

# Annual Financial Statement and Consolidated Reports for the Fiscal Year

2015-01-01 to 2015-12-31

## 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 32 properties among these, both commercial and residential properties.



# Annual Financial Statement and Consolidated Reports for the Fiscal Year 2015-01-01-2015-12-31

*The Board of Directors and the managing director for Jefast Holding AB (Publ) hereby submit the following annual financial statement and consolidated report.*

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Company headquarters: HÖGANÄS

The company's reporting currency: Swedish Krona (SEK)

Unless otherwise stated, all amounts are posted in thousands (Tkr). As a result, rounding differences may occur.

## Directors' Report

### Information about the operations

The Group's head office is based in Höganäs.

#### Business Concept

Jefast Group's primary business model is to be an active property owner and to effectively manage and develop their own real estate market in Northwest Skåne in Sweden with adequate housing and premises. The property portfolio consists of 32 (31) properties with a market value of 1 851 519 tkr.

#### Operations and Organization

Jefast Group's Swedish organization consisted of 14 people by year-end. During the year, there has been some reorganization made through retirement, and hiring of two people. The organization is responsible for the financial and technical management and Jefast Byggservice AB works with both internal and external services.

### Significant events during the financial year and after its closing

#### Jefast in Sweden

During the year, the ongoing housing management progressed very well with a high occupancy rate. Jefast's ongoing efforts to make the organization more efficient and negotiate contracts with new partners generated a net operating income for the property management of 48.7 mkr (48.9 mkr).

#### Acquisitions

##### Kv Sockerbruket

During the fourth quarter of 2015 Kv Sockerbruket in central Helsingborg was acquired through a purchase of a new company. It is a mixed property with four apartments and premises, including Nordea and Trygghetsrådet as tenants.

##### Manere AB

During the financial year 2015 Jefast AB bought the last shares from the minority shareholders in Manere AB and it's now a fully owned subsidiary. This means that Jefast AB now has the full control over the properties Kv Holland 25 in Helsingborg and Kv Odeon 18 in Höganäs.

#### Signed purchased agreements

In the end of 2015, Jefast signed an agreement to acquire Söderåsens Bostad AB. It is a portfolio of properties located in Åstorp, about 15 minutes to the center of Helsingborg, with more than 370 apartments. Completion is scheduled for the beginning of the second quarter of 2016. The Group has also acquired Jefast City Fastigheter i Höganäs AB, which has a smaller property portfolio in Höganäs, and during the second quarter Fastigheten Belgien Norra KB was

acquired. Fastigheten Belgien Norra KB owns a property that is close to the project "Söderpunkten".

### **Sales**

No sales have been made.

## **Investments in existing properties and ongoing projects**

### **Kv Holländaren 25 "Söderpunkten"**

In 2015, the work with project Söderpunkten progressed, and in the fourth quarter when the investment decision was taken occupancy rate was over 80%. Jefast uses TAM Retail to develop the market place and complete the rental.

Söderpunkten will attract visitors through its wide range with for example SF Bio Filmstaden, Hemköp and New York Legends sports bar. In addition to this attractive meeting places created through the creation of cafes and restaurants the range will be supplemented by consumer discretionary and a wide selection of basic commodities in the clothing and leisure. In the town center, we will create a natural meeting place, trade destination and passage for those who live and work nearby the southern parts of Helsingborg, which shall be open most of the day.

Building permits have been obtained and planning of framework documents that form the basis for the construction has been developed. Söderpunkten is expected to be ready to open in late 2017. Detailed Modification of the property has begun on an extension of a home, with about 80 apartments, 18 floors. In the summer of 2016 the zoning is calculated to gain legal force and when the high-rise is completed this will be a hallmark for Söderpunkten in Helsingborg. In 2018, Söderpunkten will be fully developed.

As a result of the Söderpunkten project revenues have fallen sharply since the mall is largely vacant. In connection with the project there have also been exit costs, and the company has still had ongoing running costs.

### **Kv Lerberget 49:710**

In the fourth quarter 2015 Jefast concluded a 15-year agreement with Höganäs Municipality regarding Kv Lerberget. A renovation for the new tenant for about 20 million will begin in 2016 and therefore the property has been empty during most part of 2015. Due to this agreement the property becomes a community property and will be fully leased. Access is at the end of the second quarter in 2016.

### **Kv Höganäs 34:69**

In the fourth quarter a project to convert the former retail space to apartments in Höganäs started. During the second quarter of 2016 the group will have three very attractive apartments available and due to the high demand for apartments in Höganäs, we welcome this decision.

### **Kv Vattumannen 13, Jupiter 11 & Thor 8**

During the second and third quarter, Jefast started a project with window replacements on three properties in Höganäs. This is one of our steps to keep enhancing our properties through both more energy efficient windows as well as part of the continuous maintenance.

## Other events in 2015

Hotel Paletten, Ängelholm

The hotel business in Best Western Hotel Paletten in Ängelholm closed down on April 30, 2015. In connection with this termination the group had added costs.

## Corporate Bond

During the first quarter of 2015 Jefast decided to investigate the possibility of issuing a corporate bond. It was decided during the third quarter of 2015 to begin the process with Danske Bank, and the process was completed in the fourth quarter of 2015.

In December 2015 Jefast Holding AB issued a secured corporate bond. The frame is 500 million and a first lift of SEK 200 million was carried out in the fourth quarter. The bond has a maturity of over 36 months and an interest rate of 650 basis points above Stibor 90 with zero bases. The bond is intended to be listed on the Nasdaq Small Cap OMX Stockholm during the autumn in 2016.

As a result of the long process with the bond the Group has had large non-recurring costs such as commissions, legal fees and increased audit costs. In accordance with the Terms & Conditions in the bond agreement Jefast Holding AB will transition to reporting under IFRS. Conversion work will commence during the third quarter in 2016.

## Jefast USA

### Pelican Grand Beach Hotel, Ft Lauderdale, Florida in USA

The hotel in Florida, Pelican Grand Beach, underwent an extensive refurbishment and extension during 2014 as well as 2015. The total investment amounted to 51.6 million (\$6.2 million) and included the extension of the two conference rooms (up to 100 people), an associated terraces, a renovation of the penthouse and bridal suite and a spa construction. Although the Pelican Grand underwent this large conversion the sales increased during 2015. Due to the project some rooms could not be leased, social and conference arrangements could not be booked, so the hotel could therefore not achieve optimal sales and profit for financial year 2015.

