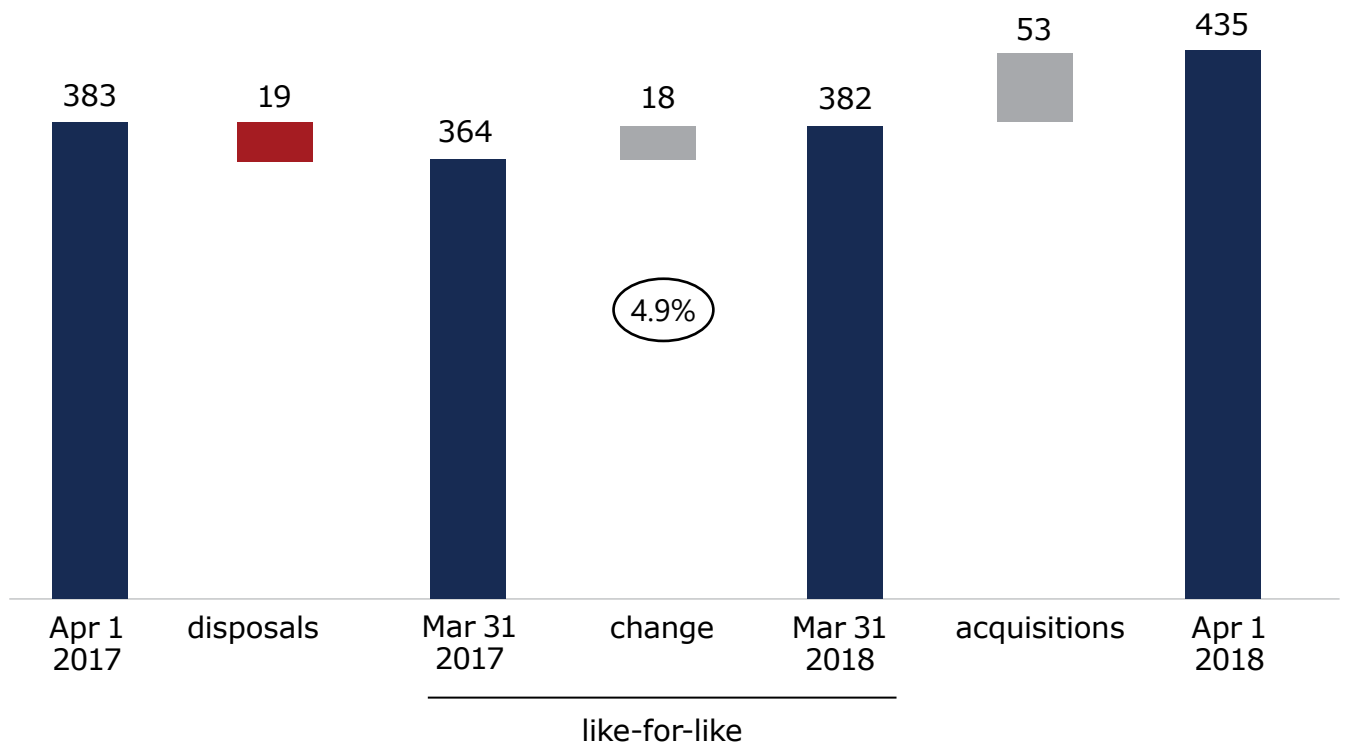
EUR 0.3 million in net letting Jan–Mar 2018

net letting -194 residential units

yearly in-place residential rent, EUR million



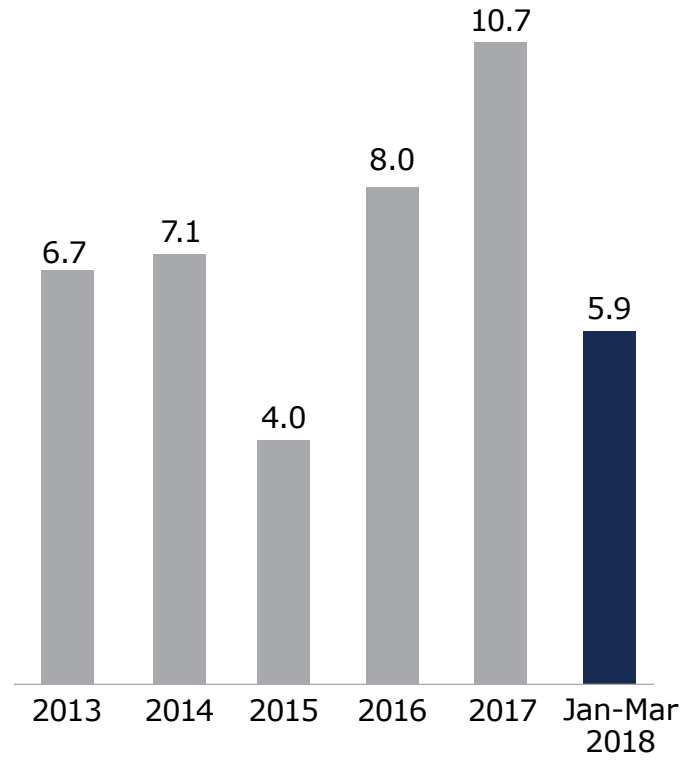
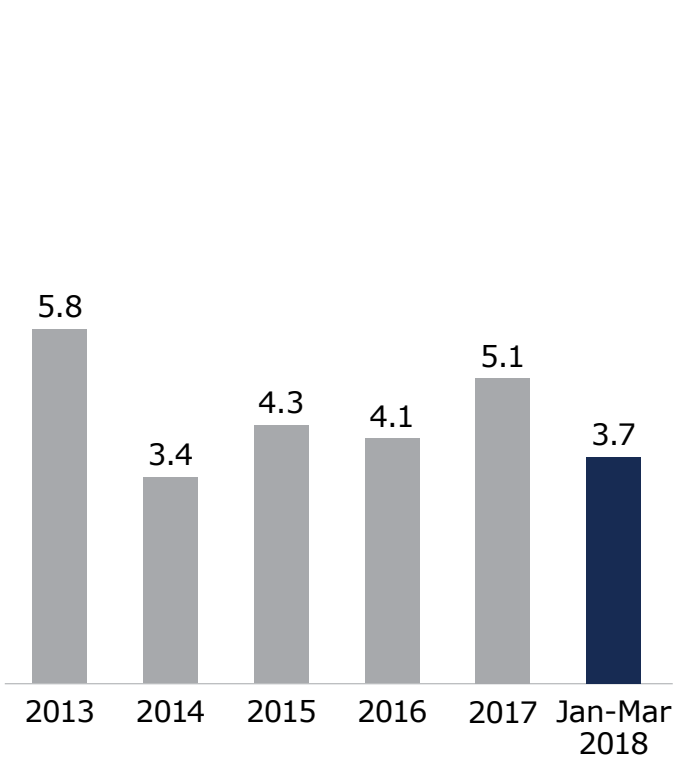
4.9 percent increase in yearly in-place residential rent



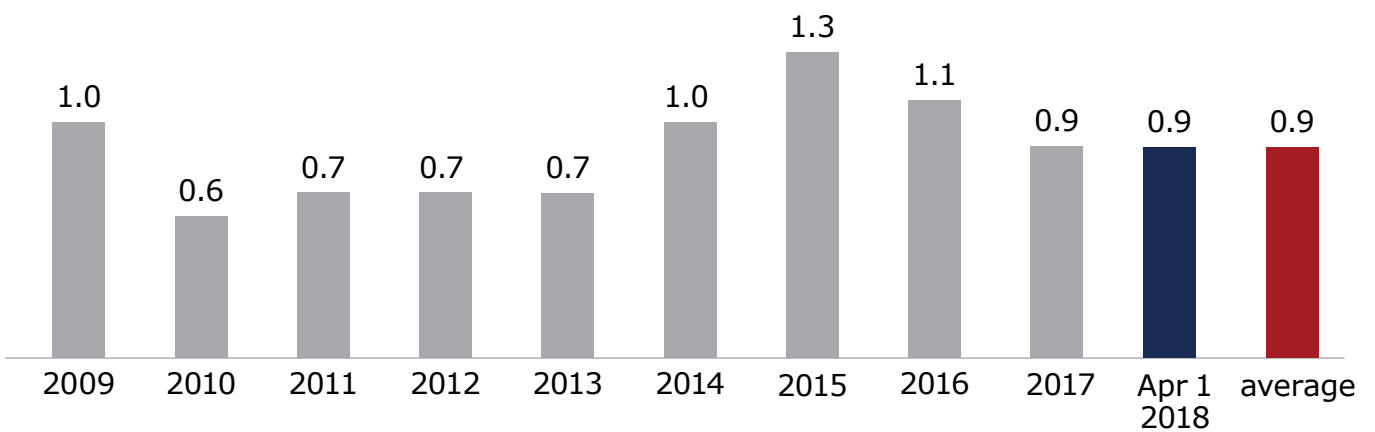
like-for-like growth

rental income 3.7 percent

net operating income 5.9 percent



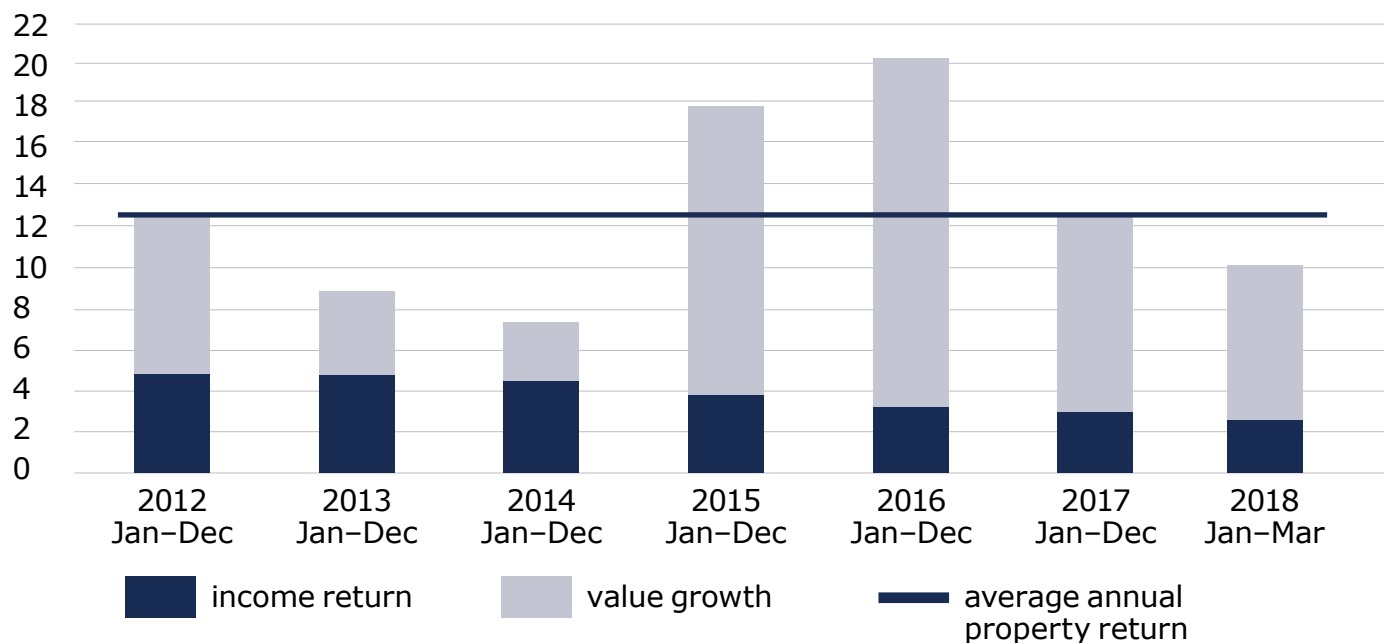
0.9 percent real vacancy



10.2 percent property return

annual property return

percent



fair value EUR 10,926 million

	EUR million	Growth Jan-Mar percent
Fair value, Jan 1, 2018	10,624	
Revaluations	198	1.9
Investments	54	0.5
Purchases	283	2.7
Sales	-6	-0.1
Exchange difference	-227	-2.2
Fair value, Mar 31, 2018	10,926	2.8
Net operating income	62	0.6
Total property return	260	Per annum: 10.2

