EST. 1977 Jefast

ANNUAL REPORT 2019

2019-01-01 till 2019-12-31
Jefast Holding AB (publ), org nr 556721-2526

The year in brief

Jan – Dec 2019

- Revenues amounted to 302.9 MSEK (301.3)
- Operating profit amounted to 44.1 MSEK (70.3)
- Net loan to value amounted to 59,1 % (65.2)
- The interest coverage ratio amounted to 1.4 (1.3)
- The property portfolio value amounted to 2,605 MSEK (3,110)

Major events Jan - Dec 2019

- The renovation of all of the rooms owned by Jefast at the hotel Pelican Grand was finalized
- Tenant adjustments for fitness center, sport- and bowling bar at SöDER / Holland 25 was finalized and opened to the public
- Divestment of 18 properties took place on June 3 equivalent of 55,000 sqm of rentable area and an agreed property value of 676,000,000 MSEK
- The company's previous CFO Maria Jonasson left the company and was replaced with an external CFO

Events after the year end

- The loan related to the American hotel business was refinanced in February
- Three hotel rooms were purchased in February at the Pelican Grand
- The COVID-19 pandemic spread around the world which is expected to have an impact on the company's revenue and result
  - The hotel business was temporarily closed on April 6 and most of the employees were furloughed
  - Financial aid packages from the American Government has been received
  - Several initiatives and discussions with tenants in the Swedish business is taking place
  - The ongoing development of the pandemic and its impact on our operations are continuously evaluated

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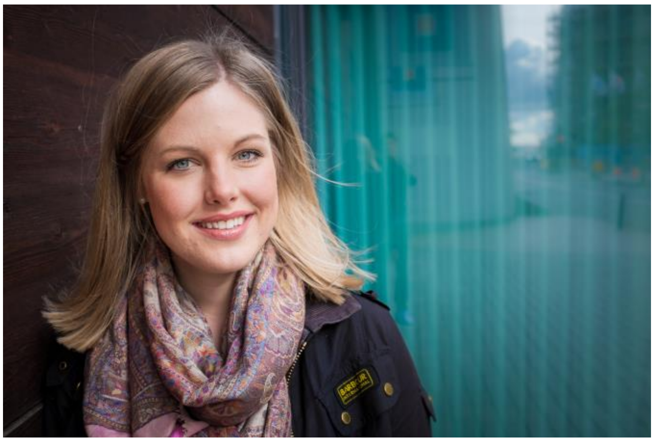
CEO'S COMMENTS



The year in brief

The past year has been very eventful for us at Jefast. We have made significant changes to focus and concentrate our property portfolio. During the last couple of years, divestments have been made to obtain a more streamlined portfolio focusing on Helsingborg. We have assessed that it is a more liquid market where we also see the most upside and development potential in the future. By the end of 2019, we had thus implemented these changes and have created a more homogeneous property portfolio with only A-location in Helsingborg but also a 15 storey residential property in Höganäs. A lot of work has been required from our team and partners, and I am grateful for the dedicated work!

Divestment

As mentioned, during the year, we carried out a significant divestment of our property portfolio with an underlying property value of SEK 676 million, selling most of the properties located in Höganäs. During the years we have been operating in the municipality of Höganäs, we have built up an excellent relationships and portfolio in Höganäs, but decided that it was now time to hand over the responsibility to a new player to continue to develop the properties and its surroundings.

Kv Holland

During the past year, a gradual adaptation of premises for new tenants has been implemented, and these have moved into their premises – including a gym, restaurant and sport and bowling alley. Several rental initiatives have been initiated, and we see a positive development in visitor numbers and sales. We work actively with marketing mainly through social media but also traditional media. Furthermore, we work in close collaboration with other property owners, the City of Helsingborg and the rest of the business community. Through these collaborations, we work actively with Purple Flag certification of the Söder district where the property is located, which aims to create a safe and secure urban environment, to create conditions for an enjoyable evening and night economy, among other things.

Pelican Grand

In 2019 additional hotel rooms were acquired, which now means that Jefast owns more than 90% of the hotel property. This is in line with our long-term goal of becoming a 100% owner. The first quarter was the hotel's best so far. The renovation project of all Jefast-owned rooms was completed at the beginning of the second quarter and carried out per the planned budget. The new room design has been very well received by our guests.