The Group sees great potential for the forthcoming years; in 2015 the hotel increased the occupancy rate and the average price per room despite the renovation.

In the hotel there is a Condominium Association, of which Jefast owns more than 87%. In 2015 Jefast acquired 19 condos for 45.8 million (\$ 5.5 million).

### Expected future prospects

The Group's long-term goal is to grow in the Swedish market, by acquiring and developing properties essentially in Höganäs, Helsingborg and other places nearby. The plan is to expand the property portfolio by 800 million by the end of 2018 and another 200 million by the end of 2020, which would mean a property portfolio amounting to approximately 2 800 million in 2020. Furthermore, upgrading of housing and larger commercial properties will occur to

accommodate what market demands.

A long-term goal is that the group as a whole shall be composed of 70% residential and 30% commercial real estate. This is what Jefast believes is an optimal mix in terms of risk allocation and management, housing is estimated to have great potential in the coming decade.

With the current projects in Kv Lerberget 49: 710, Kv Höganäs 34:69, 25 Kv Holländaren 25 and new property acquisitions in 2016 Jefast anticipates 2016 to be an eventful year. Jefast estimates that the projects in Kv Lerberget 49: 710 and Kv Höganäs 34:69 will be completed during 2016. Furthermore, the organization will continue to work with efficiency improvements in both the Sweden and US operations.

## Significant risks and uncertainties

### Interest rate risk

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. Approximately 29.3% of the loan portfolio in Jefast Group is hedged by interest rate swaps (maturing in 2017). In addition, loans of about 200 million are signed with a fixed interest rate (maturity 2017). Loan to value ratio (LTV) for the Group is 62%.

### 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

Jefast Group applies hedge accounting in accordance with BFNAR 2012: 1 Chapter 11, section 39 and section 40. Hedging instruments consist of interest rate swaps.

### Ownership

The company is owned to 92.5% by Bo Jertshagen and 7.5% of Induere AB, corporate id no 556767-3941, which in turn is fully owned by Bo Jertshagen.

## Multi-year overview

(tkr)

<b>The Group</b>	2015	2014	2013	2012
Net turnover	229 412	190 458	179 727	175 046
Gross Earnings	130 453	114 389	104 340	123 980
Profit/loss after financial items	-12 081	-3 648	-23 530	-7 839
Balance sheet total	1 758 550	1 325 308	1 237 006	1 208 019
Equity/assets ratio (%)	15	20	21	24
Number of employees	15	21	22	23
<b>The Parent Company</b>	2015	2014	2013	2012
Profit/loss after financial items	-1 552	24 999	-1	-1
Balance sheet total	230 911	30 892	25 702	30 540
Equity/assets ratio (%)	11	82	21	18

For definitions of key ratios, see Accounting and Valuation Principles

Comparative figures for 2012 have not been restated to BFNAR 2012:1.

### Proposals for profit allocation

The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):

profit carried forward	25 334 686
profit for the year	1 360
	<b>25 336 046</b>

be distributed so that they are:  
carried over

25 336 046

<b>Consolidated Income Statement (tkr)</b>			
Net turnover	3	229 412	190 458
Building costs	4	-27 490	-27 761
Goods for resale		-71 469	-48 308
<b>Gross Earnings</b>		<b>130 453</b>	<b>114 389</b>
Administrative expenses	5	-74 659	-60 346
Profit from property		0	5 131
Other operating income		533	0
Other operating expenses		-394	-208
Depreciation/amortization of property, plant and equipment and intangible assets	6	-28 011	-25 453
<b>Operating profit/loss</b>	<b>7, 8, 9</b>	<b>27 922</b>	<b>33 513</b>
Other interest income and similar profit/loss items	10	1 800	2 205
Interest expense and similar profit/loss items	11	-41 803	-39 366
<b>Profit/loss after financial items</b>		<b>-12 081</b>	<b>-3 648</b>
Tax on profit for the financial year	12	-946	-588
Deferred taxes	12	-208	2 854
<b>Net profit/loss for the year</b>		<b>-13 236</b>	<b>-1 382</b>
Attributable to parent company shareholders		-13 236	959
Attributable to non-controlling interests		0	-2 342



**Consolidated Balance sheet (tkr)****ASSETS****Fixed assets*****Intangible fixed assets***

Franchise, patents, licenses, trademarks and other similar rights	13	232	477
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***Tangible fixed assets***

Buildings and Land	14, 15	1 387 237	1 219 519
Equipment, tools and installations	16	37 872	27 248
Construction in progress and advance payments for tangible fixed assets	17	68 106	21 271
		<b>1 493 215</b>	<b>1 268 038</b>

***Financial assets***

Other long-term securities	18	18 000	0
Other long-term receivables	19	1 548	1 385
		<b>19 548</b>	<b>1 385</b>

<b>Total fixed assets</b>		<b>1 512 995</b>	<b>1 269 900</b>
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**Current assets*****Inventories, etc***

Finished goods and goods for resale		1 359	1 296
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***Current receivables***

Accounts receivable		6 715	6 580
Other receivables		13 352	1 542
Prepaid expenses and accrued income	20	20 920	14 834
		<b>40 987</b>	<b>22 956</b>

