

## The 2nd Quarter 2016

### Summary April-June 2016

- Net sales amounted to 67 MSEK (Q1 2016: 70 MSEK)
- Operating result amounted to 14 MSEK (Q1 2016: 15 MSEK)
- The second quarter's result after taxes amounted to -2,8 MSEK (Q1 2016: 2,1 MSEK)
- The portfolio's total property market value in the second quarter amounted to 2 309 MSEK (Q1 2016: 1 856 MSEK)
- During this quarter 6 property acquisition was made with the total purchase price of 417,5 MSEK

### Introduction to Jefast

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 39 properties among these, both commercial and residential properties.



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## CEO's Comments

### Growth focus



The second quarter was an interesting period paved with acquisitions - within one month the Swedish property portfolio increased in area with nearly 30%. One large property portfolio located in Åstorp, approximately 15 minutes commute to Helsingborg, with 371 apartments (27 191 sqm) was acquired April 15. The portfolio consists of five properties with no vacancies and fits very well with Jefast's longterm goal of increasing the housing percentage. Furthermore, a large property was acquired from Wihlborgs on May 2 located in the city center of Helsingborg. This property consists of 33 apartments and more than 6 000 sqm of commercial space. This property is situated next to Jefast's other property Kv. Holland ("Söderpunkten") where large remodelling is taking place thus, increasing the value of not only Kv. Holland but also its neighbourhoods.

### Market value & area

Together with the recent acquisitions the current market value in the second quarter amounts to 2 309 430 SEK. These market values are based on external appraisals made by Newsec dated 2016 for the recent additions and 2015 for the remaining property portfolio. The total lettable area amounts to 156 753 sqm whereas the Swedish portfolio is equivalent to 137 323 sqm. Jefast now consists of a total of 39 properties and 34 wholly-owned subsidiaries.

### Projects

Lerbergets' tenant adjustment of a total of 2 500 sqm, with an investment of nearly 20 MSEK was finalised in the second quarter and the tenant moved into the premises July 1. The lease agreement maturity is 15 years and will on a yearly basis generate 3,8 MSEK. Thus, making Höganäs Municipality Jefast's second largest tenant contributing to 3,2% of the total rental income. Furthermore, the transformation of three apartments in Höganäs was also finalised according to the timeframe. The added 137 sqm will generate approximately 240 000 SEK rental income on a yearly basis.

Höganäs August 26, 2016

Martin Persson, CEO

## Tenant overview

The chart gives an overview of the the largest tenants in the second quarter 2016. The largest commercial tenants contributes to a total of 14,7% thus a decrease from the first quarter from 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

Several new contracts has been signed in the second quarter in Höganäs. Three previously vacated shop premises has been rented out- a total of 515 sqm in the center of Höganäs. One tenant was liquidated in Helsingborg, an office premise with 202 sqm. Since this premise is situated in the very center of Helsingborg Jefast assume to rent out the premise during the third quarter.

With the recent acquisitions the ten largest tenants has changed. Capio and Helsingborgs Stad have thus become two of Jefast's larger tenants.

## Ten largest tenants

Tenant	City	Lease Maturity	Percentage of total rental income
Capio Närsjukvård AB	Helsingborg	12/2018	3,6 %
Höganäs Kommun	Höganäs	04/2031	3,2 %
Nordea Bank Sverige AB	Helsingborg	01/2018	1,7 %
Jem & Fix KB	Höganäs	12/2020	1,2 %
B W Hotel Duxiana,Pogh Hotell AB	Helsingborg	09/2028	1,1 %
JYSK AB	Höganäs	04/2021	1,1 %
If Friskis & Svettis i Höganäs	Höganäs	10/2020	0,7 %
Helsingborgs Stad	Helsingborg	09/2018	0,7 %
Kollektivavtalsstift Trygghetsrådet	Helsingborg	09/2019	0,7 %
Pysslingen Förskolor&Skolor AB	Höganäs	07/2022	0,7 %
			<b>14,7 %</b>

## Acquisitions

### Söderåsen Bostads AB



In April an acquisition was made and Jefast bought for the first time apartments in Åstorp. The portfolio consists of 5 properties with a rental rate of 99%. The Municipality of Åstorp is located 15 minutes drive from Helsingborg - making it a popular place to live. The properties are all located in the same area and consists of 371 apartments with a total area of 27 191 square meters. The purchasing price was 230 MSEK and the yield rate is estimated to 6%.