Finally, I would like to mention that the beginning of 2020 and the outbreak of Covid-19 worldwide have created circumstances no one could foresee. It is a situation that affects many industries, and we as a property owning company, engage in dialogue with most of our commercial tenants to find different ways to together help us get through the current situation. At the time of writing, there are major uncertainties about the pandemic, and thus it is challenging to assess the impact that it will have on both revenues and results for 2020. We follow the development closely and take the measures required both to safely and responsibly conduct our business through these times.

Höganäs, April 2020

Cassandra Jertshagen
CEO

MAJOR EVENTS DURING THE YEAR

First quarter

- The room renovation of all of the rooms owned by Jefast at the Pelican Grand was finalized
- Tenant adjustments for both fitness center, sports- and bowling bar at SöDER/ Kv Holland 25 started

Second quarter

- Divestment of 18 properties took place on June 3 equivalent of 55,000 sqm of rentable area and an agreed property value of 676,000,000 MSEK

Third quarter

- Tenant adjustments for fitness center, sports – and bowlingbar at SöDER/Kv Holland 25 was finalised and opened to the public

Fourth quarter

- The company's previous CFO Maria Jonasson left the company and was replaced with an external CFO

OVERVIEW & BUSINESSMODELL

About Jefast

Jefast is a Swedish privately owned real estate company, focused on long-term asset management, development and property management of properties in Skåne, Sweden. The Group also owns a hotel property in Florida, USA. The property portfolio is valued at 2,605 MSEK (3,110), with 12 properties (30) and consists of residential and commercial properties located in Skåne, Sweden and a hotel property located in Fort Lauderdale, Florida, USA. Residential units consist of 131 (442) apartments and commercial units consists of 179 (218), which equals 55,238 sqm (124,296). The hotel property consist of 156 rooms of which Jefast owns 137 (136), which means 91.8 % (90,8) of the total property is controlled by Jefast in which common areas such as restaurant, bar, spa etcetera is included.

Overview of the Swedish real estate portfolio

	31 December 2019	31 December 2018
Area, m2	55,238	124,296
Economic Rental rate, commercial, %*	87.8	86.1
Economic rental rate, apartments, %	98.3	100.0
Number of commercial spaces*	179	218
Number of apartments	131	442
Number of properties	12	30

* Not yet finalized parts within the property Holland 25 project has been excluded.

Location

The Swedish property portfolio is concentrated to North-Western Skåne. Jefast's long-term goal is to focus on this region - closeness to the tenants and properties is of high importance.

Business model

Jefast targets a residential occupancy rate of 99%, at the year-end the occupancy amounted to 98.3% (100). When considering growth in commercial properties, the company does selective decisions, focusing only on A-locations with a targeted occupancy rate of 90%, which amounted to 87.8% at the year-end (86.1). By maintaining a diversified lease structure, the company reduces its risks. With more than 40 years of experience in the Real Estate business, the company holds extensive in-house experience allowing for active portfolio refinement and work. The business is and will continue to be geographically focused to Höganäs & Helsingborg and the surrounding area, as the company has made the assessment that there is sufficient potential for growth in both its own portfolio and in the market.

PROJECTS & DEVELOPMENT

Kv. Holland 25, 26 & 27

SÖDER

HELSINGBORG

The largest on-going project during 2019 is continuing to be the three-dimensional property block Kv. Holland 25, 26 & 27. The anchor tenants include Hemköp, Filmstaden, Nordic Wellness, as well as the sports – and bowling bar Pitcher's with relatively long lease agreements, which contributes to a low project risk. The urban city center and Filmstaden opened for the public on October 26 2018. There are ongoing tenant adjustments within the property with gradual move in dates. The number of visitors during 2019 amounted to 1,549,509 (324,182).

In the residential part, Holland 27, there are possibilities of building a 20-story building with more than 80 apartments. During the year an inquiry file was compiled in order to get pricing on the cost of this potential project.

Pelican Grand Beach Resort

During the first quarter the room upgrade of all of Jefast's owned rooms has been made. The renovation included new bathrooms as well as a complete change of furniture. This upgrade is a part of remaining in the 4-diamond hotel segment. The project started in August and was finalized in the beginning of 2019. The new room design has been very well received by our guests! Furthermore, the business has continued to have a positive development in revenue and other key ratios. This in combination with a lucrative loan market, the loan was refinance with better terms after the year end.

PROPERTY PORTFOLIO

Rental value

The total rental value amounted to 93 MSEK (136).