<b><i>Cash on hand and in bank</i></b>		203 209	31 156
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<b>Total current assets</b>		<b>245 555</b>	<b>55 408</b>
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<b>TOTAL ASSETS</b>		<b>1 758 550</b>	<b>1 325 308</b>
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<b>Consolidated Balance Sheet (tkr)</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	21	
<b>Equity attributable to parent company shareholders</b>		
Share capital		100
Retained profits, including this year profit/loss		262 606
<b>Equity attributable to parent company shareholders</b>		<b>262 706</b>
<b>Non-controlling interests</b>		
Non-controlling interests		3 425
<b>Total equity</b>		<b>266 131</b>
<b>Provisions</b>	22	
Deferred tax liability		100 824
<b>Total provisions</b>		<b>100 824</b>
<b>Long-term liabilities</b>	23	
Bond loans		0
Bank overdraft facilities	24	238
Credit for construction	25	41
Liabilities to credit institutions		890 502
Other liabilities		7 722
<b>Total long-term liabilities</b>		<b>898 503</b>
<b>Current liabilities</b>		
Liabilities to credit institutions		11 940
Accounts payable		19 218
Current tax liabilities		2 442
Other liabilities		10 171
Accrued expenses and prepaid income	26	16 079
<b>Total current liabilities</b>		<b>59 850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 325 308</b>
<b>MEMORANDUM ITEMS</b>		
<b>Collateral pledged</b>		
<i>For own liabilities and provisions</i>		
Company mortgages	1 000	1 000
Property mortgages	1 194 884	967 575
	1 195 884	968 575
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>

<b>Consolidated Cash Flow Analysis</b>	(tkr)		
<b>Current Activities</b>			
Profit/loss after financial items	27	-12 081	-3 648
Adjustments for items not included in the cash flow	28	11 802	20 530
Tax paid		8 954	1 845
<b>Cash flow from operating activities before change in working capital</b>		<b>8 675</b>	<b>18 727</b>
<b>Cash flow from change in the working capital</b>			
Change in inventories and ongoing works		-63	16
Change in current receivables		-18 033	2 574
Change in current liabilities		-1 576	-59 173
<b>Cash flow from operating activities</b>		<b>-10 997</b>	<b>-37 856</b>
<b>Investment activities</b>			
Investments in tangible fixed assets		-230 750	-59 545
Sale of tangible fixed assets		450	17 400
Investments in financial assets		-18 163	-41
<b>Cash flow from investment activities</b>		<b>-248 463</b>	<b>-42 186</b>
<b>Financing activities</b>			
Amortization of loans		430 303	94 794
Dividends paid		0	-5 010
<b>Cash flow from financing activities</b>		<b>430 303</b>	<b>89 784</b>
<b>Annual cash flow</b>		<b>170 843</b>	<b>9 742</b>
<b>Liquid assets, opening balance</b>			
Liquid assets, opening balance		31 156	18 584
<b>Exchange rate differences for liquid assets</b>			
Exchange rate differences for liquid assets		1 210	2 830
<b>Liquid assets, closing balance</b>		<b>203 209</b>	<b>31 156</b>

The parent company income statement		(tkr)	
Net turnover		0	0
Administrative expenses	5	-762	-1
<b>Operating profit/loss</b>	<b>8, 29</b>	<b>-762</b>	<b>-1</b>
<b>Profit/loss from financial items</b>			
Profit/loss from participations in group companies	30	0	25 000
Other interest income and similar profit/loss items		78	0
Interest expense and similar profit/loss items		-868	0
<b>Profit/loss after financial items</b>		<b>-1 552</b>	<b>24 999</b>
Appropriations	31	1 553	0
<b>Pre-tax profit/loss</b>		<b>1</b>	<b>24 999</b>
Tax on profit for the financial year	12	0	0
<b>Net profit/loss for the year</b>		<b>1</b>	<b>24 999</b>

## The Parent Company Balance Sheet

(tkr)

**ASSETS****Fixed assets***Financial assets*

Participations in group companies	32, 33	25 603	25 603
Receivables from group companies	34	173 257	5 191
Other long-term securities	18	18 000	0
		<b>216 860</b>	<b>30 794</b>
<b>Total fixed assets</b>		<b>216 860</b>	<b>30 794</b>

**Current assets***Current receivables*

Other receivables		10 000	0
Prepaid expenses and accrued income		3 954	0
		<b>13 954</b>	<b>0</b>
<i>Cash on hand and in bank</i>		97	98
<b>Total current assets</b>		<b>14 051</b>	<b>98</b>

<b>TOTAL ASSETS</b>		<b>230 911</b>	<b>30 892</b>
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**ASSETS**

<b>The Parent Company Balance Sheet</b>		<b>(tkr)</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	21		
<i>Restricted reserves</i>			
Share capital		100	100
<i>Non-restricted equity</i>			
Retained earnings or losses		25 335	336
Profit/loss for the year		1	24 999
		<b>25 336</b>	<b>25 335</b>
<b>Total equity</b>		<b>25 436</b>	<b>25 435</b>
<b>Long-term liabilities</b>	23		
Bond loans		200 000	0
Other liabilities		2 309	5 457
<b>Total long-term liabilities</b>		<b>202 309</b>	<b>5 457</b>
<b>Current liabilities</b>			
Accrued expenses and prepaid income		3 166	0
<b>Total current liabilities</b>		<b>3 166</b>	<b>0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>230 911</b>	<b>30 892</b>
<b>MEMORANDUM ITEMS</b>			
<b>Collateral pledged</b>		None	None
<b>Contingent liabilities</b>			
Contingent liabilities for the benefit of subsidiaries		138 390	65 390
		<b>138 390</b>	<b>65 390</b>

<b>The Parent Company Cash Flow Analysis (tkr)</b>			
<b>Current activities</b>			
Profit/loss after financial items	27	-1 552	24 999
<b>Cash flow from change in the working capital</b>			
Change in current receivables		-13 954	0
Change in current liabilities		3 166	0
<b>Cash flow from operating activities</b>		<b>-12 340</b>	<b>24 999</b>
<b>Investment activities</b>			
Investments in financial assets		-18 000	0
<b>Cash flow from investment activities</b>		<b>-18 000</b>	<b>0</b>
<b>Financing activities</b>			
New issue		-168 066	0
Amortization of loans		196 852	-19 990
Dividends paid		0	-5 010
Group contributions received (paid)		1 553	0
<b>Cash flow from financing activities</b>		<b>30 339</b>	<b>-25 000</b>
<b>Annual cash flow</b>		<b>-1</b>	<b>-1</b>
<b>Liquid assets, opening balance</b>			
Liquid assets, opening balance		98	99
<b>Liquid assets, closing balance</b>		<b>97</b>	<b>98</b>

# Supplementary Information

## Accounting and Valuation Principles

### General Information

The annual and consolidated reports are drawn up in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Reporting and consolidated reports (K3).