capitalization rate 3.59 percent

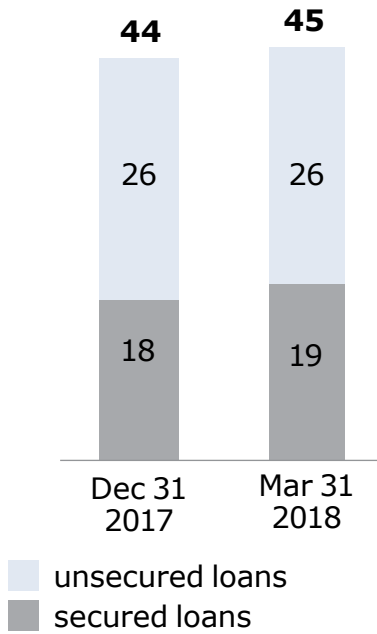
percent	Capitalization rate	Discount rate
Jan 1, 2018	3.60	5.59
Purchases	0.00	0.00
Sales	0.00	0.00
Like-for-like	-0.01	-0.01
Exchange difference	0.00	0.00
Mar 31, 2018	3.59	5.58

change in value EUR 198 million

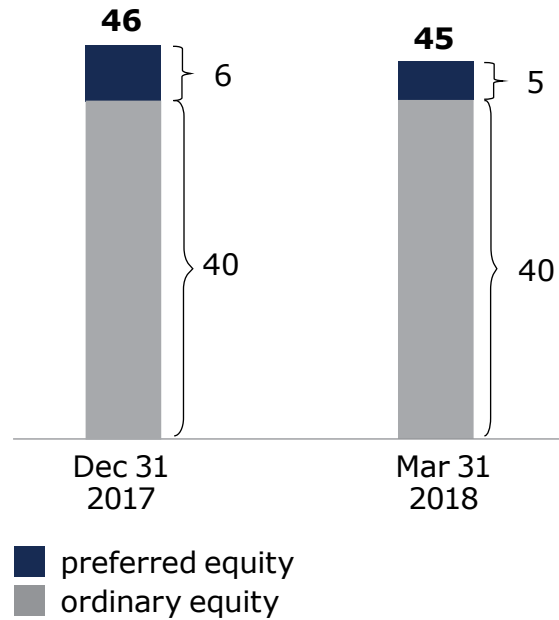
	EUR million	Return, percent
Cash flow	171	1.60
Required rate of return	21	0.20
Sales	-	0.00
Purchases	6	0.06
Total change in value	198	1.86

financing

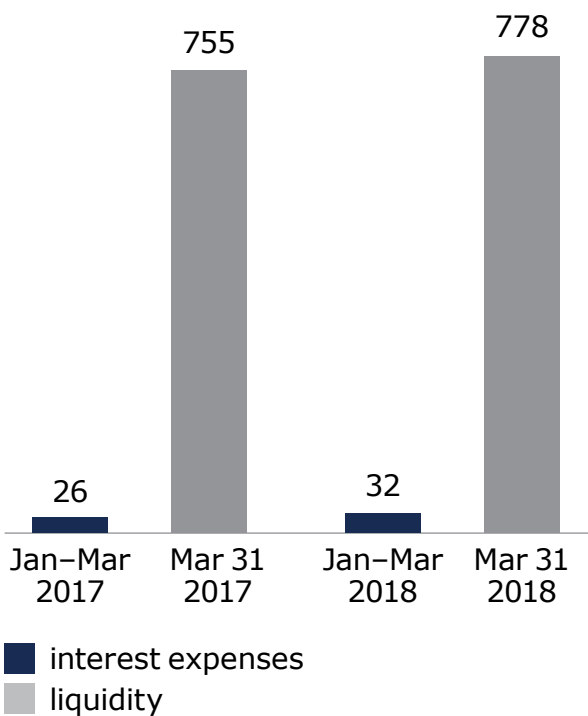
45 percent loan-to-value ratio



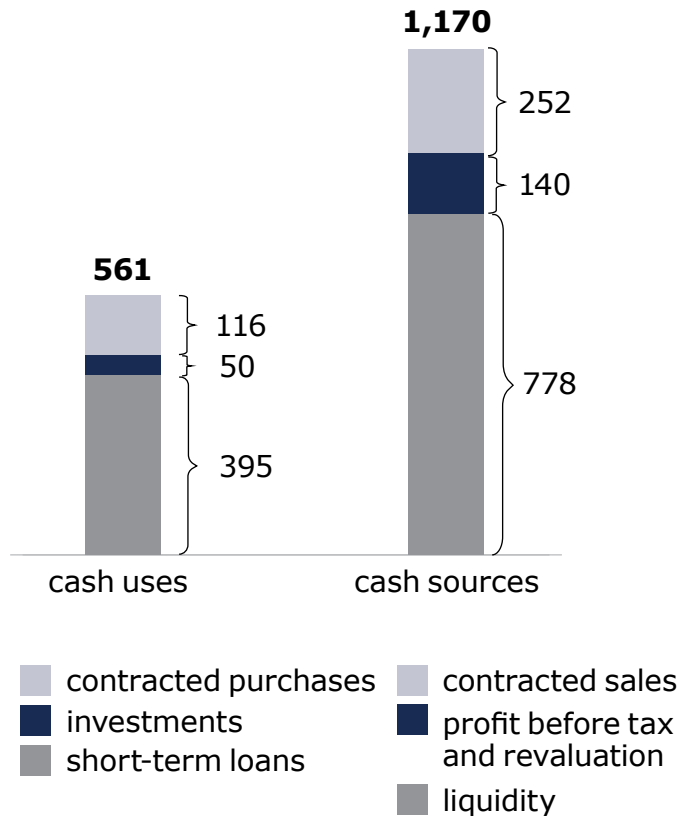
45 percent equity-to-assets ratio



interest expenses and liquidity
EUR million



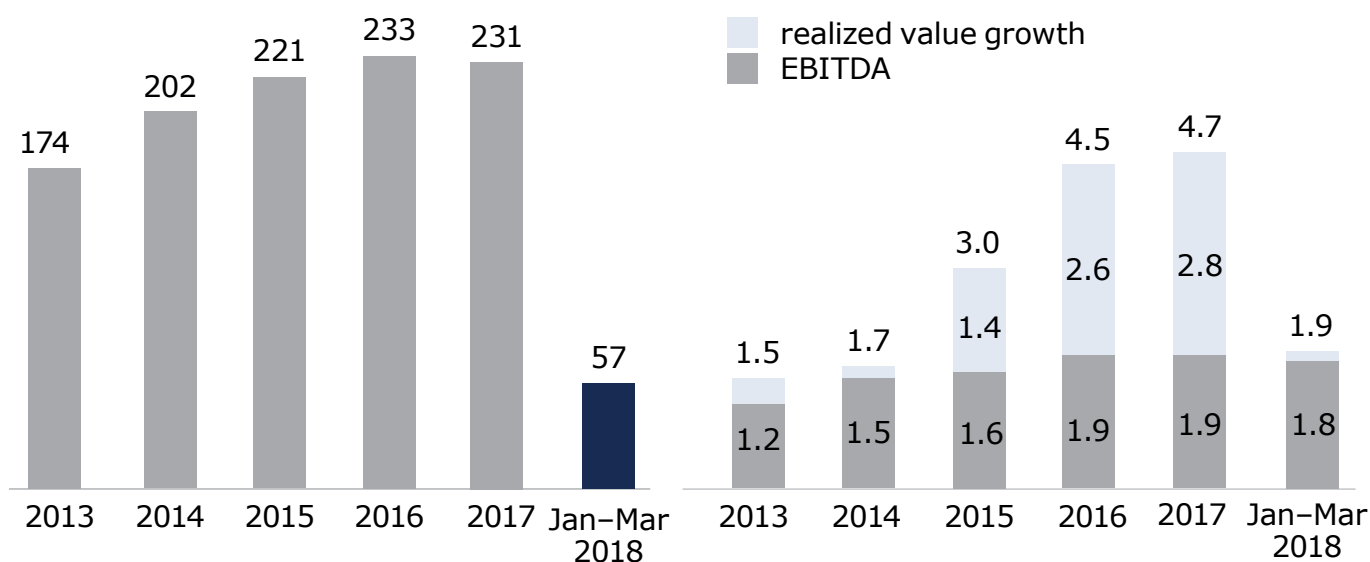
cash uses and sources
12 months, EUR million



financing

EBITDA EUR 57 million

interest coverage ratio 1.9



current interest and debt coverage capacity

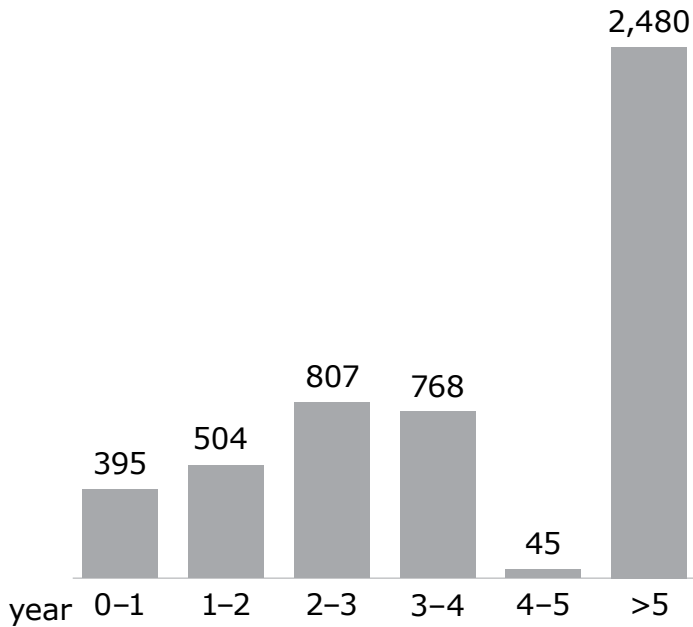
EUR million	Jan-Mar 2018	Pro forma, 12 months
Rental income	119	508*
Operating expenses	-50	-189
Maintenance	-7	-37
Net operating income	62	282
Central administrative and other expenses **	-5	-20
EBITDA	57	262
Net interest expense	-32	-119
Other financial income and expenses	-1	-3
Profit before tax and revaluation	24	140
Realized value growth	3	-
Interest coverage ratio	1.9	2.2
Interest coverage ratio excluding realized value growth	1.8	2.2
Net debt as per March 31, 2018	4,976	4,976
Net debt/EBITDA	21.9	19.0
Net debt/EBITDA including realized value growth	20.7	19.0

* Includes EUR 435 million in yearly in-place residential rent as of April 1, 2018, EUR 37 million in rental income for commercial properties and parking, EUR -5 million in real vacancy for apartments and EUR 41 million for other income.