### Belgien Norra 19

In May a large property was acquired from Wihlborgs in the city center of Helsingborg. The property consist of 33 apartments and 6 237 square meters of commercial space. The purchasing price was 187,5 MSEK and some of the larger tenants are Capio Cityklinik, Tingsrätten and The Helsingborg Municipality. This property is located next to the Groups large commercial center, Holland 25.



## Projects

### Kv. Holland 25

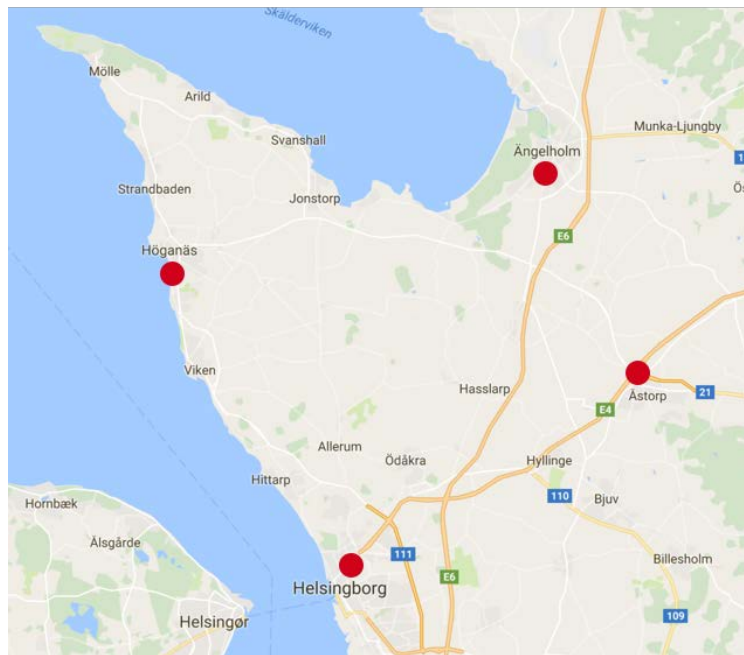


The construction is currently taking place with full speed. Skanska has announced the opening of the Galleria to take place late 2017. The economic rental lease amounts to 85% in the second quarter. Parallel with the Galleria construction, zoning and planning for a new apartment building with 4 800 square meters and approximately 80 apartments is on going. The apartment building is planning to be move in ready late 2018.

*No other projects are ongoing nor planned at the moment.*

# Company Overview

## Jefasts' Swedish locations:



**99%**  
rental rate for  
apartments

**90%**  
rental rate for  
commercial premises

## Apartments & Commercial

City	Number of Apartments	Commercial sqm	Total sqm
Höganäs	432	23 878	53 385
Helsingborg	128	42 674	56 299
Åstorp	371	6 237	27 191
Ängelholm	0	448	448
Ft Lauderdale, USA			19 430
<b>Total portfolio</b>	<b>931</b>	<b>73 237</b>	<b>156 753</b>

## Financial Overview

Overview of the Jefast group including income statement, balance sheet and statement of cashflow see pages 10 to 14 in this report.

### Net Sales

In the second quarter 2016, the net sales amounted to 67 491 TSEK (Q1 2016: 70 468 TSEK). This is due to the fact that low season has begun in the Florida Hotel market, the first quarter is always the strongest for the hotel since it is high season. The net sales decrease in USA compared to the first quarter was 8 371 TSEK. Furthermore the acquisitions made in the second quarter adds a total of 7 581 TSEK in net sales thus leading to the net change, with USA included, to be -800 TSEK.

The Swedish portfolio has during the second quarter decreased net sales by 1 800 TSEK. Jefast Citygalleria accounts for 240 TSEK of this and since the property is undergoing major construction more lease agreements had to be terminated earlier than anticipated due to safety reasons and noise. Triangeln contributes with a decrease of 430 TSEK the reason being the vacant commercial premise of 1 200 sqm where Swedbank previously terminated its lease. Another reason for the decrease is because the project at Höganäs 34-69 of converting commercial area into apartments was made by our in-house construction company. Therefore, the external sales decreased leading to a total impact of 1 030 TSEK.