The accounting policies are unchanged compared with the previous year.

### Valuation Principles etc.

Changes have been valued to the lowest of acquisition value and the amount with which they are expected to be adjusted. Other assets and liabilities have been valued to the acquisition value unless otherwise stated.

Receivables and liabilities in foreign currencies have been valued at the closing rate of exchange. Profit on exchange and exchange loss on operating receivables and liabilities are reported in the operating result while profit on exchange and exchange loss on financial receivables and liabilities are recorded as financial items.

### Revenue Recognition

Revenue has been raised to the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will be available to be used by the company and the revenue can be measured reliably.

Rental income is recognized in the period of rent provided.

### Consolidated reports

#### *Consolidation Method*

The consolidated report is prepared by using the purchase method. The purchase method considers a company's acquisition of a subsidiary as a transaction whereby the parent company indirectly acquires the assets and assumes its liabilities.

If the operation cost exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is recognized as goodwill.

#### *Non-controlling interest*

Non-controlling interest is the portion of the subsidiary's earnings and net assets in the consolidated financial statements attributable to equity instruments that do not directly or indirectly through subsidiaries, by the parent.

Non-controlling interest are recognized in the consolidated balance sheet as a separate item in the consolidated equity. The report takes as its starting point in the group as a unit under the so-called entity theory. All assets that the Group has as a controlling interest over are included in the consolidated balance sheet, although they partially have other owners. Minority share of



income after tax is reported separately as non-controlling interest.

Acquisitions and disposals of non-controlling interests are recognized in equity.

Intercompany balances and transactions between Group companies as well as unrealized gains, are eliminated fully. Unrealized losses are also eliminated unless the transaction involves an impairment test.

#### ***Translation of foreign subsidiaries***

Foreign subsidiaries are translated using the current method. All balance sheet items are translated at the closing rate. All income statement items are translated at the average rate during the fiscal year. Differences are recognized directly in equity.

#### **Non-controlling interests**

The proportion of equity attributable to owners with non-controlling interests is reported as a special item within equity separate from the parent company's shareholders' share of equity. In addition, its share of profit/loss for the period is disclosed separately.

#### **Fixed assets**

Intangible and tangible fixed assets are posted at the acquisition value less accumulated depreciation and any write-downs.

Tangible fixed assets have been split into components when the components are significant and when components have significantly different useful lives.

Depreciation is done on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following depreciation percentage is applied:

#### ***Administrative Properties***

Administrative properties are held in possession for the purpose of generating rental revenue and/or increase in value. The term "administrative properties" covers buildings, land and land improvements.

#### ***Component split***

Tangible fixed assets have been split into components when the components are significant and when components have significantly different useful lives. When a component of a fixed asset is replaced, any remaining part of the old component is scrapped and the new component's acquisition value is activated. Expenses for ongoing repairs and maintenance are reported as costs.

## Financial instruments

Financial instruments are valued on the basis of the acquisition value. The instrument is presented in the balance sheet when the company becomes a party to the contractual conditions. Financial assets are derecognized when the rights to receive cash flows from the instrument has expired or been transferred and the company has transferred substantially all the risks and rewards associated with ownership. Financial liabilities are derecognized when the obligations have been settled or otherwise terminated.

### *Shares in subsidiaries*

Investments in subsidiaries are carried at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions are added to the cost when they arise.

### *Derivative Instruments*

Jefast Group applies hedge accounting in accordance with BFNAR 2012: 1 Chapter 11, section 39 and section 40. Hedging instruments consist of interest rate swaps.

Hedge accounting is applied to reduce the uncertainty of future interest payments on mortgage loans.

The fair value of the Group's interest rate swaps amounts to 4 475 tkr.

### *Accounts receivables/current receivables*

Accounts receivables and current receivables are reported as current assets at the amount expected to be paid after deduction of individually assessed impaired loans.

Buildings	3-100 years
Land improvements	20 years
Equipment, tools and installations	5-30 years

### *Loan-liabilities and account payables*

Loan liabilities and accounts payables are recognized initially at cost after deduction of transaction costs. If the carrying amount differs from the amount that will be repaid at maturity date interest expense is accrued, the difference that over the term of the loan using the effective interest rate of the instrument. This is consistent with the due date the carrying amount and the amount to be reimbursed.

## Leasing Agreements

The company reports all leases, as well as operational, financial and operating leases. Operating leases are reported as an expense on a straight-line basis over the lease term.

When the risks and rewards associated with the asset has not been transferred to the lessee the lease are classified as an operating lease. The assets of the company are the lessor is accounted for as fixed assets or current assets dependent on when the lease term expires. The leasing fee is determined annually and is reported on a straight-line basis over the lease term.

## **Inventories**

The inventories are valued at the lower of acquisition cost and net realizable value on the balance sheet date. The net realizable value refers to the calculated sales price of the products less selling costs. The selected valuation method means that the inventory obsolescence has been taken into consideration.

## **Cash and cash equivalents**

Liquid assets include cash and bank balances and short-term investments with an original maturity of three months.

## **Income Taxes**

Total tax consists of current tax and deferred tax. Taxes are reported in the income statement, except when the underlying transaction is reported directly in equity, whereby the associated tax effects are reported in equity.

### ***Deferred tax***

Deferred tax is the income tax relating to future financial years as a result of past events. Accounting is done using the balance sheet method. According to this method deferred tax liabilities and deferred tax assets on temporary differences arising between the tax base of recognized assets and liabilities and for the other tax credits or deficits are reported.

Deferred tax assets are offset against deferred tax liabilities if, and only if, they can be paid with a net amount. Deferred tax is calculated based on the applicable rate at the balance sheet date. Effects of changes in applicable tax rates are reported in the period in which the change is legally required. Deferred tax assets are reported as financial fixed assets and deferred tax liabilities as a provision.

Deferred tax asset referring tax losses or unused tax credits are reported to the extent that it is probable that deductions can be offset against future taxable profits.

Because of the connection between accounting and taxation the deferred tax liability that is attributable to untaxed reserves are not identified separately.