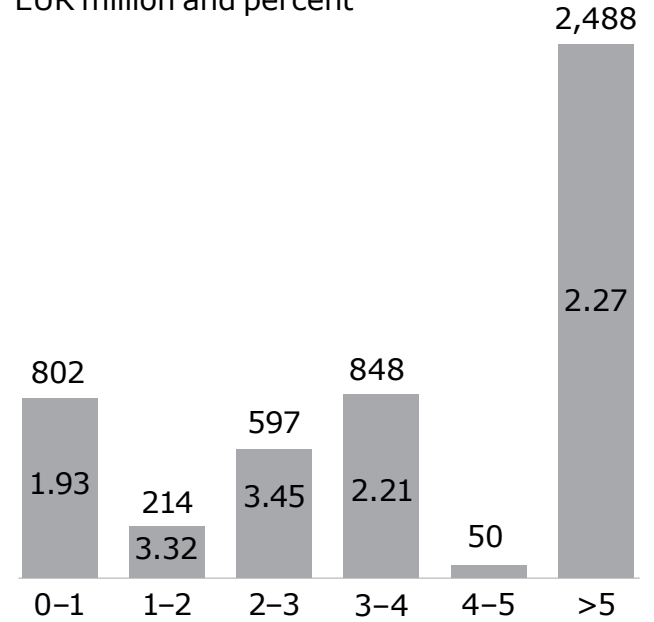
**Excludes EUR 1 million in operational exchange differences and depreciation.

financing

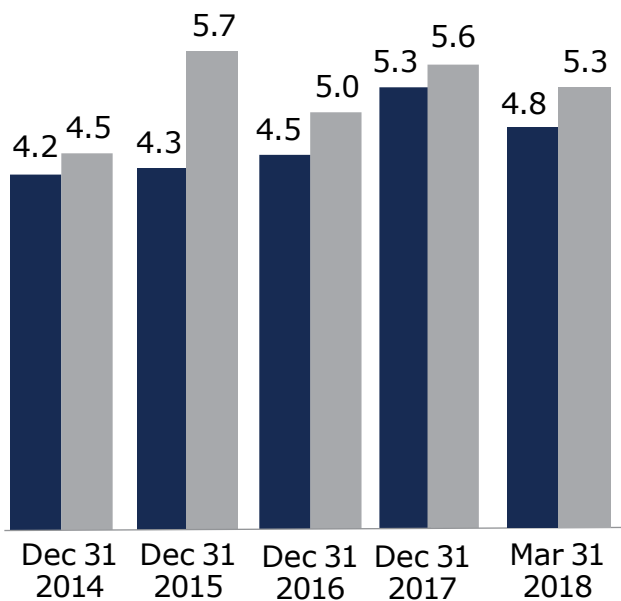
debt maturities
EUR million



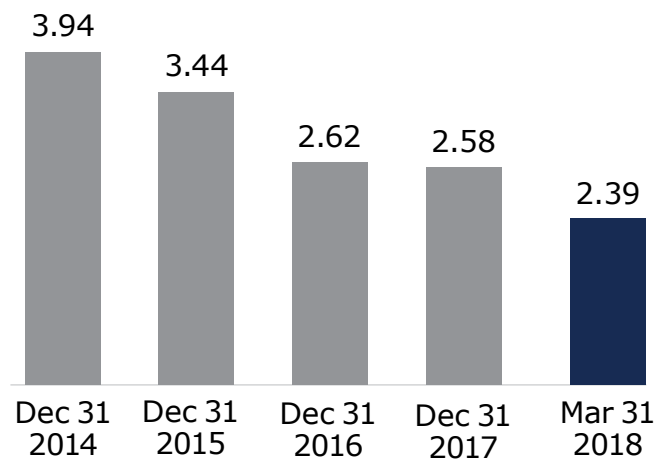
interest rate hedges,
average interest rate
EUR million and percent



fixed interest term 4.8 years
debt maturities 5.3 years

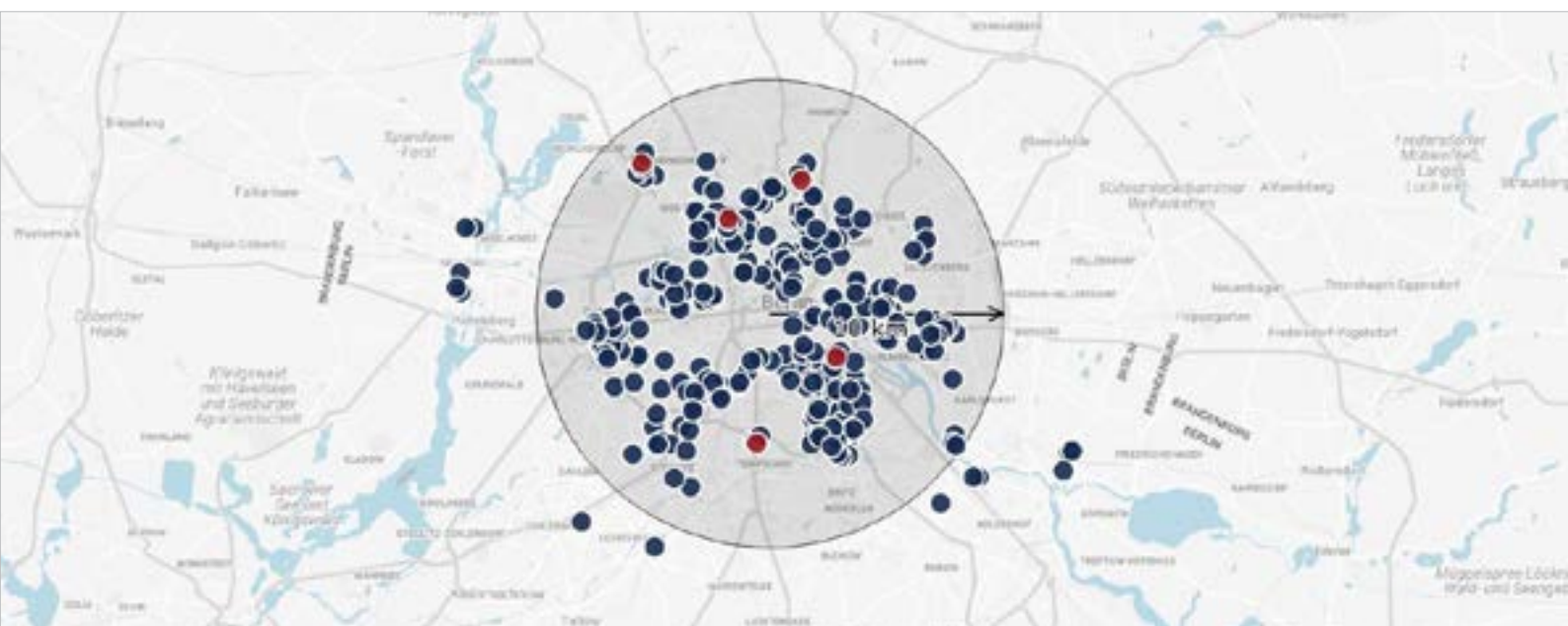


average interest rate
2.39 percent



■ fixed interest term
■ debt maturities

Berlin



- acquired properties ● like-for-like properties

Berlin

Property portfolio

Fair value, EUR million	2,470
Proportion of property fair value, percent	23
Capitalization rate, percent	3.40
Proportion upgraded apartments, percent	36
Average apartment size, sqm	63
Walk score	91

Average rent

EUR/sqm/month

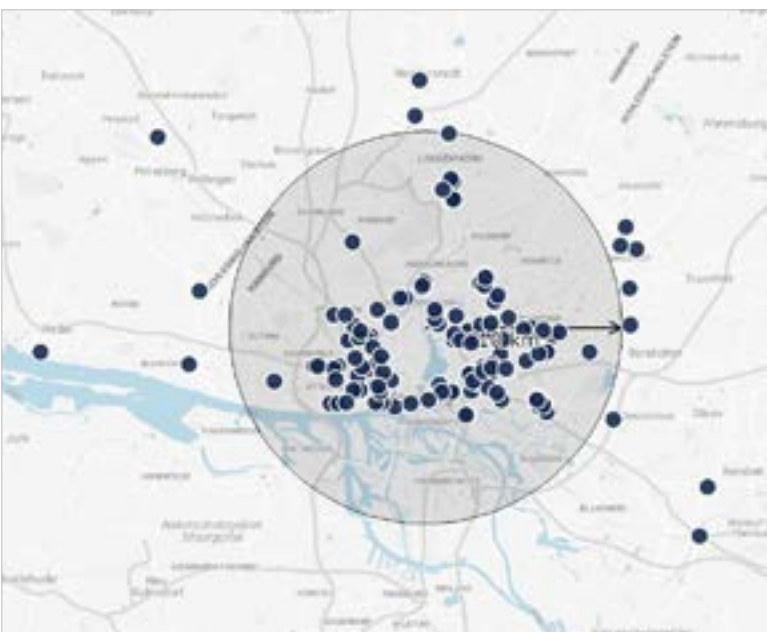
Total portfolio Jan 1, 2017	7.72
Sales	0.00
Like-for-like Jan 1, 2017	7.72
Like-for-like increase	0.54
– Increase in percent	6.9
Like-for-like Jan 1, 2018	8.26
Purchases	-0.07
Total portfolio Jan 1, 2018	8.19
New lease level	15.32