### Result

The operating result (EBIT) for the second quarter amounted to a total of 14 375 TSEK (Q1 2016: 15 275 TSEK). Depreciations have increase compared to Q1 2016. The reasons being the acquisition in Helsingborg and Åstorp, accounting for 1 733 TKR of the increased depreciations.

Other operating expenses have decreased in USA with 800 TKR compared to the first quarter. The currency exchange is also affecting the operating result. In the first quarter a currency loss accrued whereas in the second quarter a currency gain took place, this is due to the American dollar loan conversion to SEK.

### Financial Items

An increase accrued in interest expenses. This is due to the issuance of the bond in Q4 2015 as well as the uptake of new loans in the second quarter 2016 for purchasing of new properties. The new loans were issued by Brunswick Real Estate Capital and the increased interest expense amounts to 3 144 TSEK.



## Investments

Six properties were acquired in the second quarter with the total purchase price of 417 500 TSEK. This acquisition is affecting lands & building in terms of the purchase as well as depreciation.

## Other

The added Brunswick loan for the acquisition of Belgien Norra 19 as well as Söderåsen Bostads AB, and the Ålandsbanken Loan accounts for an added liability to credit institutes of 320 720 MKR.

<b>The groups Income Statement</b>	<b>April-June 2016</b>	<b>Jan-March 2016</b>	<b>April-June 2015</b>	<b>Jan-Dec 2015</b>
All amounts in TSEK				
Net Sales	67 491	70 468	56 394	229 412
Commercial Goods	-10 356	-10 931	-18 334	-71 469
Property Costs	-8 114	-7 590	-6 873	-27 490
<b>Gross profit</b>	<b>49 021</b>	<b>42 450</b>	<b>31 188</b>	<b>130 453</b>
Depreciation	-10 154	-8 421	-7 499	-28 011
Central administration and marketing	-25 615	-26 407	-19 242	-74 659
Other operating income	1 329	0	133	533
Other operating expenses	-205	-1 845	-99	-394
<b>Operating Result</b>	<b>14 375</b>	<b>15 275</b>	<b>4 482</b>	<b>27 922</b>
Other interest income and similar profit/loss items	123	195	450	1 800
Interest expense and similar profit/loss items	-17 034	-13 890	-10 008	-41 803
<b>Result after financial items</b>	<b>-2 536</b>	<b>1 579</b>	<b>-5 076</b>	<b>-12 081</b>
Tax on profit for the year	0	0	-237	-946
Deferred tax liabilities	-287	558	-52	-208
<b>Net profit/loss for the quarter</b>	<b>-2 823</b>	<b>2 138</b>	<b>-5 365</b>	<b>-13 236</b>
Parent company's share of the quarterly result	-2 823	2 138	-5 365	-13 236

The groups Balance Sheet	30 June 2016	31 March 2016	31 December 2015
All amounts in TSEK			
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i><b>Intangible fixed assets</b></i>			
Franchise, patent, licenses, trademarks and similar rights	94	158	232
	<b>94</b>	<b>158</b>	<b>232</b>
<i><b>Tangible fixed assets</b></i>			
Lands and buildings	1 839 475	1 386 581	1 387 237
Inventories, tools and installations	40 303	36 438	37 872
Fixed assets under construction	106 272	93 571	68 106
	<b>1 986 050</b>	<b>1 516 590</b>	<b>1 493 215</b>
<i><b>Financial Assets</b></i>			
Participation in group companies	6 371	6 329	6 355
Deferred tax assets	0	18 000	18 000
Other long-term receivables	3 133	1 542	1 548
	9 504	25 871	25 902
<b>Total fixed assets</b>	<b>1 995 648</b>	<b>1 542 620</b>	<b>1 519 350</b>
<b>Current assets</b>			
<i><b>Inventory m m</b></i>			
Finished goods	1 359	1 248	1 359
	1 359	1 248	1 359
<i><b>Current receivables</b></i>			
Account receivables	5 346	8 265	6 715
Other receivables	3 205	17 103	13 352
Prepaid expenses and accrued income	31 807	20 358	20 920
	40 836	45 989	40 988
Cash and bank	83 350	172 040	203 209
<b>Total current assets</b>	<b>125 545</b>	<b>219 277</b>	<b>245 555</b>
<b>TOTAL ASSETS</b>	<b>2 121 193</b>	<b>1 761 897</b>	<b>1 764 905</b>

