

The first quarter 2017

2017-01-01 to 2017-03-31

Successful letting initiatives and new bond issuance

- Revenue increase by 21% to SEK 85.2 m (70.5)
- Profit decrease by 0.1% to 35.1 m (35.4)
- Portfolio value increase by 32.4% to SEK 2,458bn (1,856)

Group key figures, SEKm	2017	2016	2016
	Jan-March	Jan-March	Jan-Dec
Revenue	85.2	70.5	275.2
Operating profit	35.1	35.4	221.4
Changes in value, SEK	8.1	14.2	142.4
Profit for the period	16.9	19.7	132.3



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Jefast was founded in 1977 and has since then had its 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 37 properties including both commercial and residential properties.

CEO's Comments

Pelican Grand

The first quarter is the strongest quarter for the Hotel Business i Florida. The performances this quarter was extremely satisfying with increases in revenues and decreases in costs. The hard work from last year is really starting to show. Pelican Grand increased its revenues with 10.6% from 48.3 m to 53.4 m, we are very proud of the Pelican-teams efforts!

Successful letting initiatives

On the other hand, the Swedish business increased its rental income to 31.8 m (22.1) of which last years acquisitions accounts for approximately 10.1 m. The economic rental rate continues to be strong with 99.2 % for apartments and 90.5% for commercial. The locations of all of our properties are very attractive, which makes it easy to rent out. This can also be noticed in the strong demand for our ongoing project in Helsingborg: "Söderpunkten" (Holland 25). One of the most recent signed tenants is Nordic Wellness with a 15 year long lease agreement and a total area of 1,500 sqm.

Bond-issuance & acquisitions

Furthermore, this quarter started of with a very successful new bond issuance! A 4-year senior unsecured bond loan in the amount of 200 m with a floating rate interest of Stibor 3m + 5.45% with a total framework of 500 m was finalised. The proceeds will be used for acquisitions and refinancing of outstanding debt, we are thus looking forward to an eventful year with upcoming acquisitions and restructuring of our loan profile, which is expected to have a positive impact on our financial costs. After the end of the reporting period several exciting acquisitions were made both in Höganäs and Helsingborg.

Jefast is happy to have released its new logo during the first quarter. With the company turning 40-years, we thought it was time to update and refresh. The new branding will be released in steps during 2017.

The time has come for me to leave Jefast and the CEO position. It has been four very interesting years and I will continue to help the company with other job assignments throughout my period of notice. My last day as CEO will be June 1 2017, and as the new CEO the board of directors has appointed Cassandra Jertshagen. Bo Jertshagen will remain as the Chairman of the board and continue his active role in the company.

Höganäs, May 2017

Martin Persson
CEO

Income, Expenses & Profits

Revenue

Total revenue amounted to 85.2m (70.5). That is an increase of 21% year over year. The hotel business in Florida performed a great quarter accounting for 53.4 m (48.3)¹ a total increase of 10.6% compared to last year! The first quarter is the strongest quarter for the Florida market. Also, the acquisitions made during the second quarter last year are now fully contributing with quarterly revenues amounting to approximately 10.1 m.

Operating expenses

Operating expenses increased to 39.9 m (33.1). The increase is mainly due to the acquisitions made in the second quarter last year.

Administrative expenses

Administrative expenses amounted to 16.6 m (14.4). This is only generated from the Swedish business, and the increase is mainly from added personell costs and increased salaries.

Loss on disposal of investment property

The company did not have any loss on disposal.

Value investment property

The change in fair value of investment properties in the first quarter amounted to 8.1 m (14.2).

Financial Income and Expense

Financial income amounted to 7 k (195).

Total interest expenses for the first quarter amounted to 17.0 m (13.9). Due to a new bond issuance financial expenses will increase, the impact is rather low in the first quarter. However, several changes has been made during the first quarter that will have a positive impact on the financial expenses. Approximately 400 m of senior bank loans were renegotiated in the quarter to a lower interest rate, which will impact the upcoming quarters.

Derivatives

Change in fair value of derivatives of 960 k (703) during the first quarter is tied to a swap maturing in the second quarter 2017.

Profit after taxes in the period

Profit after taxes amounted to 17.5 m (19.7) in the first quarter.