Vacancy rate residential

percent

Real vacancy rate	1.1
Apartments being upgraded	6.1
Vacancy rate	7.2

Hamburg



Munich



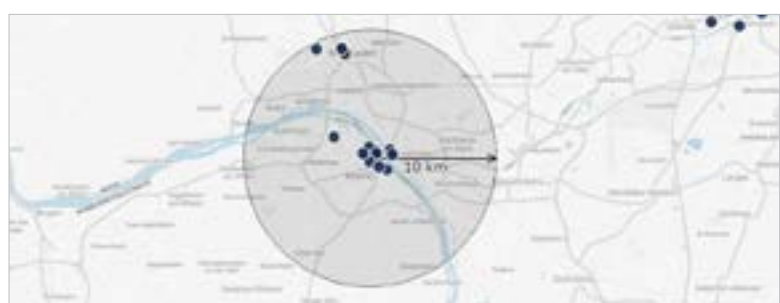
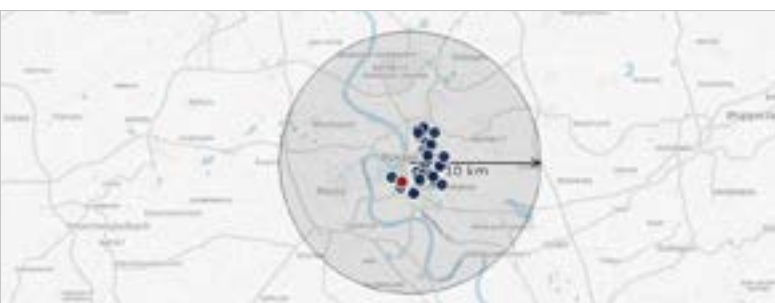
● acquired properties ● like-for-like properties

	Hamburg	Munich
Property portfolio		
Fair value, EUR million	840	181
Proportion of property fair value, percent	8	2
Capitalization rate, percent	3.77	3.61
Proportion upgraded apartments, percent	51	43
Average apartment size, sqm	56	55
Walk score	87	87
Average rent		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2017	10.32	12.29
Sales	0.00	-
Like-for-like Jan 1, 2017	10.32	12.29
Like-for-like increase	0.47	0.49
– Increase in percent	4.6	3.9
Like-for-like Jan 1, 2018	10.79	12.78
Purchases	-0.01	0.00
Total portfolio Jan 1, 2018	10.78	12.78
New lease level	14.81	17.32
Vacancy rate residential		
	percent	percent
Real vacancy rate	1.1	1.1
Apartments being upgraded	3.8	2.4
Vacancy rate	4.9	3.5

Cologne - Düsseldorf



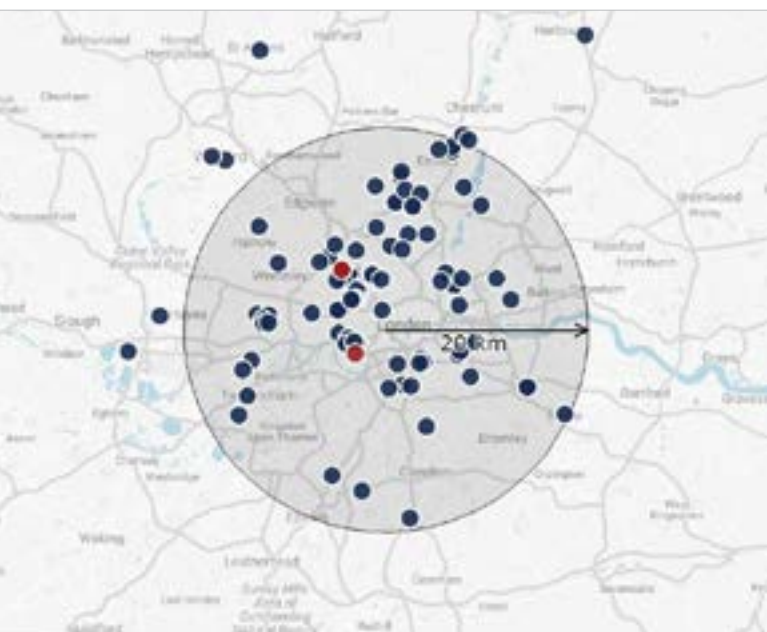
Frankfurt - Mainz



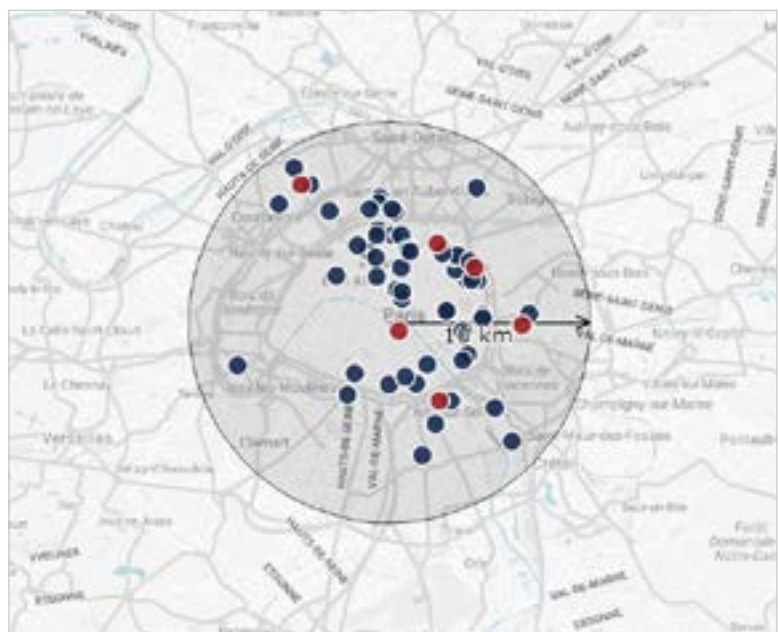
● acquired properties ● like-for-like properties

	Cologne Düsseldorf	Frankfurt Mainz
Property portfolio		
Fair value, EUR million	295	244
Proportion of property fair value, percent	3	2
Capitalization rate, percent	3.77	3.84
Proportion upgraded apartments, percent	42	67
Average apartment size, sqm	59	61
Walk score	95	89
Average rent		
	EUR/sqm/month	EUR/sqm/month
Total portfolio Jan 1, 2017	9.09	10.89
Sales	-	-
Like-for-like Jan 1, 2017	9.09	10.89
Like-for-like increase	0.33	0.31
- Increase in percent	3.6	2.9
Like-for-like Jan 1, 2018	9.42	11.20
Purchases	-0.01	0.02
Total portfolio Jan 1, 2018	9.41	11.22
New lease level	12.75	14.08
Vacancy rate residential		
	percent	percent
Real vacancy rate	1.0	1.1
Apartments being upgraded	5.8	4.0
Vacancy rate	6.8	5.1

London



Paris



- acquired properties ● like-for-like properties

London

Paris

	London	Paris
Property portfolio		
Fair value, EUR million	805	291
Proportion of property fair value, percent	7	3
Capitalization rate, percent	4.16	4.12
Proportion upgraded apartments, percent	45	16
Average apartment size	420 sqft	30 sqm
Walk score	85	97
Average rent		
	GBP/sqft/month	EUR/sqm/month
Total portfolio Jan 1, 2017	2.61	21.37
Sales	-	-
Like-for-like Jan 1, 2017	2.61	21.37
Like-for-like increase	0.04	2.92
- Increase in percent	1.4	13.8
Like-for-like Jan 1, 2018	2.65	24.29
Purchases	0.10	-1.26
Total portfolio Jan 1, 2018	2.75	23.03
New lease level	2.63	44.34
Vacancy rate residential		
	percent	percent
Real vacancy rate	2.0	1.0
Apartments being upgraded	16.0	45.3
Vacancy rate	18.0	46.3

Stockholm



Malmö



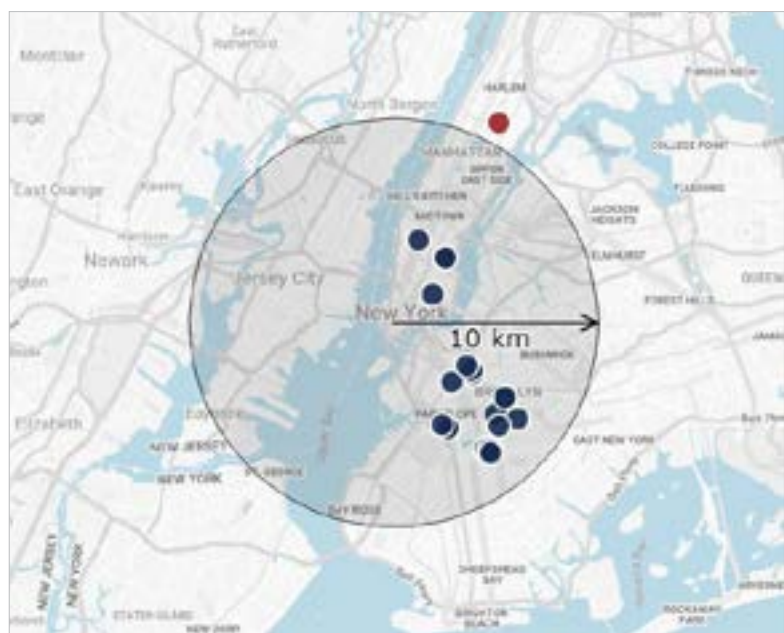
● acquired properties ● like-for-like properties

	Stockholm	Malmö
Property portfolio		
Fair value, EUR million	2,188	914
Proportion of property fair value, percent	20	8
Capitalization rate, percent	2.81	3.16
Proportion upgraded apartments, percent	55	49
Average apartment size, sqm	73	65
Walk score	60	91
Average rent		
	SEK/sqm/year	SEK/sqm/year
Total portfolio Jan 1, 2017	1,245	1,290
Sales	1	0
Like-for-like Jan 1, 2017	1,246	1,290
Like-for-like increase	32	46
– Increase in percent	2.5	3.5
Like-for-like Jan 1, 2018	1,278	1,336
Purchases	3	-2
Total portfolio Jan 1, 2018	1,281	1,334
New lease level	1,499	1,562
Vacancy rate residential		
	percent	percent
Real vacancy rate	0.0	0.0
Apartments being upgraded	1.5	0.8
Vacancy rate	1.5	0.8

