

The 1st Quarter 2016

Summary January-March 2016

- Net sales amounted to 70,5 MSEK (Q1 2015: 62,8)
- Operating result amounted to 15,3 MSEK (Q1 2015: 11,7)
- In the first quarter's result after taxes amounted to 2,1 MSEK (Q1 2015: 2,1)
- The portfolio's total property market value in the first quarter amounted to 1 856 MSEK (Q1 2015: 1 775)
- During this quarter one property acquisition was made with the purchase price of 16 MSEK

Introduction to Jefast

Jefast was founded in 1977 and has since then had it's headquarter in Höganäs, Skåne. Jefast owns and develops properties in Höganäs and Helsingborg and its close surroundings, as well as a hotel in Fort Lauderdale, Florida USA. The company owns a total of 33 properties among these, both commercial and residential properties.



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CEO's Comments



Steady growth at Pelican Grand Beach Resort

The hotel in Florida, USA, Pelican Grand Beach Resort performed its best quarter ever since Jefast acquired it in 2008. Compared to the same period last year, the hotel is performing an increase of 7 MSEK in revenue. With an increased potential in connection to the previous investments made, possibilities of increasing the efficiency as well as cost savings the hotel is facing even greater opportunities. Several initiatives have thus been taken beginning of the first quarter, continuing through the year to increase net result together with cost savings and more.

Market value & area

During the year 2015 the entire property portfolio was externally appraised by Newsec, since then two acquisitions have been made and appraised in the same manner. In the first quarter of 2016 the total value amounts to 1 856 MSEK with a lettable area of 108 235 sqm.

Acquisitions & Divestments

During the first quarter Jefast has acquired a property in the center of Höganäs, Kv Flora 5 with an area of 1 522 sqm. The property fits very well in the property portfolio, with both commercial and apartments. The acquisition price mounted to 16 MSEK.

No divestments was made in the first quarter.

Projects

The project at Kv Holland 25 demolition and project planning is currently taking place. The economic rental lease amounts to 83% and opening is planned to take place in the last quarter of 2017. The new construction with 4 800 square meters of apartments, opening in december 2018 is currently taking place with zoning and planing with the city of Helsingborg.

Lerbergets' tenant adjustment of a total of 2 500 sqm, with a total investment of 20 MSEK has been ongoing in the first period. The move in date is set for July 2016 for the tenant: Höganäs Municipality. Furthermore, the transformation of three apartments in Höganäs is taking place, that earlier was commercial area. Jefast Byggservice is handling the entire re-construction and this will add 137 sqm of apartments, move in ready in July.

A handwritten signature in blue ink, appearing to read 'Martin Persson', is written over a light blue rectangular background.

Martin Persson, CEO
Höganäs May 27 2016

Tenant overview

The chart gives an overview of the the largest tenants in the first quarter 2016. The largest commercial tenants contributes to a total of 15,4% of the total rental income. The property Holland 25 has been excluded from the chart since it is currently undertaking major renovations.

Change in leases

No new tenants has been signed in the first quarter. Swedbank moved out of its facilities at the end of the first quarter. There are interests from new establishments with ongoing discussions.

In the first quarter one of the commercial tenants in Höganäs with a total area of 297sqm terminated their lease and will move out in the first quarter 2017. The location is one of the best in Höganäs, and work of finding a new tenant has already begun.

Jefast's ten largest tenants

Tenant	City	Lease maturity	Percentage of total rental income
Höganäs Kommun	Höganäs	04 / 2031	4%
Nordea	Helsingborg	01 / 2019	2%
Swedbank AB	Höganäs	03 / 2016	1,8%
Jem & Fix KB	Höganäs	12 / 2020	1,5%
BW Hotel Duxiana, Pogh Hotell AB	Helsingborg	09 / 2028	1,3%
Jysk AB	Höganäs	04 / 2021	1,3%
Victum Kompetensutveckling AB	Helsingborg	08 / 2017	0,9%
IF Friskis & Sveltis i Höganäs	Höganäs	08 / 2020	0,9%
Vård och omsorgsnämnden	Höganäs	09 / 2018	0,9%
Pysslingen Förskolor & Skolor AB	Höganäs	07 / 2022	0,8%
			15,4%

Project

Kv. Holland 25



Söderpunkten comprises of a full block in the city center of Helsingborg. The property was earlier a shopping mall, which Jefast are currently developing to become the new City District Center - open from early mornings to late nights. Söderpunkten will be divided into three different parts being: The center, The movie theatre as well as a high-rise with approximately 80 apartments.