¹ Not taking into consideration currency fluctuations

Group Key Figures

Investment Property Segment

	Jan-Mar 2017	Jan-Mar 2016
Area, m2	135,087	98,833
Economic rental rate, commercial, %*	90.5	88.9
Economic rental rate, apartments, %	99.2	99.0
Rental value, commercial, SEKm*	55.1	40.3
Rental value, apartments, SEKm	67.7	40.9
Value per square meter, SEK/m2	13,732	12,931
Number of commercial spaces*	237	206
Number of apartments	931	527
Number of properties	37	33

*Kv Holland excluded.

Hotel Business Segment

	Jan-Mar 2017	Jan-Mar 2016
Building area, m2	19,430	19,430
Occupancy rate, %	88.87	82.16
Average rate, per night*	2,838	2,967
RevPAR*	2,523	2,438
Number of rooms owned	132	131

*Exchange rate USD to SEK: 8,9229

Group Key Figures - Financial

	March 2017	Dec 2016
Net Loan to Property value ratio, %	68.2	65.6
Equity / Assets ratio, %	27.5	29.3
Debt / Equity Ratio, times	2.6	2.4
Interest Coverage Ratio, times	1.9	1.6

Investment Properties

Portfolio value increase

At the end of the fourth quarter of 2016 the group had all the properties externally evaluated by Newsec. In the first quarter an internal evaluation was made, with a rather precautionary approach. The value of the property portfolio amounted to SEK 2,458bn (1,856).

Jefast owns, manages and develops properties in the southern parts of Sweden and the portfolio consists of residential, office, retail and industrial properties. Jefast's properties are all located in and around Helsingborg - ensuring our closeness and attention to all of our properties in an easy way.

Kv. Holland

The project Kv. Holland is in full speed and several new tenants has been entered into agreement with. Nordic Wellness signed an agreement to rent 1,500 sqm with a 15 year term. Furthermore, after the reporting period a restaurant koncept called German Döner Kebab and Pressbyrån also entered into agreements. The galleria is scheduled to open in time for Easter 2018, the cinema at the end of the second quarter 2018 and lastly the office and residential 19-story building to be finalised at the end of 2019.



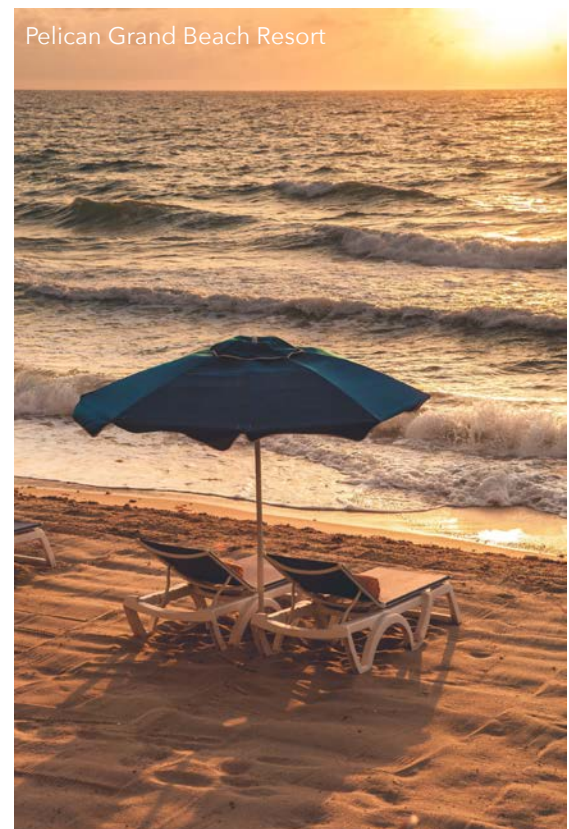
Property Acquisitions and Sales

One condominium unit was acquired at the Pelican Grand Beach Resort. This leads to a total of 132 units (131) Apart from that no other properties were acquired nor divested during the first quarter.

Events in the reporting period

Issuance of a unsecured bond loan

In March Jefast issued a 4-year senior unsecured bond loan in the amount of SEK 200m. The bond loan carries a floating rate interest of Stibor 3m + 5.45% and has a total framework amount of SEK 500m. Jefast will apply for a listing of the bond loan on Nasdaq Stockholm. The proceeds from the bond issue will be used for general corporate purposes, including acquisitions of properties in Sweden and refinancing of outstanding debt. Carnegie Investment Bank was the financial advisor and Roschier has been the legal advisor in conjunction with the issuance of the new bond loan.