Copenhagen



New York



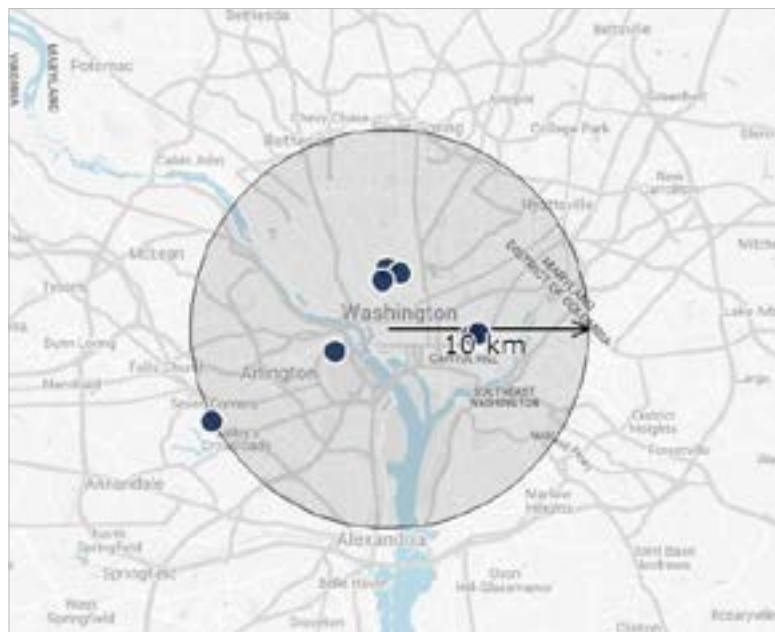
- acquired properties ● like-for-like properties

	Copenhagen	New York
Property portfolio		
Fair value, EUR million	281	689
Proportion of property fair value, percent	3	6
Capitalization rate, percent	3.08	4.25
Proportion upgraded apartments, percent	27	23
Average apartment size	80 sqm	702 sqft
Walk score	95	96
Average rent		
	DKK/sqm/year	USD/sqft/month
Total portfolio Jan 1, 2017	896	2.31
Sales	-	-
Like-for-like Jan 1, 2017	896	2.31
Like-for-like increase	45	0.14
- Increase in percent	5.0	6.1
Like-for-like Jan 1, 2018	941	2.45
Purchases	10	0.36
Total portfolio Jan 1, 2018	951	2.81
New lease level	1,642	4.87
Vacancy rate residential		
	percent	percent
Real vacancy rate	0.6	1.5
Apartments being upgraded	4.9	8.9
Vacancy rate	5.5	10.4

Boston



Washington D.C.



- acquired properties ● like-for-like properties

Boston Washington D.C.

	Boston	Washington D.C.
Property portfolio		
Fair value, EUR million	401	150
Proportion of property fair value, percent	4	1
Capitalization rate, percent	4.34	4.84
Proportion upgraded apartments, percent	55	29
Average apartment size, sqft	697	775
Walk score	87	85
Average rent		
	USD/sqft/month	USD/sqft/month
Total portfolio Jan 1, 2017	3.30	1.79
Sales	-	-
Like-for-like Jan 1, 2017	3.30	1.79
Like-for-like increase	0.15	0.08
– Increase in percent	4.6	4.8
Like-for-like Jan 1, 2018	3.45	1.87
Purchases	0.01	0.03
Total portfolio Jan 1, 2018	3.46	1.90
New lease level	3.73	1.99
Vacancy rate residential		
	percent	percent
Real vacancy rate	5.1	1.9
Apartments being upgraded	15.6	37.2
Vacancy rate	20.7	39.1

Toronto



Montreal



● acquired properties ● like-for-like properties

	Toronto	Montreal
Property portfolio		
Fair value, EUR million	696	358
Proportion of property fair value, percent	6	3
Capitalization rate, percent	4.21	4.40
Proportion upgraded apartments, percent	43	38
Average apartment size, sqft	593	737
Walk score	82	90
Average rent		
	CAD/sqft/month	CAD/sqft/month
Total portfolio Jan 1, 2017	2.10	1.59
Sales	-	-
Like-for-like Jan 1, 2017	2.10	1.59
Like-for-like increase	0.08	0.08
– Increase in percent	3.8	5.4
Like-for-like Jan 1, 2018	2.18	1.67
Purchases	-0.12	0.05
Total portfolio Jan 1, 2018	2.06	1.72
New lease level	2.80	1.88
Vacancy rate residential		
	percent	percent
Real vacancy rate	0.6	0.4
Apartments being upgraded	5.0	6.3
Vacancy rate	5.6	6.7

result

rental income EUR 119 million

Rental income was EUR 119 million, an increase of 1.8 percent compared to the same period of 2017.

Like-for-like growth in rental income was EUR 4 million (5), or 3.7 percent (5.4).

During the period 8,238 rental contracts with an annual rent of EUR 75 million have been renewed or renegotiated.

The new yearly rent is EUR 76 million, an increase of 1.8 percent.

The real vacancy rate remained unchanged during the period at 0.9 percent.

The vacancy rate for residential units was 7.5 percent (5,1).

88 percent (82) was due to upgrades or planned sales of apartments.

net operating income EUR 62 million

Property expenses totaled EUR 57 million (56). EUR 7 million was attributable to maintenance, corresponding to EUR 8 per square meter and year.

Like-for-like growth in net operating income was 5.9 percent.

The net operating income margin was 52.1 percent (51.7).

Adjusted net operating income margin was 68.2 percent (68.2).

Adjusted net operating income exclude income from operating expenses included in the rent invoiced to the tenants, such as utility expenses and property taxes. It highlights the ongoing earning capacity from property management related to rental services only.

increase in property value 1.9 percent

The increase in property value was EUR 198 million (283), 1.9 percent (3.1).

The growth in value is mainly due to increasing cash flow.

See table page 7.

net financial items EUR -31 million

Interest expenses were EUR 32 million (26).

Financial derivatives affected earnings by EUR 1 million (3).

Other financial items amounted to EUR -1 million (-1).

profit before tax EUR 220 million

Profit before tax was EUR 220 million (313).

The increase in the fair value of properties had a positive impact on the profit.

tax expenses EUR 60 million

Tax expenses totaled EUR 60 million (55).

EUR 60 million was deferred tax, mainly due to unrealized gains on properties.

Akelius has no ongoing tax disputes.

property portfolio

fair value EUR 10,926 million

The fair value was EUR 10,926 million, which is equivalent to EUR 3,314 per square meter.

The average capitalization rate was 3.59 percent, which is 0.01 percentage points lower than at the beginning of the year.

property purchases EUR 283 million

Property purchases amounted to EUR 283 million (300) during the period.

The average capitalization rate for purchased properties was 3.57 percent.

property investments EUR 54 million

Investments in properties totaled EUR 54 million (52).

It corresponded to EUR 67 (64) per square meter on an annual basis.

43 percent of the total investments were due to apartment upgrades.

property sales EUR 6 million

In total, Akelius sold properties for EUR 6 million (316), all located in Germany.

Sales prices were three percent higher than the fair value at the beginning of the year.

Net income from the sale of properties totaled EUR -1 million,

including EUR 1 million in transaction costs.

Transaction costs are mainly related to sales from prior years.

Well-kept residential properties are attractive investments for many types of investors and provide a liquidity reserve during the entire business cycle.

financing

equity-to-assets ratio 45 percent

Equity increased by EUR 59 million to EUR 4,960 million during the period.

Equity-to-assets ratio amounted to 45 percent.

loan-to-value ratio 45 percent

Loans increased during the period by EUR 252 million to EUR 4,999 million.

The loan-to-value ratio increased by one percent since last year to 45 percent.

The secured loans were EUR 2,149 million, compared to EUR 1,933 million at the end of 2017.

Secured loan-to-value ratio increased by one percent since last year to 19 percent.

The secured loans were borrowed from 35 banks in seven countries.

Unsecured loans include eight listed bonds and loans from related companies.

debt maturities 5.3 years

Loans have an average maturity of 5.3 years, compared to 5.6 years at the end of 2017.

EUR 395 million matures within one year.

The average loan-to-value ratio on short-term loans was 41 percent.

Short-term loans consist of borrowings from 15 banks and of capital market financing.

interest rate hedge 4.8 years

EUR 2,488 million had a fixed interest rate term of more than five years and EUR 802 million had a fixed interest rate term of less than one year.

The average interest rate was 2.39 percent.

On average, the underlying interest rate is secured for 4.8 years, compared to 5.3 years at the end of 2017.

liquidity EUR 778 million

Available funds in the form of liquid assets and credit facilities totaled EUR 778 million.

The fair value of the unencumbered properties is EUR 4,688 million.

other financial information

cash flow

Operating cash flow before the change in working capital was EUR 17 million (35).

Cash flow from investing activities was EUR -324 million (-58).

Cash required for the acquisition of properties is secured before the agreements are signed. Profitable but non-mandatory upgrades can, if needed, be stopped within a three-month period.

Cash flow from financing activities was EUR 321 million (38).

Dividends of EUR 9 million were paid to the holders of preference shares.

parent company

The Parent Company's profit before tax was EUR 295 million (52).

preference shares

The total number of preference shares was 18,835,606, equivalent to EUR 585 million reported in equity.

Preference shares represent 0.61 percent of the total number of shares in Akelius Residential Property AB.

On March 31, 2018, the price paid per preference share was SEK 335.

rating

In 2018, Standard and Poor's confirmed the investment grade rating BBB with a stable outlook on Akelius Residential Property AB and its unsecured debt.

staff

973 people were employed in the Group as at March 31, 2018 compared to 876 at the end of 2017.

related party transactions

Net debt from related parties decreased by EUR 25 million.

The scope and focus of these operations did not change significantly during the period.

All transactions were on market terms.

annual general meeting April 10, 2018

The announcement is posted on the company's website.

significant events after the end of the reporting period

Akelius issued a EUR 500 million hybrid bond on April 5.

The hybrid bond has a maturity of 60 years and is classified as 50 percent equity by Standard and Poor's.

On April 1, 2018, Akelius sold 1,420 apartments in Södertälje, Järna, Nynäshamn and Ösmo in Sweden for EUR 234 million.

Akelius signed an agreement for the sale of three hundred apartments in Lund, Sweden in April.