Occupancy rate

Residential occupancy rate amounted to 98.3 % (100) and the commercial occupancy rate to 87.8% (86.1).

Contract structure

The commercial tenant structure is well diversified with the 10 largest commercial tenants generating c. 28 % (29) of the rental income in Sweden. Out of the 10 largest tenants no lease agreements will mature during 2020.

ACQUISITIONS & DIVESTMENTS

The below overview shows divestments made during the year. No acquisitions took place during 2019.

Investment properties divestments during 2019

Quarter	Property	Municipality	Category	Area, m2 (ca)
2	Stataren 2, Flora 5, Odéon 18, Ekorren 2, Jaguaren 3, Jupiter 11, Tjörröd 6:10, Noshörningen 12, Noshörningen 2, Noshörningen 21, Tjörröd 6:8, Jaguaren 4, Kaktusen 29, Kaktusen 30, Kaktusen 33, Möllan 31, Thor 15	Höganäs	Apartments & Commercial spaces	43,984
2	Danmark 29	Helsingborg	Apartments & Commercial spaces	11,106
Total divestments 2019				55,000

VALUATIONS

Market value

The portfolio value at the year-end amounted to 2,605 MSEK (3,110).

External valuations

Jefast completes external valuations of its property portfolio on an annual basis, normally at year-end. Values are assessed internally at the end of each quarter. Consequently, the quarterly valuations elicit only minor changes that are mainly due to distinctly changed conditions in respect of required returns and cash flows for the properties. The current valuations were made by Newsec, apart from the hotel business, which was appraised by Waronker & Rosen, Inc.. The yields generally decreased throughout the portfolio, which leads to a portfolio value increase.

FINANCING

Debt maturity

Debt maturing during 2020 consists primarily of construction loans and senior mortagage, which is considered to have good refinancing possibilities.

Interest maturity

The entire loan amount in the US is interest-hedged and SEK 344 million of the Swedish loan amount.

EVENTS AFTER THE REPORTING PERIOD

Pelican Grand

The loan related to the American hotel business was refinance in February 2020 with better terms. Furthermore, three additional units were acquired, which means that Jefast owns 140 rooms out of 156.

Covid-19

The Covid-19 pandemic broke out worldwide, which will have an impact on the company's turnover and earnings in 2020. Several measures have been taken to minimize the effect on the business, as well as to comply with government requirements both in the US and Sweden.

In the US hotel business, it was decided to temporarily shut down the hotel on April 6, 2020, to ensure both guests and employees' health and minimize the spread of the infection. In connection with the temporary closure, 97% of the employees have been furloughed. To allow a quick opening of the business again when it makes economically sense to open again, we have decided to retain the management team during this period. Support from the US state has been obtained, and we are closely following any new aid packages that we can take advantage off.

In the Swedish business, we have taken a proactive approach and are in dialogue with the majority of our commercial tenants to support their individual needs. In some cases, this means rent deferral, rent reduction, but also other initiatives such as helping tenants to open outdoor cafés more quickly with the help of property managers and to initiate cooperation with a local taxi company to offer cost-effective home delivery of food from our various restaurants and cafes. We will, to the extent possible, utilize the Government's support package for rental discounts. Otherwise, we closely monitor the development and impact of Covid-19 and continuously analyze the risks to our operations. The company's assets consist mainly of properties. The ongoing pandemic will have an impact on rental income in 2020 and thus the profit for the year. When this annual report is released, there is a very uncertain time due to the ongoing outbreak of the Covid-19 virus that is affecting our entire society.

MANAGEMENT REPORT

Jefast Holding AB's (publ), 556721-2526, the Board of Directors and the CEO hereby submit the annual report and consolidated accounts for the 2019 financial year. Comparisons used in brackets refer to the corresponding period last year.

Information about the business

The Group's head office and headquarter is located in Höganäs at Norregatan 2.

Corporate governance

Basic information of the company's governance, board and management can be found in Jefast's formal corporate governance report at www.jefast.se.