<b>The groups Balance Sheet</b>	30 June 2016	31 March 2016	31 December 2015
All amounts in TSEK			
<b>EQUITY AND LIABILITY</b>			
<b>Restricted Equity</b>			
Share capital (1 000 shares)	100	100	100
Other equity incl. net income	259 423	260 420	260 439
Equity attributable to parent company shareholders	<b>259 523</b>	<b>260 520</b>	<b>260 539</b>
Minority interests	0	0	0
	<b>259 523</b>	<b>260 520</b>	<b>260 539</b>
<b>Provisions</b>			
Provisions for deferred taxes	149 674	116 349	116 907
	149 674	116 349	116 907
<b>Long term liabilities</b>			
Bond loan	200 000	200 000	200 000
Liabilities to credit institutions	1 369 430	1 071 612	1 074 527
Other liabilities	80 898	54 916	54 278
	<b>1 650 328</b>	<b>1 326 528</b>	<b>1 328 806</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	12 960	14 558	14 272
Accounts payable/trade	13 255	15 834	15 643
Current tax liabilities	3 615	0	2 821
Other liabilities	6 206	5 983	9 018
Accrued expenses and deferred income	25 632	22 126	16 899
	<b>61 668</b>	<b>58 500</b>	<b>58 653</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 121 193</b>	<b>1 761 897</b>	<b>1 764 905</b>

<b>The Groups Cashflow</b>	April-June 2016	Jan-March 2016	Jan-Dec 2015
Amounts in TSEK			
<b>Current Activities</b>			
Profit/loss after financial items	-2 806	1 579	-12 081
Adjustments for items not included in the cash flow	45 575	6 265	11 802
Taxes paid	3 328	-2 821	8 954
<i>Cash flow from operating activities before changes in working capital</i>	<b>46 097</b>	<b>5 023</b>	<b>8 675</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories and ongoing works	-111	111	-63
Change in current receivables	5 153	-5 001	-18 033
Change in current liabilities	-447	2 668	-1 576
<i>Cashflow from operating activities</i>	<b>50 692</b>	<b>2 801</b>	<b>-10 997</b>
<b>Investment activities</b>			
Investments in tangible fixed assets	-479 550	-31 723	-230 750
Sale of tangible fixed assets	0	0	450
Investments in financial assets	16 367	31	-18 163
<i>Cashflow from investment activities</i>	<b>-463 183</b>	<b>-31 692</b>	<b>-248 463</b>
<b>Cashflow from financial activities</b>			
Changes in longterm liabilities	323 800	-2 278	430 303
<b>Cashflow from financing activities</b>	<b>323 800</b>	<b>-2 278</b>	<b>430 303</b>
<b>CASHFLOW</b>	<b>-88 691</b>	<b>-31 169</b>	<b>170 843</b>
Liquid assets, opening balance	172 040	203 209	31 156
Exchange rate difference	0	0	1 210
<b>Liquid assets, closing balance</b>	<b>83 350</b>	<b>172 040</b>	<b>203 209</b>

## Additional information

### Events after the reporting period

Jefast welcomes Maria Jonasson as the new CFO of the group. Maria joined the team August 15.

A new Hotel General Manager is expected to be hired in the third quarter. Ongoing interviews has taken place in the second quarter, and the process is now finalising.

### 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:

Martin Persson, CEO, +46 (0) 42 - 36 12 08

Maria Jonasson, CFO, +46 (0)42-36 12 21

Financial report as well as press-releases will be available on Jefast's website:  
[www.jefast.se](http://www.jefast.se)

## Calendar 2016

- Quarterly Report 3 2016: 30 November 2016
- Year-end report 2016: April 28 2017