Overall information

- Main part of all of the sub contractors have been signed and the main contractor being Skanska
- Currently ongoing demolition, finalisation of interior design and project planning with sub contractors
- Part one and two with construction and addition of approximately 13 000 square meters lettable area, opening fall 2017
- The third part, new construction with 4 800 square meters of apartments, opening in december 2018 on going zoning and planing with the city of Helsingborg
- The remaining areas within part one and two have ongoing negotiations with potential tenants

Financial information

- The economic rental lease amounts to 83%
- Part one and two of the project has secured fundings

Financial Overview

Overview of the Jefast group including income statement, balance sheet and statement of cashflow see pages 6 to 10 in this report.

Net Sales

In the first quarter 2016, the net sales amounted to 70,5 MSEK (Q1 2015:62,8 MSEK). This is an increase of approximately 12 % compared to same period last year. The hotel operation: Pelican Grand Beach Resort, Florida, was the main contributor to this increase with an increase of approximately 7 MSEK. Looking at Q1 2015 the hotel was still in the middle of constructions. The effect of the now finalised investment in terms of two brand new ballrooms with two terraces connected to each of the ballroom, one spa and two luxury suites are now starting to contribute to the groups net sales.

Result

The operating result (EBIT) for the first quarter amounted to a total of 15,3 MSEK (Q1 2015: 11,7 MSEK). This equals an increase compared to same period last year of a total of 30%.

Depreciations have increase compared to Q1 2015. The reasons being related to the acquisition of Kv. Sockerbruket as well as acquisition of 19 condos at the hotel.

Financial Items

An increase is accruing in interest expenses. This is due to the issuance of a bond in Q4 2015 as well as the uptake of the Marginalen Loan in the second quarter 2015. This loan was issued in order to become the fully owners of Manere AB including the two properties Kv Odeon and Kv Holland 25. Thus, an increased expense of 4,1 MSEK compared to the same period last year is taking place.

Investments

One property acquisition was made in the first quarter with the purchase price of 16 MSEK. This acquisition is affecting lands & building in terms of the purchase as well as depreciation.

Other

An increase in fixed assets under construction is related to the project Kv Holland 25 as well as Lerbergets' tenant adjustment. Since these projects are fully running with heavy remodelling the increase from 68,1 MSEK to 93,6 MSEK in the first quarter 2016 is due to this.

The groups Income Statement	Jan-March 2016	Jan-March 2015	Jan-Dec 2015
All amounts in TSEK			
Net Sales	70 468	62 805	229 412
Property Costs	-20 419	-18 257	-71 469
Commercial Goods	-7 590	-6 873	-27 490
Gross profit	42 459	37 675	130 453
Depreciation	-8 421	-7 514	-28 011
Central administration and marketing	-16 918	-18 528	-74 659
Other operating income	0	133	533
Other operating expenses	-1 845	-99	-394
Operating Result	15 275	11 668	27 922
Other interest income and similar profit/loss items	195	450	1 800
Interest expense and similar profit/ loss items	-13 890	-9 764	-41 803
Result after financial items	1 579	2 354	-12 081
Tax on profit for the year	0	-237	-946
Deferred tax liabilities	558	-52	-208
Net profit/loss for the quarter	2 138	2 066	-13 236
Parent company's share of the quarterly result	2 138	2 066	-13 236

The groups Balance Sheet

31 March 2016

31 Dec 2015

All amounts in TSEK

ASSETS**Fixed assets*****Intangible fixed assets***

Franchise, patent, licenses, trademarks and similar rights	158	232
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	158	232
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Tangible fixed assets

Lands and buildings	1 386 581	1 387 237
Inventories, tools and installations	36 438	37 872
Fixed assets under construction	93 571	68 106

	1 516 590	1 493 215
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Financial Assets