## **Provisions**

Liabilities to third parties which are related to the current or the previous financial year, and which are certain or probable on the balance sheet date, but their amount or payment deadline is uncertain, are recognized as provisions.

## **Employee Remuneration**

Employee benefits relate to all kinds benefits the company provides to employees. Short-term employee benefits include wages, paid holidays, paid leave, bonuses and reimbursement upon completion of employment (pension) etc. Short-term employee benefits are reported as an expense and a liability when there is a legal or constructive obligation to pay compensation as a result of a past event, and a reliable estimate of the amount can be made.

### ***Employee benefits after termination of employment***

The company has only defined contribution pension plans. Defined contribution plans are plans where appropriate fees are paid and there is no obligation to make any further addition to these charges.

Expenses for defined contribution plans are recognized as an expense in the period in which employees perform the services that are the basis for the obligation.

### **Definition of Key Business Ratios**

Net turnover

Operation's main revenues, invoiced expenses, side revenues and revenue corrections.

Gross Earnings

Net turnover of goods and services minus the purchase value of sold goods and services.

Profit/loss after financial items

Profits after financial items and costs, but before extraordinary revenues and expenses.

Balance sheet total

Company's total assets.

Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

Number of employee's

Average number of employees during the financial year.

### **Estimates and judgments**

Preparation of financial statements and application of accounting policies, are often based on assessments, estimates and assumptions that is considered to be reasonable at the time when the assessment is made. Estimates are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The results of these are used to assess the carrying values of assets and liabilities, which are not otherwise apparent from other sources. The actual outcome may differ from these estimates. Estimates and assumptions are reviewed regularly.

According to the company's management assessment for applied accounting principles and estimates of sources of uncertainty in estimates, principally related to buildings and land.

# Notes (Tkr)

## Note 1 Real estate companies

The Group	(tkr)	
	2015	2014
Rental income	76 158	76 684
Operation and maintenance costs	-27 490	-27 761
	<b>48 668</b>	<b>48 923</b>
Administrative expenses	-12 272	-9 736
Other operating income	533	0
Other operating expenses	-4	0
Profit from property	0	5 131
Depreciation/amortization of property, plant and equipment	-20 021	-19 608
	<b>16 905</b>	<b>24 710</b>
Other interest income and similar profit/loss items	448	44
Interest expense and similar profit/loss items	-21 615	-22 491
	<b>-4 262</b>	<b>2 263</b>

## Note 2 Sales/management companies

The Group		
	<b>2015</b>	<b>2014</b>
Sales revenue	153 254	113 774
	<b>153 254</b>	<b>113 774</b>
Goods for resale	-71 469	-48 308
Other external costs	-12 943	-11 319
Personnel costs	-49 445	-39 291
Other operating expenses	-390	-208
Depreciation/amortization of property, plant and equipment and intangible assets	-7 990	-5 845
	<b>11 018</b>	<b>8 803</b>
Other interest income and similar profit/loss items	1 351	2 857
Interest expense and similar profit/loss items	-20 188	-17 570
	<b>-7 819</b>	<b>-5 910</b>

## Note 3 Leasing, lessor

The Group		
Leasing revenue for the year pursuant to lease agreements amount to 77 494 tkr (77 088 tkr).		
Accounts receivable regarding future leasing fees, for non-terminable leasing agreements, the following mature:		
Leases are leases for premises with different periods of notice.		
	<b>2015</b>	<b>2014</b>
Within 1 year	38 597	31 637
Later than one year, but within five years	56 905	57 113
Later than 5 years	1 564	6 275
	<b>97 066</b>	<b>95 024</b>
Leases are leases for premises with different periods of notice.		

### Note 4 Building costs

The Group		
	<b>2015</b>	<b>2014</b>
Property maintenance and repairs	9 869	7 761
Heating	7 236	7 364
Other expenses	6 578	8 246
Property tax	3 807	4 390
	<b>27 490</b>	<b>27 761</b>

### Note 5 Administrative expenses

#### The Group

Refers to Group and other corporate costs such as finance, marketing, other administration etc.

#### The Parent Company

Refers to Group and other corporate costs such as finance, marketing, other administration etc.

### Note 6 Depreciation

The Group		
	<b>2015</b>	<b>2014</b>
Buildings	24 927	23 349
Land improvements	510	373
Equipment, tools and installations	2 292	1 503
Licenses	282	228
	<b>28 011</b>	<b>25 453</b>

## Note 7 Remuneration to Auditors

The Group		
Audit assignment refers to inspection of the annual report and the accounting as well as the reports of the Board of Directors and the CEO, other tasks fulfilled by the company auditor as well as counselling or other assistance deriving from observations made in the course of the inspection or fulfilment of such other tasks.		
	<b>2015</b>	<b>2014</b>
<b>Ernst &amp; Young AB</b>		
Audit engagement	723	668
Tax consultancy	132	95
Other services	460	191
	<b>1 315</b>	<b>954</b>
<b>Sharff, Wittmer, Kurtz, Jackson &amp; Diaz P.A.</b>		
Audit engagement	539	476
Tax consultancy	240	0
Other services	70	49
	<b>849</b>	<b>526</b>



## Note 8 Employees and Personnel Costs

The Group		2015	2014
<b>Average number of employees</b>			
Women	7	12	
Men	8	9	
		<b>15</b>	<b>21</b>
<b>Salaries and other remunerations</b>			
Board of Directors and Managing Director	2 119	2 065	
Other employees	45 657	35 111	
		<b>47 776</b>	<b>37 176</b>
<b>Social security expenses</b>			
Pension costs for the Board of Directors and the Managing Director	277	350	
Pension costs for other employees	713	452	
		<b>5 630</b>	<b>4 898</b>
		<b>6 620</b>	<b>5 700</b>
<b>Total salaries, remunerations, social security expenses and pension costs</b>		<b>54 396</b>	<b>42 876</b>
<p>Hotel operator Noble House has during the year had 223 (154) employees for the operation of Jefast's hotel operations in the US. Staffs at the US operations are legally employed by Noble House, why they are not included in calculating the average number of employees above. Remuneration of staff in the United States is classified as wage costs in Jefast's accounting.</p>			
<b>Sex distribution among leading clerks</b>			
Proportion of women in the board of directors	0%	0%	
Proportion of men in the board of directors	100%	100%	
Proportion of women among managing clerks	25%	25%	
Proportion of men among managing clerks	75%	75%	
<b>The Parent Company</b>			
The company has not had any employees; salaries have not been paid out.			