Pelican Grand Beach Resort

A new Controller was hired at Pelican Grand, we welcome Mr Americo Nocete to our team.



Property Management Company

Jefast signed a new agreement with Lamaro, a real estate maintenance company, to take over the external and internal property management service in Höganäs. The agreement will come into effect May 1 2017.

Events after the reporting period

Property acquisition Danmark 29

In April Jefast signed an agreement of purchasing the property Danmark 29 in the form of a company transaction. The property consists of commercial and residential spaces as well as a parking garage with 120 lots. There are 31 apartments consisting of 1,972 m² and the total commercial area amounts to 7,367 m². The largest tenants are The Swedish Employment Service (*Sv. Arbetsförmedlingen*) and The Swedish Migration Board (*Sv. Migrationsverket*). The purchasing price amounts to 179 MSEK. The property fits well into the Group's current portfolio since Danmark 29 is located very close to both Holland 25 and Belgien Norra 19 in the south parts of Helsingborg.



Property acquisition Jaguaren 4 and Tjöröd 6:8

Jefast also signed an agreement of purchasing the properties Jaguaren 4 and Tjöröd 6:8 in the form of a company transaction. The seller was Wilfast Lager och Handel AB. The properties are located in Höganäs. Jaguaren 4 is a logistic facility with one tenant, Topbrands Scandinavia AB, renting the entire property with a total area of 5,780 m². Tjöröd 6:8 has a total area of 2,204 m² and consists of commercial spaces only. The largest tenant is Fiskars Sweden AB (Iittala Outlet). The agreed total purchase price for both properties amounts to 59 MSEK. Jefast acknowledges great opportunities in this area to further develop this as an Outlet destination and fits well into the current portfolio due to its location in Höganäs.

Signed property acquisition Oskar II 3

This week Jefast signed an agreement to acquire the Helsingborg located property Oskar II 3. The property is located in the same neighbourhood in which Jefast already owns 7,500 m², in the very city center of Helsingborg with ocean views from several of the offices and apartments. The property comprises of about 2,585 m² of which 2,225 m² consists of commercial tenants. The seller is Fastighets AB Snödroppen. Jefast will take occupancy at the latest on September 30 2017. The transaction will be in form of a company transaction.

Miscellaneous

Employees

At the end of the period, the number of employees amounted to 15 people (14) for the Swedish business. At the Pelican Grand the number of people employed amounted to 175 (181), however they are all legally employed by the hotel service management company Noble House.

Significant risks and other uncertainty factors

The Group's single largest cost is interest. The Group has long-term credit lines with fixed terms and fixed interest rates through interest rate swap agreements. Of the total loan portfolio, 300 MSEK are possible to secure, of which approximately 33% were hedged by interest rate swaps (that matured on 14 March 2017). In addition, loans of about 870 MSEK are signed with a fixed interest rate (of which 550 MSEK has a maturity during 2017).

Currency risk

The Group has no currency hedging of the US dollar; it is not considered necessary since loans, revenues and expenses are in USD.

Use of financial instruments

The Group measures financial instruments at fair value. Hedging instruments consist of interest rate swaps, which matured on 14 March 2017. The group is currently investigating other possible hedging instruments.

Ownership

The company is owned to 92.1% by Bo Jertshagen and 7.9% of Induere AB, corporate id no 556767-3941, which in turn is fully owned by Bo Jertshagen.

Accounting policies

Jefast's consolidated accounts comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Furthermore, the recommendation RFR 1 Supplementary accounting rules for corporate groups issued by the Swedish Financial Reporting Board have been applied. The parent company has prepared its financial statements in accordance with the Annual Accounts Act and RFR 2 Accounting for legal entities. For complete accounting policies, please refer to Jefast's annual accounts for 2015.

Consolidated Group Income Statement

All amounts in TSEK	2017	2016	2016
	Jan-March	Jan-March	Jan-Dec
Revenue	85,236	70,468	275,159
Operating expenses	-39,922	-33,086	-131,217
Gross profit	45,314	37,382	143,942
Administrative Expenses	-16,604	-14,426	-62,449
Loss on disposal of investment property	0	0	-1,368
Changes in fair value of investment property	8,147	14,246	142,445
Other operating income	0	0	2,208
Other operating expenses	-1,708	-1,845	-3,391
Operating profit/(loss)	35,149	35,357	221,387
Finance Income	7	195	409
Finance Expense	-17,032	-13,890	-60,195
Changes in fair value of derivatives	960	703	3,514
Profit before tax	19,084	22,365	165,115
Income tax expense	-2,132	-2,673	-32,809
Profit for the year	16,952	19,692	132,306
Profit attributable to:			
Equity owners of the company	16,952	19,692	132,306