Participation in group companies	6 329	6355
Deferred tax assets	18 000	18 000
Other long-term receivables	1 542	1 548

	25 871	25 902
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Total fixed assets	1 542 620	1 519 350
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Current assets***Inventory m m***

Finished goods	1 248	1 359
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	1 248	1 359
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Current receivables

Account receivables	8 265	6 715
Other receivables	17 103	13 352
Prepaid expenses and accrued income	20 358	20 920

	45 989	40 988
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Cash and bank	172 040	203 209
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Total current assets	219 277	245 555
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TOTAL ASSETS	1 761 897	1 764 905
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The groups Balance Sheet

31 March 2016 31 Dec 2015

All amounts in TSEK

EQUITY AND LIABILITY**Restricted Equity**

Share capital (1 000 shares)	100	100
Other equity incl. net income	260 420	260 439
Equity attributable to parent company shareholders	260 520	260 539
Minority interests	0	0
	260 520	260 539

Provisions

Provisions for deferred taxes	116 349	116 907
	116 349	116 907

Long term liabilities

Bond loan	200 000	200 000
Liabilities to credit institutions	1 071 612	1 074 527
Other liabilities	54 916	54 278
	1 326 528	1 328 806

Current liabilities

Liabilities to credit institutions	14 558	14 272
Accounts payable/trade	15 843	15 643
Current tax liabilities	0	2 821
Other liabilities	5 983	9 018
Accrued expenses and deferred income	22 126	16 899
	58 500	58 653

TOTAL EQUITY AND LIABILITIES**1 761 897 1 764 905**

The Groups Cashflow

Jan-March 2016

Jan-Dec 2015

Amounts in TSEK

Current Activities

Profit/loss after financial items	1 579	-12 081
Adjustments for items not included in the cash flow	6 265	11 802
Taxes paid	-2 821	8 954

<i>Cash flow from operating activities before changes in working capital</i>	5 023	8 675
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Cash flow from changes in working capital

Change in inventories and ongoing works	111	-63
Change in current receivables	-5 001	-18 033
Change in current liabilities	2 668	-1 576

<i>Cashflow from operating activities</i>	2 801	-10 997
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Investment activities

Investments in tangible fixed assets	-31 723	-230 750
Sale of tangible fixed assets	0	450
Investments in financial assets	31	-18 163

<i>Cashflow from investment activities</i>	-31 692	-248 463
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Cashflow from financial activities

Changes in longterm liabilities	-2 278	430 303
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Cashflow from financing activities	-2 278	430 303
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CASHFLOW	-31 169	170 843
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Liquid assets, opening balance	203 209	31 156
Exchange rate difference	0	1 210

Liquid assets, closing balance	172 040	203 209
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Additional information

Events after the reporting period

April 15 the group took possession of the purchased properties in Åstorp with a total of 371 apartments with 27 000 sqm including five properties. The properties consists of 95% apartments and has an occupancy rate of 99%. The purchase sum amounted to 230 MSEK and the lender was Brunswick Real Estate Capital.

May 2 the group purchased and took possession of the property Kv Belgien in the city center of Helsingborg. The purchase was made from Wihlborgs and consists of 9 000 sqm including 33 apartments and commercial facilities. Some of the tenants are Capio, Life, Fonus as well as The Public Prosecutor (Sv. Åklagarmyndigheten).

The purchase sum amounted to 187,5 MSEK and the lender was Brunswick Real Estate Capital.

A business decision was made to replace The General Manager at the Pelican Grand Beach Resort per recommendations of Noble House (hotel operator) in order to take the hotel to the next level. The hiring process is currently taking place to find a replacer. In the meantime Noble House has provided a task force General Manager took ensure that the business flows as usual.

Accounting methods

The policies applied in this unaudited quarterly report is based on K3 accounting methods.

In the third quarter 2016, Jefast Holding will convert to reporting based on International Financial Reporting Standards (IFRS) accounting methods.

Questions and Additional information

For further information and/ or questions please contact:

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Financial report as well as press-releases will be available on Jefast's website:

www.jefast.se

Calendar 2016

- Quarterly Report 2 2016: 29 August 2016
- Quarterly Report 3 2016: 27 November 2016
- Year-end report 2016: April 28 2017