The closing date is June.

consolidated statement of comprehensive income

EUR million	2018 Jan-Mar 3 months	2017 Jan-Mar 3 months	2017 Jan-Dec 12 months
Rental income	119	116	469
Operating expenses	-50	-48	-185
Maintenance	-7	-8	-33
Net operating income	62	60	251
Central administration	-6	-4	-22
Other income and expenses	1	0	0
Net income from the revaluation and disposal of investment properties*	195	281	877
Operating profit	252	337	1,106
Interest income	0	0	0
Interest expenses	-32	-26	-117
Other financial income and expenses	-1	-1	-5
Change in fair value of derivative financial instruments	1	3	0
Profit before tax	220	313	984
Tax	-60	-55	-178
Profit for the period/year	160	258	806
Items that will be reclassified to profit or loss:			
- Translation differences	-40	-15	-156
- Change in the hedging of currency risk	-81	19	38
- Tax attributable to the hedging of currency risk	18	-3	-8
- Revaluation reserve	2	-	1
- Tax attributable to revaluation reserve	0	-	0
Comprehensive income for the period/year	59	259	681
Profit attributable to:			
- owners of the Parent Company	159	254	802
- owner of the hybrid loans	-	3	3
- non-controlling interests	1	1	1
Total comprehensive income attributable to:			
- owners of the Parent Company	58	254	676
- owner of the hybrid loans	-	4	4
- non-controlling interests	1	1	1
Earnings per share before and after dilution, EUR	0.02	0.05	0.14

* EUR -1 million is related to the realized gain/loss from the disposal of investment properties in Jan-Mar 2018, EUR 1 million in Jan-Mar 2017 and EUR 36 million in Jan-Dec 2017. Transaction costs amounted to EUR 1 million in Jan-Mar 2018, EUR 3 million in Jan-Mar 2017 and EUR 9 million in Jan-Dec 2017.

consolidated statement of financial position

EUR million	2018 Mar 31	2017 Mar 31	2017 Dec 31	2017 Jan 1
Assets				
Intangible assets	6	5	6	5
Investment properties	10,655	9,478	10,345	8,847
Owner-occupied property	37	-	35	-
Tangible fixed assets	4	5	4	4
Derivative financial instruments	-	-	3	-
Deferred tax assets	0	0	1	1
Financial assets	8	0	7	0
Total non-current assets	10,710	9,488	10,401	8,857
Trade and other receivables	89	80	85	47
Derivative financial instruments	2	3	3	1
Cash and cash equivalents	22	14	16	14
Assets held for sale*	234	-	244	325
Total current assets	347	97	348	387
Total assets	11,057	9,585	10,749	9,244
Total equity	4,960	4,534	4,901	4,279
Interest-bearing liabilities	4,604	3,201	4,431	3,129
Derivative financial instruments	86	138	100	141
Deferred tax liabilities	873	769	838	698
Provisions	1	-	0	-
Other liabilities	14	10	15	7
Total non-current liabilities	5,578	4,118	5,384	3,975
Interest-bearing liabilities	395	833	316	853
Derivative financial instruments	7	3	7	10
Provisions	2	-	2	-
Trade and other payables	87	97	110	98
Liabilities held for sale	28	-	29	29
Total current liabilities	519	933	464	990
Total equity and liabilities	11,057	9,585	10,749	9,244
Borrowings:				
- unsecured	2,850	1,719	2,814	1,737
- secured	2,149	2,315	1,933	2,245
Total	4,999	4,034	4,747	3,982

* attributable to investment properties.

consolidated statement of cash flows

EUR million	2018 Jan-Mar 3 months	2017 Jan-Mar 3 months	2017 Jan-Dec 12 months
Net operating income	62	60	251
Central administration	-6	-4	-22
Other income and expenses	0	0	1
Reversal of depreciation and impairment losses	1	1	2
Interest paid	-40	-21	-98
Income tax paid	0	-1	-3
Cash flow before changes in working capital	17	35	131
Change in current assets	-3	-14	-18
Change in current liabilities	-4	-2	-2
Cash flow from operating activities	10	19	111
Investments in intangible assets	0	-1	-2
Investment in properties	-54	-53	-288
Acquisition of investment properties	-283	-296	-1,297
Acquisition of net assets*	12	3	19
Proceeds from sale of investment properties	6	314	737
Proceeds from sale of net assets**	-	-13	-45
Purchase and sale of other assets***	-5	-12	-33
Cash flow from investing activities	-324	-58	-909
New share issue	-	-	1,044
Shareholder contribution	-	-	1
Loans raised	537	351	2,191
Repayment of loans	-247	-307	-1,356
Repayment of hybrid loans	-	-	-227
Purchase and sale of derivative instruments	40	4	22
Dividend ordinary shares	-	-	-838
Dividend preference shares	-9	-10	-38
Cash flow from financing activities	321	38	799
Cash flow for the period/year	7	-1	1
Cash and cash equivalents at beginning of the year	16	14	14
Translation differences in cash and cash equivalents	-1	1	1
Cash and cash equivalents at end of period/year	22	14	16

* mainly related to a discount received for deferred tax and acquisition of loans

** mainly related to a discount provided for deferred tax

*** including EUR 5 million in prepayment for the acquisition or sale of properties

consolidated statement of changes in equity

EUR million	Attributable to the owners of the Parent Company				Total	Hybrid loans	Non con- trolling inter- ests	Total equity
	Share capital	Share premium	Currency transla- tion reserve	Retained earnings				
Opening balance Jan 1, 2017	185	1,272	98	2,495	4,050	210	19	4,279
EUR conversion	11	47	-126	69	1	-	-1	-
Adjusted opening balance	196	1,319	-28	2,564	4,051	210	18	4,279
Profit for the period	-	-	-	254	254	3	1	258
Other comprehensive income	-	-	-	-	-	1	-	1
Total comprehensive income	-	-	-	254	254	4	1	259
Dividend	-	-	-	-	-	-4	-	-4
Closing balance Mar 31, 2017	196	1,319	-28	2,818	4,305	210	19	4,534
Profit for the period	-	-	-	548	548	-	-	548
Other comprehensive income	-	-	-126	-	-126	-	-	-126
Total comprehensive income	-	-	-126	548	422	-	-	422
Share issue	8	1,035	-	-	1,043	-	-	1,043
Acquired minority	-	-	-	-	-	-	1	1
Repurchase of hybrid loans	-	-	-	-13	-13	-214	-	-227
Dividend	-	-857	-	-19	-876	4	-	-872
Closing balance Dec 31, 2017	204	1,497	-154	3,334	4,881	-	20	4,901
Profit for the period	-	-	-	159	159	-	1	160
Other comprehensive income	-	-	-102	1	-101	-	-	-101
Total comprehensive income	-	-	-102	160	58	-	1	59
Closing balance Mar 31, 2018*	204	1,497	-256	3,494	4,939	-	21	4,960
*) attributable to preference share owners	1	652	-68	-	585	-	-	585

condensed statement of comprehensive income for the Parent Company

SEK million	2018 Jan-Mar 3 months	2017 Jan-Mar 3 months	2017 Jan-Dec 12 months
Central administration	-18	-19	-34
Financial income	447	275	1,383
Financial expenses	-120	-312	-1,426
Change in the fair value of derivatives	-14	108	130
Appropriations	-	-	198
Profit before tax	295	52	251
Tax	6	-27	-68
Profit for the period/year	301	25	183
Comprehensive income	301	25	183

condensed statement of financial position for the Parent Company

SEK million	2018 31 Mar	2017 31 Mar	2017 31 Dec
Intangible assets	2	3	2
Shares in subsidiaries	13,372	13,183	13,372
Receivables from Group companies	54,150	37,636	49,834
Prepaid expenses and accrued income from Group companies	466	294	163
Deferred tax assets	460	495	454
Other assets	165	63	201
Cash and cash equivalents	3	1	5
Total assets	68,618	51,675	64,031
Total equity	16,141	14,061	15,840
Interest-bearing liabilities	34,846	18,977	29,937
Interest-bearing liabilities from Group companies	17,026	18,032	17,471
Derivative financial instruments	400	469	406
Other current liabilities	195	136	368
Other current liabilities from Group companies	10	-	9
Total equity and liabilities	68,618	51,675	64,031

interest-bearing liabilities

Duration, years	Interest rate hedge, EUR million	Interest rate hedge Average interest rate, percent	Share, percent	Debt maturities, EUR million	Share, percent
0-1	802	1.93	16	395	8
1-2	214	3.32	4	504	10
2-3	597	3.45	12	807	16
3-4	848	2.21	17	768	15
4-5	50	2.41	1	45	1
5-6	549	1.40	11	508	10
6-7	704	2.10	14	611	12
7-8	618	2.40	12	560	11
8-9	283	2.33	6	335	7
9-10	180	2.92	4	278	6
> 10	154	4.80	3	188	4
Total	4,999	2.39	100	4,999	100

segment information

Jan-Mar 2018, EUR million	Europe	Scandinavia	North America	Total
Rental income	53	39	27	119
Operating expenses	-19	-17	-14	-50
Maintenance	-3	-3	-1	-7
Net operating income	31	19	12	62
Revaluation of investment properties	77	66	55	198
Total property return	108	85	67	260
Total property return, percent	9.0	10.2	12.8	10.2
Net operating income margin, percent	58.2	49.6	43.9	52.1
Property fair value	5,126	3,507	2,293	10,926

Jan-Mar 2017, EUR million	Europe	Scandinavia	North America	Total
Rental income	48	45	23	116
Operating expenses	-18	-19	-11	-48
Maintenance	-2	-5	-1	-8
Net operating income	28	21	11	60
Revaluation of investment properties	157	97	29	283
Total property return	185	118	40	343
Total property return, percent	19.7	14.5	9.5	15.7
Net operating income margin, percent	58.3	46.8	47.9	51.7
Property fair value	4,198	3,518	1,762	9,478

key figures

	2018 Mar 31	2017 Dec 31	2016 Dec 31	2015 Dec 31	2014 Dec 31
Equity					
Equity, EUR million	4,960	4,901	4,279	3,357	2,373
Equity-to-assets ratio, percent	45	46	46	41	38
Return on equity, percent	1	19	37	29	9
EPRA NAV, EUR million	5,924	5,840	5,127	4,027	2,888
Net operating income					
Rental income, EUR million	119	469	472	464	396
Growth in rental income, percent	1.8	-0.6	1.8	17.1	13.2
Like-for-like growth in rental income, percent	3.7	5.1	4.1	4.3	3.4
Net operating income, EUR million	62	251	244	232	207
Growth in net operating income, percent	2.7	4.4	6.3	15.6	19.2
Like-for-like growth in net operating income, percent	5.9	10.7	8.0	4.0	7.1
Net operating income margin, percent	52.1	53.4	51.7	50.1	52.2
Adjusted net operating income margin, percent ⁵	68.2	68.0	66.2	-	-
Interest-bearing liabilities					
Loan-to-value ratio, secured loans, percent	19	18	24	36	47
Loan-to-value ratio, percent	45	44	43	48	51
Unencumbrance ratio	1.74	1.63	1.18	1.00	9.24
Interest coverage ratio	1.9	4.7	4.5	3.0	1.7
Interest coverage ratio excluding realized value growth	1.8	1.9	1.9	1.6	1.5
Average interest rate, percent	2.39	2.58	2.62	3.44	3.94
Fixed interest term, year	4.8	5.3	4.5	4.3	4.2
Debt maturities, year	5.3	5.6	5.0	5.7	4.5
Properties					
Number of apartments	48,297	47,177	46,516	51,231	47,896
Rentable area, thousand sqm	3,297	3,228	3,236	3,587	3,472
Real vacancy rate, residential, percent	0.9	0.9	1.1	1.3	1.0
Vacancy rate, residential, percent	7.5	6.6	5.0	4.3	3.2
Fair value, EUR per sqm	3,314	3,292	2,834	2,220	1,748
Capitalization rate, percent	3.59	3.60	3.82	4.33	4.72
Change in capitalization rate ¹ , percent	-0.01	-0.22	-0.49	-0.36	0.01
Fair value of properties opening balance, EUR million	10,624	9,171	7,965	6,068	4,932
Change in fair value, EUR million	198	886	1,343	857	155
Investments, EUR million	54	288	316	237	207
Purchases, EUR million	283	1,297	643	1,293	1,064
Sales, EUR million	-6	-737	-957	-615	-119
Exchange difference, EUR million	-227	-281	-139	125	-171
Fair value of properties closing balance, EUR million	10,926	10,624	9,171	7,965	6,068