Statement of Other Comprehensive Income

All amounts in TSEK	2017	2016	2016
	Jan-March	Jan-March	Jan-Dec
Profit for the year	16,952	19,692	132,306
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations	-4,848	3,204	32,036
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-4,848	3,204	32,036
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Change in value of owner-occupied property	2,197	-2,732	-27,323
Income tax	-484	601	6,011
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	1,713	-2,131	-21,312
Total comprehensive income for the year net of tax	13,817	20,765	143,030
Total comprehensive income attributable to:			
Equity owners of the company	13,817	20,765	143,030

Consolidated Group Balance Sheet - Assets

All amounts in SEK	31 March 2017	31 December 2016
ASSETS		
Non-Current assets		
Investment property	1,906,616	1,899,136
Investment property under construction	201,077	149,826
Owner-occupied property	551,046	559,472
Owner-occupied property under construction	217	62
Other property, plant and equipment	41,178	42,432
Deferred tax assets	0	211
Receivables	1,570	1,599
Total non-current assets	2,701,704	2,652,738
Current assets		
Inventory	2,052	1,823
Rent and other receivables	10,467	14,188
Tax assets	2,475	1,837
Prepaid expenses and accrued income	28,963	21,773
Cash and cash equivalents	260,550	74,081
Total current assets	304,507	113,702
TOTAL ASSETS	3,006,211	2,766,440

Consolidated Group Balance Sheet - Equity and Liability

All amounts in SEK	31 March 2017	31 December 2016
EQUITY AND LIABILITIES		
Share capital	500	500
Foreign currency translation reserve	51,666	56,514
Revaluation reserve	126,303	126,612
Retained earnings	647,149	628,175
Equity attributable to the shareholders of the parent	825,618	811,801
Total equity	825,618	811,801
Non-current liabilities		
Interest bearing loans and borrowings	1,415,100	1,419,995
Bond loans	400,000	200,000
Deferred tax liabilities	187,162	184,734
Total non-current liabilities	2,002,262	1,804,729
Current liabilities		
Interest bearing loans and borrowings	121,887	67,189
Derivative financial instruments	0	960
Trade and other payables	15,283	41,772
Tax liabilities	1,871	831
Other liabilities	8,480	9,038
Accrued expenses and prepaid income	30,810	29,486
Total current liabilities	178,331	149,276
Total liabilities	2,180,593	1,954,639
TOTAL EQUITY AND LIABILITIES	3,006,211	2,766,440

Statement of Changes in Equity

Amounts in TSEK	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total equity
Equity at 1 January 2016	100	24,478	149,978	497,212	671,768
Profit/loss for the year	0	0	0	132,306	132,306
Other comprehensive income	0	32,036	-21,312	0	10,724
<i>Total comprehensive income for the year</i>	<i>0</i>	<i>32,036</i>	<i>-21,312</i>	<i>132,306</i>	<i>143,030</i>
Effect of depreciation on the revaluation reserve	0	0	-2,054	2,054	0
Transactions with owners:					
Issue of share capital	400			-400	
Reduction of the share capital				-2,997	-2,997
Equity at 31 December 2016	500	56,514	126,612	628,175	811,801
Profit/loss for the year	0	0	0	16,952	16,952
Other comprehensive income	0	-4,848	1,713	0	-3,135
<i>Total comprehensive income for the year</i>	<i>0</i>	<i>-4,848</i>	<i>1,713</i>	<i>16,952</i>	<i>13,817</i>
Effect of depreciation on the revaluation reserve	0	0	-2,022	2,022	0
Equity at 31 March 2017	500	51,666	126,303	647,149	825,618