### Note 9 Leasing Agreement

The Group		
Leasing costs for the year pursuant to lease agreements amount to 1 210 tkr (1 185tkr). Future leasing fees, as regards non-terminable leasing agreements, the following mature:		
	<b>2015</b>	<b>2014</b>
Within 1 year	580	578
Later than one year, but within five years	685	800
	<b>1 265</b>	<b>1 378</b>
Leasing refers to leases for premises with various notices and leasing of cars		

### Note 10 Other Interest Income and Similar Profit/Loss Items

The Group		
	<b>2015</b>	<b>2014</b>
Other interest income	110	44
Exchange rate differences	1689	2161
	<b>1 800</b>	<b>2 205</b>

### Note 11 Other interest income and similar profit/loss items

The Group		
	<b>2015</b>	<b>2014</b>
Other interest expenses	41 803	39 366
	<b>41 803</b>	<b>39 366</b>

## Note 12 Current and deferred tax

The Group			<b>2015</b>	<b>2014</b>
<b>Tax on profit for the financial year</b>				
Current tax			-946	-588
Change in deferred taxes on temporary differences due to buildings			-3 010	1 596
Change in deferred taxes on temporary differences due to tax loss carryforwards			2 802	1 259
<b>Total tax expense</b>			<b>-1 154</b>	<b>2 266</b>
<b>Reconciliation of effective tax</b>				
			<b>2015</b>	<b>2014</b>
	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>
Reported profit before tax		-12 081		-3 648
Tax at applicable tax rate	22,00	2 658	22,00	802
Non-deductible expenses		-65		-32
During the year utilisation of prior year tax loss carry forwards which value is not recognised as an asset		176		2 564
Other		-3 923		-1 069
<b>Reported effective tax</b>	<b>-9,56</b>	<b>-1 154</b>	<b>0,01</b>	<b>2 266</b>
The tax loss carryforwards in the Group amount to 171 163 tkr (135 165 tkr). The deficits include both the Swedish and American operations. This represents deferred tax of 52 753 tkr (44 406 tkr). Deferred tax assets are recognized if the deficit is expected to be used in the foreseeable future.				
<b>The Parent Company</b>				
			<b>2015</b>	<b>2014</b>
<b>Tax on profit for the financial year</b>				
Current tax		0	0	
<b>Total tax expense</b>		<b>0</b>	<b>0</b>	
<b>Reconciliation of effective tax</b>				
			<b>2015</b>	<b>2014</b>
	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>
Reported profit before tax		1		24 999
Tax at applicable tax rate	22,00	-0	22,00	-5 500
Non-taxable income		0		5 500
Tax loss carry forwards which value is not recognised as an asset		0		-0
<b>Reported effective tax</b>	<b>0,00</b>	<b>0</b>	<b>0,00</b>	<b>0</b>

## Note 13 Intangible fixed assets

The Group	2015-12-31	2014-12-31
Acquisition value, opening balance	932	777
Currency Adjustment	65	156
<b>Accumulated acquisition value, closing balance</b>	<b>997</b>	<b>932</b>
Depreciation, opening balance	-455	-163
Depreciation for the year	-282	-228
Currency Adjustment	-28	-64
<b>Accumulated depreciation, closing balance</b>	<b>-765</b>	<b>-455</b>
<b>Book value, closing balance</b>	<b>232</b>	<b>477</b>

## Note 14 Buildings and Land

The Group	2015-12-31	2014-12-31
Acquisition value, opening balance	1 141 978	1 066 777
Purchasing through acquisition	75 478	0
Reclassifications	96 927	3 265
Purchasing	2 913	42 737
Sales/discards	-470	-14 417
Currency Adjustment	20 704	43 616
<b>Accumulated acquisition value, closing balance</b>	<b>1 337 530</b>	<b>1 141 978</b>
Depreciation, opening balance	-94 967	-73 866
Sales/discards	470	1 624
Depreciation through acquisition	-1 708	0
Depreciation for the year	-21 691	-19 977
Currency Adjustment	-1 158	-2 749
<b>Accumulated depreciation, closing balance</b>	<b>-119 054</b>	<b>-94 967</b>
Write-ups, opening balance	172 507	176 253
Depreciation for written-up amounts for the year	-3 745	-3 745
<b>Accumulated write-ups, closing balance</b>	<b>168 762</b>	<b>172 507</b>
Write-down losses, opening balance	0	-525
Sales/discards	0	525
<b>Accumulated write-down losses, closing balance</b>	<b>0</b>	<b>0</b>
<b>Book value, closing balance</b>	<b>1 387 237</b>	<b>1 219 518</b>
Assessment value, buildings	467 281	450 558
Assessment value, land	156 412	152 372
	<b>623 693</b>	<b>602 930</b>

The assessment value refers only to properties in Sweden. The consolidated financial statements are also real estate in the United States with a book value of 393 258 tkr (281 434 tkr). Moreover, there is a property in Denmark, with a book value of 11 402 tkr (11 476 tkr).

The book value of The Group's investment properties amounted to 923 259 tkr (823 273 tkr) and fair value amounts to 1 125 513 tkr (1 033 238 tkr).

Fair value was determined by an independent qualified appraiser. The valuation is based on market analysis, cash flow and yield calculation.