key figures

	2018 Mar 31	2017 Dec 31	2016 Dec 31	2015 Dec 31	2014 Dec 31
Properties, Sweden					
Average residential rent, SEK/sqm/year	1,299	1,287	1,246	1,184	1,156
Growth in average residential rent ² , percent	2.8	2.4	2.6	2.6	3.7
Growth in rental income ³ , percent	2.7	3.8	1.9	3.0	3.5
Growth in net operating income ³ , percent	13.0	10.8	2.4	1.8	8.0
Fair value, EUR per sqm	2,806	2,821	2,421	1,877	1,566
Capitalization rate, percent	2.96	3.00	3.43	4.30	4.78
Number of apartments	13,953	13,808	17,381	23,520	24,407
Vacancy, percent	1.2	1.1	1.2	1.5	1.5
Real vacancy, percent	0.0	0.0	0.1	0.1	0.4
Fair value of properties opening balance, EUR million	3,205	3,382	3,472	3,108	2,996
Change in fair value, EUR million	77	376	712	313	92
Investments, EUR million	10	65	104	92	102
Purchases, EUR million	77	167	55	114	228
Sales, EUR million	-	-692	-805	-290	-118
Translation difference, EUR million	-144	-93	-156	135	-192
Fair value of properties closing balance, EUR million	3,225	3,205	3,382	3,472	3,108
Properties, Germany					
Average residential rent, EUR/sqm/month	9,09	8,98	8,56	8,13	7,77
Growth in average residential rent ² , percent	5.8	5.7	5.0	5.1	5.4
Growth in rental income ³ , percent	3.3	2.6	6.3	6.0	3.1
Growth in net operating income ³ , percent	0.7	2.8	10.3	3.9	5.8
Fair value, EUR per sqm	2,995	2,941	2,583	2,078	1,760
Capitalization rate, percent	3.54	3.54	3.84	4.35	4.72
Number of apartments	20,632	20,463	19,932	20,307	19,423
Vacancy, percent	6.5	6.5	4.8	4.9	4.5
Real vacancy, percent	1.1	1.3	1.1	2.0	1.6
Fair value of properties opening balance, EUR million	3,924	3,363	2,725	2,225	1,739
Change in fair value, EUR million	66	360	542	399	43
Investments, EUR million	23	119	103	80	71
Purchases, EUR million	23	127	90	188	372
Sales, EUR million	-6	-45	-97	-167	-
Exchange difference, EUR million	-	-	-	-	-
Fair value of properties closing balance, EUR million	4,030	3,924	3,363	2,725	2,225

key figures

	2018 Mar 31	2017 Dec 31	2016 Dec 31	2015 Dec 31	2014 Dec 31
Properties, Canada					
Average residential rent, CAD/sqft/month	1.92	1.92	1.89	1.79	1.83
Growth in average residential rent ² , percent	3.7	4.4	6.7	3.6	6.6
Growth in rental income ³ , percent	7.9	9.5	7.0	4.1	7.0
Growth in net operating income ³ , percent	18.3	28.2	29.0	25.1	-17.8
Fair value, EUR per sqm	2,867	2,968	2,743	2,345	2,292
Capitalization rate, percent	4.27	4.29	4.36	4.37	4.55
Number of apartments	6,065	5,500	4,513	3,999	2,823
Vacancy, percent	6.0	3.9	7.1	11.1	6.7
Real vacancy, percent	0.6	0.6	3.4	3.6	2.7
Fair value of properties opening balance, EUR million	994	737	532	361	197
Change in fair value, EUR million	22	83	33	65	16
Investments, EUR million	2	30	37	21	15
Purchases, EUR million	95	189	90	137	120
Sales, EUR million	-	-	-	-12	-
Exchange difference, EUR million	-59	-45	45	-40	13
Fair value of properties closing balance, EUR million	1,054	994	737	532	361
Properties, United States					
Average residential rent, USD/sqft/month	2.82	2.77	2.51	2.26	-
Growth in average residential rent ² , percent	4.8	4.1	4.2	-	-
Growth in rental income ³ , percent	0.3	10.7	-	-	-
Growth in net operating income ³ , percent	-22.2	63.6	-	-	-
Fair value, EUR per sqm	5,830	5,758	5,929	5,339	-
Capitalization rate, percent	4.35	4.36	4.42	4.47	-
Number of apartments	3,181	3,127	2,309	1,534	-
Vacancy, percent	19.4	17.3	10.6	9.8	-
Real vacancy, percent	2.6	2.2	1.7	2.8	-
Fair value of properties opening balance, EUR million	1,199	979	597	-	-
Change in fair value, EUR million	27	27	41	3	-
Investments, EUR million	12	44	30	2	-
Purchases, EUR million	36	278	267	582	-
Sales, EUR million	-	-	-	-	-
Exchange difference, EUR million	-34	-129	44	10	-
Fair value of properties closing balance, EUR million	1,240	1,199	979	597	-

key figures

	2018 Mar 31	2017 Dec 31	2016 Dec 31	2015 Dec 31	2014 Dec 31
Properties, England⁴					
Average residential rent, GBP/sqft/month	2.75	2.75	2.55	2.07	1.74
Growth in average residential rent ² , percent	1.4	3.3	5.9	11.5	11.3
Growth in rental income ³ , percent	12.6	16.2	7.5	15.1	5.9
Growth in net operating income ³ , percent	22.1	15.4	15.4	23.0	9.3
Fair value, EUR per sqm	8,864	8,689	8,274	7,407	5,634
Capitalization rate, percent	4.16	4.16	4.11	4.22	4.36
Number of apartments	2,172	2,148	1,224	1,404	1,153
Vacancy, percent	18.0	14.7	12.4	8.0	7.8
Real vacancy, percent	2.0	2.0	3.7	2.8	2.1
Fair value of properties opening balance, EUR million	780	473	530	357	200
Change in fair value, EUR million	3	11	15	78	26
Investments, EUR million	2	13	36	40	24
Purchases, EUR million	10	301	21	181	92
Sales, EUR million	-	-	-55	-146	-1
Exchange difference, EUR million	10	-18	-74	20	16
Fair value of properties closing balance, EUR million	805	780	473	530	357
Properties, France					
Average residential rent, EUR/sqm/month	23.03	23.40	20.99	22.50	21.31
Growth in average residential rent ² , percent	13.8	14.9	1.7	15.7	-
Growth in rental income ³ , percent	11.8	-1.4	11.9	-	-
Growth in net operating income ³ , percent	0	-7.1	241.1	-	-
Fair value, EUR per sqm	6,900	6,883	6,411	6,857	6,382
Capitalization rate, percent	4.12	4.16	4.20	4.21	4.11
Number of apartments	1,263	1,100	941	467	90
Vacancy, percent	46.3	46.4	46.2	35.3	34.4
Real vacancy, percent	1.0	1.3	3.7	1.3	-
Fair value of properties opening balance, EUR million	245	193	109	17	-
Change in fair value, EUR million	-	8	2	-1	-2
Investments, EUR million	4	13	6	2	0
Purchases, EUR million	42	31	76	91	19
Sales, EUR million	-	-	-	-	-
Exchange difference, EUR million	-	-	-	-	-
Fair value of properties closing balance, EUR million	291	245	193	109	17

key figures

	2018 Mar 31	2017 Dec 31	2016 Dec 31	2015 Dec 31	2014 Dec 31
Properties, Denmark					
Average residential rent, DKK/sqm/year	951	936	916	-	-
Growth in average residential rent ² , percent	4.98	5.3	-	-	-
Growth in rental income ³ , percent	-10.4	-	-	-	-
Growth in net operating income ³ , percent	2.8	-	-	-	-
Fair value, EUR per sqm	3,178	3,129	2,836	-	-
Capitalization rate, percent	3.08	3.09	3.42	-	-
Number of apartments	1,031	1,031	216	-	-
Vacancy, percent	5.5	6.1	1.9	-	-
Real vacancy, percent	0.6	0.6	-	-	-
Fair value of properties opening balance, EUR million	277	44	-	-	-
Change in fair value, EUR million	3	22	-	-	-
Investments, EUR million	1	4	-	-	-
Purchases, EUR million	-	204	44	-	-
Sales, EUR million	-	-	-	-	-
Exchange difference, EUR million	0	3	-	-	-
Fair value of properties closing balance, EUR million	281	277	44	-	-

1) Like-for-like capitalization rate.

2) Like-for-like growth from the start of the period to the end of the period.

3) Like-for-like growth for the period compared to the same period in the previous year.

4) The property portfolio in England was acquired from fellow subsidiaries in March 2014. The tables above show the development as if the properties had been owned since January 1, 2014.

5) Adjustment for revenue from operating expenses invoiced to the tenants in Germany, France, Canada, United States and Sweden amounted to EUR 28 million for Jan-Mar 2018 and EUR 19 million for Jan-Mar 2017.

alternative performance measures

Reconciliation for the purposes of the Guidelines published by the European Securities and Markets Authority (ESMA) is set out below:

EUR million	2018 Mar 31	2017 Mar 31	2017 Dec 31
Equity	4,960	4,534	4,901
Deferred tax	873	769	838
Derivative financial instruments	91	138	101
EPRA NAV	5,924	5,441	5,840
Total interest-bearing liabilities	4,999	4,034	4,747
Cash and liquid assets	-22	-14	-16
Pledged cash assets	-1	-2	-1
Net debt	4,976	4,018	4,730
Total assets	11,057	9,585	10,749
Cash and liquid assets	-22	-14	-16
Pledged cash assets	-1	-2	-1
Total assets minus cash, pledged cash and liquid assets	11,034	9,569	10,732
Loan-to-value ratio, percent	45	42	44
Net debt	4,976	4,018	4,730
Less unsecured debt	-2,850	-1,719	-2,814
Secured debt minus cash, pledged cash and liquid assets	2,126	2,229	1,916
Total assets minus cash, pledged cash and liquid assets	11,034	9,569	10,732
Loan-to-value ratio, secured loan, percent	19	24	18

EUR million	2018 Jan–Mar	2017 Jan–Mar	Percent Growth
Rental income	119	116	1.8
Exchange differences	-	-5	
Service revenue	-9	-10	
Purchases and sales	-14	-9	
Like-for-like rental income	96	92	3.7
Net operating income	62	60	2.7
Exchange differences	-	-2	
Purchases and sales	-6	-5	
Like-for-like net operating income	56	53	5.9
Proceeds from the sale of properties	6	316	
Costs of sale	-1	-3	
Acquisition costs	-1	-161	
Accumulated investments	-1	-43	
Realized value growth	3	109	

other information

basis of presentation

The Akelius Residential Property Group's Interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act.