Statement of Cash Flow

Amounts in TSEK	31 March 2017	31 December 2016
Operating activities		
Profit or loss before tax	19,084	165,116
Adjustments to reconcile profit before tax to net cash flows:		
Changes in value from investment property	-8,147	-142,445
Gain/loss on disposal of property, plant and equipment	604	1,223
Depreciations	5,187	14,721
Exchange loss/gains	1,170	-4,929
Change in fair value of derivatives	-960	-3,514
	16,938	30,172
Working capital adjustments:		
Change in operating receivables	-3,469	5,343
Change in inventory	-229	-464
Change in operating liabilities	-25,723	41,008
Income tax paid	402	-4,853
Net cash flow from operating activities	-12,081	71,206
Investment activities		
Purchase of subsidiaries	0	-158,291
Purchase of investment property	-386	-295,536
Expenditure on investment property under construction	-51,251	-80,333
Purchase of owner-occupied property	-2,856	-593
Expenditure on owner-occupied property under construction	-156	0
Purchase of property, plant and equipment	-2,216	-4,910
Proceeds from disposal of investment property	0	0
Proceeds from disposal of owner-occupied property	0	6,527
Changes in long term receivables	29	-51
Net cash flow from investing activities	-56,836	-533,187
Financing activities		
Proceeds from borrowings	260,979	350,537
Repayment of borrowings	-5,189	-19,190
Net cash flow from financing activities	255,790	331,347
Net increase in cash and cash equivalents	186,873	-130,634
Cash and cash equivalents at the beginning of the year	74,081	203,209
Translation adjustments of cash and cash equivalents	-404	1,506
Cash and cash equivalents at 31 December	260,550	74,081

Parent Company Income Statement

All amounts in TSEK	Jan-March 2017	Jan-March 2016	Jan-Dec 2016
Net sales			
Administrative expenses	-619	-343	-1,538
Operating profit/(loss)	-619	-343	-1,538
Finance expenses	-2,479	-2,867	-7,280
Profit/loss after financial items	-3,098	-3,210	-8,818
Received Group contributions	0	0	8,818
Profit/loss before tax	-3,098	-3,210	0
Income tax expense	0	0	0
Profit for the year	-3,098	-3,210	0

Statement of Other Comprehensive Income

All amounts in TSEK	Jan- March 2017	Jan-March 2016	Jan-Dec 2016
Profit/loss for the year	-3,098	-3,210	0
Other comprehensive income net of tax	0	0	
Total comprehensive income for the year net of tax	-3,098	-3,210	0

Parent Company Balance Sheet

All amounts in SEK	31 March 2017	31 December 2016
ASSETS		
Non-Current assets		
Shares in group companies	25,603	25,603
Receivables from group companies	219,251	223,172
Total non-current assets	244,854	248,775
Current assets		
Prepaid expenses and accrued income	7,385	2,593
Cash and cash equivalents	195,478	502
Total current assets	202,863	3,095
TOTAL ASSETS	447,717	251,870
EQUITY & LIABILITIES		
<i>Restricted equity</i>		
Share capital	500	500
Restricted equity	500	500
<i>Non-restricted capital</i>		
Retained earnings	21,936	21,936
Profit/loss for the year	-3,098	0
Non-restricted capital	18,838	21,936
Total equity	19,338	22,436
Non-current liabilities		
Long-term borrowings	400,000	200,000
Other liabilities	25,000	25,000
Total non-current liabilities	425,000	225,000
Current liabilities		
Other liabilities	1,967	2,828
Accrued expenses and prepaid income	1,412	1,606
Total current liabilities	3,379	4,434
Total liabilities	428,379	229,434
Total equity and liabilities	447,717	251,870

Definitions

Property related

No. of properties

Total number of properties owned by Jefast and its subsidiaries at the end of the period.

Economic rental rate

Rental income as a percentage of rental value.

Hotel related

Occupancy rate

Rooms sold divided by rooms available multiplied by 100. Occupancy is always displayed as a percentage of rooms occupied.

Average rate

ADR (Average Daily Rate) - Room revenue divided by rooms sold, displayed as the average rental rate for a single room.

RevPAR

RevPAR (Revenue per Available Room) - Room revenue divided by rooms available.

Number of rooms owned

Total number of rooms/units owned by Jefast at the Pelican Grand, at the end of the period.

Financial

Interest-coverage ratio

Profit from property management before tax after reversal of financial expense in relation to financial expenses.

Debt/equity ratio, multiple

Total liabilities divided by total equity.

Net Loan-to-value

Net Interest Bearing Debt as a percentage of the aggregate Value of all Properties.

Equity/assets ratio

Equity as a percentage of total assets at the end of the period

Contact Information

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

Calendar 2017

- Quarterly Report 2 2017: 31 August 2017
- Quarterly Report 3 2017: 30 November 2017
- Year-end report 2017: 28 February 2018
- Annual Report 2017: 27 April 2018