## Note 15 Property list

The Group					
<b>Properties located in Sweden</b>	<b>Surface (m2) housing</b>	<b>Surface (m2) facilities</b>	<b>Year Built</b>	<b>Renovation</b>	<b>Assessment value</b>
Höganäs Noshörningen 14	-	2 211	1965	-	6 003
Höganäs Thor 8	1 260	842	1987	-	13 327
Höganäs Höganäs 34:69	2 013	170	1994	-	13 907
Höganäs Hotellet 1	748	185	1929	1999	4 684
Höganäs Tjörrod 6:10	-	3 153	1989	0	8 255
Höganäs Jaguaren 3	-	1 455	1990	0	3 499
Höganäs Triangeln 6	1 769	514	1936	0	14 314
Höganäs Lyran 20	830	671	1957	2000	9 183
Höganäs Lyran 18	489	93	1959	-	3 242
Höganäs Lerberget 49:710	-	-	-	-	-
Höganäs Ceres 20	1 680	148	1947	1997	10 126
Höganäs Ekorren 2	558	81	1946	1997	3 518
Höganäs Jupiter 11	1 027	366	1948	1997	8 125
Höganäs Vattumannen 13	2 089	155	1929	2001	14 796
Höganäs Möllan 31	880	340	1991	-	8 033
Höganäs Thor 15	340	690	1982	1997	6 684
Höganäs Vesta 5	2 478	1 437	2007	-	30 786
Höganäs Stataren 2	10 749	678	1968	1996	59 506
Höganäs Odéon 18	-	2 600	1970	2012	8 320
Höganäs Kaktusen 29&30	1 960	2 373	1962	1988	23 270
Höganäs Kaktusen 33	-	-	-	-	-
Helsingborg Holland 25	137	21 595	1967	-	95 539
Helsingborg John Ericsson 2, 10	6 872	5 415	1929	1996	147 421
Helsingborg Oscar II 12	1 867	5 646	1929	2006	87 200
Helsingborg Fiskaren 41	-	1 212	1984	-	16 282
Helsingborg Sockerbruket 3	255	1 671	1931	-	27 733
<b>Properties located abroad</b>	<b>Surface (m2) housing</b>	<b>Surface (m2) facilities</b>	<b>Year Built</b>	<b>Renovation</b>	<b>Assessment value</b>
Ålsgårde	169	-	1973	1983	-
Coral Ridge Galt Add ..27-46 B Lot 12 BLK 30	-	100	1970	-	-
Lots 8, 9, 10, 11, 12, 13, 14 and 15, Block 19, Lauderdale Beach Coral Ridge Galt Add ..27-46 B	-	18 680	2004	-	-
Lot 13 BLK 30	-	650	2008	-	-

For Swedish properties that are jointly taxed or classified as special properties indicated no tax assessment. Properties located abroad have no fixed tax assessment.

### Note 16 Equipment, Tools and Installations

The Group		
	2015-12-31	2014-12-31
Acquisition value, opening balance	44 870	36 452
Purchasing	137	518
Sales/discards	-3 989	-417
Reclassifications	11 556	2 229
Currency Adjustment	2 682	6 089
Purchasing through acquisition	342	0
<b>Accumulated acquisition value, closing balance</b>	<b>55 598</b>	<b>44 870</b>
Depreciation, opening balance	-17 622	-14 376
Sales/discards	3 068	186
Depreciation through acquisition	-86	0
Depreciation for the year	-2 293	-1 503
Currency Adjustment	-794	-1 929
<b>Accumulated depreciation, closing balance</b>	<b>-17 726</b>	<b>-17 622</b>
<b>Book value, closing balance</b>	<b>37 872</b>	<b>27 248</b>

### Note 17 Construction in Progress and Advance Payments for Tangible Assets

The Group		
	2015-12-31	2014-12-31
Acquisition value, opening balance	21 271	3 194
Purchasing	155 288	23 371
Reclassifications	-108 482	-5 547
Currency Adjustment	1 280	329
Sales/discards	-1 251	-75
	<b>68 106</b>	<b>21 271</b>

## Note 18 Other long-term securities

The Group		
	2015-12-31	2014-12-31
Purchasing	18 000	0
<b>Accumulated acquisition value, closing balance</b>	<b>18 000</b>	<b>0</b>
<b>Book value, closing balance</b>	<b>18 000</b>	<b>0</b>
The Parent Company		
	2015-12-31	2014-12-31
Purchasing	18 000	0
<b>Accumulated acquisition value, closing balance</b>	<b>18 000</b>	<b>0</b>
<b>Book value, closing balance</b>	<b>18 000</b>	<b>0</b>

## Note 19 Other long-term receivables

The Group		
	2015-12-31	2014-12-31
Acquisition value, opening balance	1 385	1 115
Incoming accounts	67	47
Currency Adjustment	96	223
<b>Accumulated acquisition value, closing balance</b>	<b>1 548</b>	<b>1 385</b>
<b>Book value, closing balance</b>	<b>1 548</b>	<b>1 385</b>

## Note 20 Prepaid expenses and Accrued Income

The Group		
	2015-12-31	2014-12-31
Prepaid insurance	5 383	3 944
Other accrued income	1 340	497
Other prepaid expenses	14 197	10 393
	<b>20 920</b>	<b>14 834</b>



## Note 21 Changes in Equity

<b>The Group</b>				
Number of shares:				
A- shares	4 625			
B-shares	225			
C-shares	150			
	<b>Share- capital</b>	<b>Revaluation reserve</b>	<b>Retained profits incl. this year profit/ loss</b>	<b>Non-controlling interests</b>
Amount at the opening of the year	100	134 556	128 049	3 425
Changes in Group structure			3 425	-3 425
Displacement due to revaluation reserve		-2 921	2 921	
Adjustment prior year			889	
Adjustment to BFNAR 2012:1			-326	
Currency Adjustment			7 081	
Profit/loss for the year			-13 236	
<b>Amount at the closing of the year</b>	<b>100</b>	<b>131 635</b>	<b>128 804</b>	<b>0</b>
<b>The Parent Company</b>				
Number of shares:				
A- shares	4 625			
B-shares	225			
C-shares	150			
	<b>Share- capital</b>	<b>Retained profit/loss</b>	<b>Profit/loss this year</b>	
Amount at the opening of the year	100	336	24 999	
Appropriation of earnings as per decision of the Annual General Meeting:		24 999	-24 999	
Profit/loss for the year			1	
<b>Amount at the closing of the year</b>	<b>100</b>	<b>25 335</b>	<b>1</b>	

## Note 22 Provisions

The Group	2015-12-31	2014-12-31
<b>Deferred tax liability</b>		
Balance at beginning of year	103 489	105 093
Provisions for the year	3 010	0
Deferred tax liability through acquisition	10 408	0
During the year reversed amount	0	-1 604
	<b>116 907</b>	<b>103 489</b>
<b>Deferred tax assets</b>		
Balance at beginning of year	-2 665	-1 407
During the year uncommitted amount	-2 802	-1 258
Adjustment prior year	-888	0
	<b>-6 355</b>	<b>-2 665</b>
<b>Total provisions</b>	<b>110 552</b>	<b>100 824</b>
Deferred tax liabilities attributable to temporary differences in the Group's properties. Deferred tax assets attributable to tax loss carryforwards.		
The tax loss carryforwards in the Group amount to 171 163 tkr (135 165 tkr). The deficits include both the Swedish and American operations. This represents deferred tax of 52 753 tkr (44 406 tkr). Deferred tax assets are recognized if the deficit is expected to be used in the foreseeable future.		