The financial statements of the Parent Company, Akelius Residential Property AB, corporate identity number 556156-0383, have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities.

Disclosures in accordance with IAS 34 Interim Financial Reporting are submitted both in the notes and in other sections of the interim report.

The figures in this interim report have been rounded, while the calculations have been made without roundings.

As a result, the figures in certain tables and key figures may appear not to add up correctly.

accounting principles

new Group reporting currency

As of January 1, 2018, the Group's reporting currency is Euro.

The Parent Company's functional currency is Swedish kronor, same as in 2017.

Unless otherwise stated, all amounts are reported in EUR million for the Group and SEK million for the Parent Company.

new segment reporting

Operating segments are reported in accordance with the internal reporting submitted to the CEO, who is the highest executive decision maker. The organization has changed and consists as of 2018 of three regions:

- The Scandinavian region
Stockholm, Malmö, Copenhagen and other cities in Sweden.

- The European region
Berlin, Hamburg, London, Paris and other cities in Germany.

- The North American region
New York, Washington D.C., Boston, Montreal and Toronto.

Each region is material to the Group and is therefore reported separately.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers is applied to the financial year that began on 1 January 2018.

Akelius' income includes three parts.

- Rental income includes the customary rent charged, including indexation, additional charges for investments, and property tax. Rental income is recognised in the period in which the tenant uses the premises,

in accordance with IAS 17 – Leases.

- Service income refers to all other additional charges in the form of extra services such as heating, cooling, waste removal, water, snow removal.

- Other services such as use of the laundry room and gym are also recognized when the service is performed.

In Germany and France, Akelius' rental agreements relate to net cold rents and operating costs.

For the vast majority of the operating costs of the tenancy agreement, Akelius acts as the principal on the basis of the provisions of IFRS 15.

Akelius has the power to dispose over these goods and services and therefore has a performance obligation vis-a-vis the tenant. Additionally, Akelius retains the risk related to vacancies.

As of 2018, the operating expenses will no longer be offset against the corresponding revenues.

The application of IFRS 15 has given rise to an adjustment for 2017 between rental revenue and operating expenses as stated in the table below, in EUR million:

2017 Jan-Dec	2017 Jan-Sep	2017 Jan-Jun	2017 Jan-Mar
42	26	17	10

Such adjustment has no effect on equity as of the beginning of the comparative year 2017.

Adjustment for prior years in EUR million are the following:

2016	2015	2014
38	38	31

other information

IFRS 9 – Financial Instruments

IFRS 9, Financial instruments, addresses the classification, measurement and recognition of financial assets and financial liabilities.

IFRS 9 introduces a new model for the classification of financial instruments based on the type of contractual cash flows of the instrument and the business model.

The model includes operational simplifications for lease and trade receivables.

Akelius receives a significant amount of prepayments from tenants.

IFRS 9 has therefore no significant impact on the Group's financial position.

The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges, as the standard currently does not address accounting for macro hedging.

The Group will continue to apply IAS 39, and it is therefore assessed that IFRS will not have a significant impact on the financial performance or position of the Group.

new accounting principles

IFRS 16 – Leasing

IFRS 16 Leases shall apply from January 1, 2019.

The standard has an impact on the lessee as no distinction is made between operational and finance leases.

The lease accountant's report will essentially remain unchanged.

IFRS 16 will affect the Group's accounts of the leases where the company is a lessee.

Among other things, the Group's lease agreement will be reported in the balance sheet,

thereby increase the balance sheet total.

The income statement will be affected by the Group having increased financial costs and reduced leasing charges in operating profit.

The assessment is that the introduction of the standard will have a limited impact on the financial reports, as the Group is primarily a leasing agent.

The effects will be quantified in 2018.

risks and uncertainties

Operational risks are limited by concentrating the property portfolio to residential properties in metropolitan areas.

Strong residential rental markets in Sweden, Germany, Canada, England, France, the United States and Denmark reduce the risk of long-term vacancies.

To reduce the risk or variations in cash flow further, interest rates are secured on a long-term basis.

Access to capital from a large number of banks and through the capital market mitigates the refinancing risk.

Overseas investments are hedged to reduce the impact of currency movements related to the Group's equity-to-assets ratio.

No material changes in the company's assessment of risks have occurred since the publication of the 2017 annual report.

Pål Ahlsén,
CEO, Managing Director

Stockholm, Sweden, April 27, 2018,
Akelius Residential Property AB (publ)

The interim report has not been reviewed
by the company's auditors.

definitions

adjusted net operating income margin

Net operating income in relation to rental income excluding income from operating expenses included in the rent invoiced to the tenants, such as utility and property taxes. It highlights the ongoing earning capacity from property management related to rental services only.

annual property return

Gain from the revaluation of investment properties and net operating income on an annual basis in relation to the fair value of the properties at the beginning of the year. It illustrates the total return on the property portfolio.

capitalization rate

Rate of return used in assessing the terminal value of property in the fair value assessment.

Defined as the expected return when net operating income and property prices remains constant.

debt maturities, year

Volume-weighted remaining term of interest-bearing liabilities and derivatives on the balance sheet date.

It illustrates the company's refinancing risk.

change yearly in-place residential rent

Development of the rental value over the last 12 months, broken down into disposals, acquisitions and comparable portfolio. The rental value contains a market rent for vacant apartments.

debt coverage capacity

Profit before tax and revaluation including realized value growth.

It is a good indicator of the ability to generate cash flow.

Net operating income and realized value growth are reinvested into existing and new properties.

This leads to a growing operating surplus.

It makes sense to analyze the business from the situation on the balance sheet day.

The pro forma is based on the property portfolio's gross rent, real vacancy, estimated operating expenses and maintenance costs during a normal year, as well as central administrative expenses. Interest expenses are based on net debt on the balance sheet date calculated at the

currency rate for the balance sheet day.

No tax has been calculated as it relates mainly to deferred tax, which does not affect cash flow.

The pro forma is not a forecast for the coming twelve months.

It contains no estimates of rental, vacancy, currency exchange, future property purchases and sales or interest rate changes.

discount rate

Rate of return used in assessing the present value of future cash flow and terminal value in the fair value assessment of properties.

Defined as the expected return on the property.

EBITDA

Net operating income plus central administrative expenses, other income and expenses with add-back of depreciation and impairment charges and operating exchange rate differences. It highlights current cash flow capacity from property management.

EPRA NAV

Equity, deferred tax and derivatives.

equity-to-assets ratio

Equity in relation to total assets.

It highlights the company's financial stability.

income return

Net operating income on an annual basis in relation to the fair value of the properties at the beginning of the year.

It measures the yield on the property portfolio.

interest rate hedge total loans, year

Volume-weighted remaining term of interest rates on interest-bearing liabilities and derivatives on the balance sheet date.

It illustrates the company's financial risk.

interest coverage ratio

Net operating income plus central administrative expenses, other income and expenses, other financial income and expenses, realized value growth with add back of depreciation and impairment charges and operating exchange rate differences, in relation to net interest.

It illustrates the company's sensitivity to interest rate changes.

definitions

like-for-like

Properties owned during the compared periods. This means that properties that were acquired or sold during any of the compared periods are excluded.

loan-to-value ratio, total loans

Net debt divided by total assets minus cash, pledged cash and liquid assets. It illustrates the company's financial risk.

loan-to-value ratio, secured loans

Net debt reduced by unsecured interest-bearing debt divided by total assets minus cash, pledged cash and liquid assets. It illustrates the company's financial risk.

net financial items

The net of interest income, interest expenses, other financial income and expenses and changes in the fair value of derivatives. It measures the net of financial operations.

net letting

The sum of agreed contracted annual rents for new lets for the period less terminated annual rents.

net debt

Interest-bearing debts minus cash, pledged cash and liquid assets. It illustrates the company's financial risk.

net operating income

Rental income less property costs. It highlights the ongoing earning capacity from property management.

net operating income margin

Net operating income in relation to rental income. It highlights the ongoing earning capacity from property management.

other income and expenses

Items from secondary activities such as gains on disposals of fixed assets other than investment properties, income and expenses from temporary services rendered after the sale of properties.

property costs

This item includes direct property costs such as operating expenses, utility expenses, maintenance costs, leasehold fees and property taxes.

property portfolio

Investment property and investment property classified as assets held for sale.

realized value growth

Proceeds from the sale of investment properties minus acquisition costs, accumulated investments and costs of sale. It illustrates realized value growth of properties sold.

real vacancy rate

The total number of vacant apartments less the number of apartments vacant due to renovation work or planned sales, in relation to the total number of apartments. Real vacancy is measured on the first day after the month-end.

renewed and renegotiated rental contracts

All changes in rental levels for remaining tenants.

rental income

Rental value less vacancies, rent discounts.

return on equity

Comprehensive income divided by opening equity. Shows the return offered on the owners' invested capital.

unencumbrance ratio

Unencumbered assets less cash equivalents to senior unsecured debt less cash equivalents.

vacancy rate

The number of vacant apartments in relation to the total number of apartments. Vacancy is measured on the first day after the month-end.

value growth

Changes in value of investment properties excluding investment and change of currency.

walk score

Rating of how easy it is to complete daily errands without a car. Locations are rated on a scale from 0 to 100, where 100 is the best. Walk score is provided by Walkscore.com

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Akelius in brief

apartments for metropolitans

91 percent of the properties are in cities with more than one million inhabitants, such as Berlin, Hamburg, Munich, Cologne-Düsseldorf, Frankfurt-Mainz, Paris, London, Toronto, Montreal, New York, Boston, Washington D.C., Stockholm and Copenhagen.

better living

Akelius' mission is to provide current and future tenants with better living by continuously upgrading our buildings and our service.

acquire via cherry picking

Akelius prefers to make smaller acquisitions of properties that are just right, by cherry-picking, rather than to make a smaller number of larger acquisitions of properties that are not quite right.

strong capital structure, low refinancing risk

Akelius has agreements with 35 banks, listed preference shares and listed senior unsecured bonds.

Akelius is Sweden's largest listed property company and has seventeen thousand shareholders.

first-class personnel

More than two hundred employees have graduated from the Residential Real Estate Management program at Akelius Business School.

financial calendar

interim report Jan-Jun 2018	Aug 6, 2018
interim report Jan-Sep 2018	Oct 22, 2018
year-end report 2018	Feb 4, 2019
annual report 2018	Mar 15, 2019