## Note 23 Long-term liabilities

<b>The Group</b>		
	<b>2015-12-31</b>	<b>2014-12-31</b>
<b>Mature later than one year but within five years after the accounting date</b>		
Bond loans	200 000	0
Liabilities to credit institutions	122 572	254 392
Other liabilities	53 385	6 457
	<b>375 957</b>	<b>260 849</b>
<b>Mature later than five years after the accounting date</b>		
Liabilities to credit institutions	951 955	636 109
Other liabilities	893	1 265
	<b>952 848</b>	<b>637 375</b>
<b>The Parent Company</b>		
	<b>2015-12-31</b>	<b>2014-12-31</b>
<b>Mature later than one year but within five years after the accounting date</b>		
Bond loans	200 000	0
Other liabilities	2 309	5 457
	<b>202 309</b>	<b>5 457</b>

## Note 24 Bank Overdraft Facilities

<b>The Group</b>		
	<b>2015-12-31</b>	<b>2014-12-31</b>
Bank overdraft facilities amount to	0	1 000
Used credit amounts to	0	238

## Note 25 Credit for construction

<b>The Group</b>		
	<b>2015-12-31</b>	<b>2014-12-31</b>
Bank overdraft facilities amount to	0	10 000
Used credit amounts to	0	41

### Note 26 Accrued expenses and prepaid income

The Group		
	2015-12-31	2014-12-31
Accrued personnel costs	4 370	3 845
Accrued interests	4 668	4 176
Prepaid revenues	4 722	6 097
Other accrued expenses and prepaid incomes	3 139	1 961
	<b>16 899</b>	<b>16 079</b>

### Note 27 Interest and dividends

The Group		
	2015-12-31	2014-12-31
Interest received	1 722	2 205
Interest paid	-41 311	-40 242
	<b>-39 589</b>	<b>-38 037</b>
The Parent Company		
	2015-12-31	2014-12-31
Interest received	0	0
Interest paid	0	0
	<b>0</b>	<b>0</b>

### Note 28 Adjustments for Items not Included in the Cash Flow

The Group		
	2015-12-31	2014-12-31
Depreciation	28 011	25 453
Exchange loss	-16 878	0
Profit upon sales of fixed assets	106	-4 923
Adjustment prior year	889	0
Adjustment to BFNAR 2012:1	-326	0
	<b>11 802</b>	<b>20 530</b>

### Note 29 Purchases and Sales between Group Companies

The Parent Company	
During the year no Internal accounts purchases or sales have taken place.	

### Note 30 Profit/loss from Participation in Group Companies

The Parent Company		
	<b>2015</b>	<b>2014</b>
Dividends received	0	25 000
	<b>0</b>	<b>25 000</b>

### Note 31 Appropriations

The Parent Company		
	<b>2015</b>	<b>2014</b>
Received Group contributions	1 553	0
	<b>1 553</b>	<b>0</b>

### Note 32 Participation in Group companies

The Parent Company		
	<b>2015-12-31</b>	<b>2014-12-31</b>
Acquisition value, opening balance	25 603	25 603
Accumulated acquisition value, closing balance	25 603	25 603
<b>Book value, closing balance</b>	<b>25 603</b>	<b>25 603</b>

### Note 33 Specification of Participation in Group Companies

The Parent Company				
Name	Share of voting power	No.of shares	Book value	
Jefast AB	100%	60 000	25 603	
			<b>25 603</b>	
	Corp. ID No.	Head office	Equity	Profit/loss
Jefast AB	556311-1409	Höganäs	259 641	3 213

### Note 34 Receivables from group companies

The Parent Company		
	2015-12-31	2014-12-31
Acquisition value, opening balance	5 191	0
Incoming accounts	185 978	5 191
Outgoing accounts	-17 912	0
<b>Accumulated acquisition value, closing balance</b>	<b>173 257</b>	<b>5 191</b>
<b>Book value, closing balance</b>	<b>173 257</b>	<b>5 191</b>

Höganäs 29 April 2016

Bo Jertshagen  
Chairman

Martin Persson  
Managing Director

Cassandra Jertshagen

**Our auditor's report was submitted 29 April 2016**

Ernst & Young AB

Henrik Nilsson  
Authorized Public Accountant

## TRANSLATION FROM THE SWEDISH ORIGINAL

# Auditor's report

To the annual meeting of the shareholders of Jefast Holding AB (publ), corporate identity number 556721-2526

### **Report on the annual accounts and consolidated accounts**

We have audited the annual accounts and consolidated accounts of Jefast Holding AB (publ) for the year 2015-01-01-2015-12-31.

### *Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of December 31, 2015 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts



Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

### **Report on other legal and regulatory requirements**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Jefast Holding AB (publ) for the year 2015-01-01-2015-12-31.

#### ***Responsibilities of the Board of Directors and the Managing Director***

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

#### ***Auditor's responsibility***

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### ***Opinions***

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Ängelholm, April 29, 2016

Ernst & Young AB

Henrik Nilsson

Authorized public accountant

## Questions and Additional information

For further information and/ or questions please contact:

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Financial reports as well as pressreleases will be available on Jefast's website:

[www.jefast.se](http://www.jefast.se)

## Calendar 2016

- Quarterly Report 1 2016: 31 May 2016
- Quarterly Report 2 2016: 30 August 2016
- Quarterly Report 3 2016: 30 November 2016