Business Model

Jefast is a privately owned Swedish property development company with a focus on long-term management and development of properties in Skåne, Sweden. The Group also owns a hotel in Florida, USA. The property portfolio is valued at SEK 2,605 M (3,110) with a total of 12 properties (30) located in Sweden, consisting of both residential and commercial premises. In Fort Lauderdale, Florida, USA, the Group own one hotel and two smaller properties. The number of apartments amounts to 131 (442), and the number of commercial premises is 179 (218), which corresponds to a total of 55,238 square meters (124,296). The hotel has 156 rooms, of which Jefast owns 137 (136), representing 91.8% (90.8) of the entire property. Jefast's primary business model is to be an active property manager with long-term ownership and to effectively develop its property portfolio in the north-west of Skåne in Sweden with suitable housing and premises.

The business and the organization

Jefast Group's Swedish organization employed 13 (14) people during 2019. The organization is responsible for financial and technical management while Jefast Byggservice AB takes on both external and internal assignments.

Acquisitions & sales

Divestment Höganäs & Helsingborg

During the second quarter, the majority of the properties in Höganäs and one property in Helsingborg was divested. The total area amounted to approximately 55,000 square meters with an annual rental income of about SEK 55 million. The transaction was completed as a company sale with an agreed underlying property value of SEK 676 million. The buyer was Samhällsbyggnadsbolaget i Norden AB (publ).

Acquisition

No acquisitions were made during the year.

Investments in existing properties and ongoing projects

Kv Holland 25, 26, 27 - "SöDER"

During 2019, the Kv Holland project continued with tenant adjustments of approximately 3,500 sqm of space for one gym, as well as a sport and bowling bar. Successive occupation of these areas was carried out during the year. Furthermore, there are unfinished office spaces within the property. Jefast is working with TAM Retail to develop the urban city center and ensure it is attractiveness.

SöDER offers visitors a wide range of activities, including cinema, groceries, pharmacy, cafes, restaurants, bowling, sports bar, gym, hair and nail studio and other attractive meeting places. The urban city center has quickly become an attractive and natural meeting place, for those who live and work in or near the south part of Helsingborg and generous opening hours are offered.

Building permit for the construction of a 20-storey building with a total of 83 apartments have already been obtained, and the design of the apartment building has continued during the year.

The property is a three dimensional property where Holland 25 corresponds to all commercial parts, including shops, restaurants, offices, parking. Holland 26 is a cinema, and Holland 27 is the residential building.

Jefast USA

Pelican Grand Beach Hotel, Ft Lauderdale, Florida, USA

The hotel in Florida, Pelican Grand Beach, completed a full renovation of all Jefast-owned rooms. This renovation included, among other things, renovation of all bathrooms, as well as new furniture's, lighting, curtains and repainting of all rooms. All rooms were ready in the first quarter of 2019. The new rooms have been very well received and, together with other improvement of the business, 2019 became the Pelican Grand's best year to date.

All employees are legally employed by the American staffing company Noble House, and Jefast is responsible for all costs. In 2019, Jefast acquired another hotel room, and another three rooms were also acquired in February 2020. Thus, Jefast now owns 92.8% (90.8) of the entire property.

Possible future prospect

The Group's long-term goal is to focus on the Swedish market. The business is and will continue to be geographically concentrated to Höganäs and Helsingborg and its surroundings, as the company has assessed that there is sufficient potential in both its portfolio and in the other market.

Significant risks and uncertainties

Interest rate risk

The Group's largest expense item is interest. The company has long-term credit facilities with fixed terms and fixed interest rates via interest swap agreements. Of the total loan portfolio, approximately SEK 510 million (700) is subscribed for at fixed interest rates, of which SEK 10 million (0) is due during 2020. The net loan-to-value ratio for the Group is 59.1% (65.2).

Currency risk

The Group has not hedged the US dollar. This is not considered necessary because both loans, revenues and expenses are in US dollars.

Use of financial instruments

The Group recognizes financial instruments at amortized cost and fair value through profit or loss. Hedging instruments consist of interest rate swaps.

Market risk due to the Covid-19 pandemic

The Covid-19 pandemic broke out worldwide, which will have an impact on the company's turnover and earnings in 2020. Several measures have been taken to minimize the effect on the business, as well as to comply with government requirements both in the US and Sweden.

In the US hotel business, it was decided to temporarily shut down the hotel on April 6, 2020, to ensure both guests and employees' health and minimize the spread of the infection. In connection with the temporary closure, 97% of the employees have been furloughed. To allow a quick opening of the business again when it makes economically sense to open again, we have decided to retain the management team during this period. Support from the US state has been obtained, and we are closely following any new aid packages that we can take advantage off.

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Financial risks with significant uncertainty factors regarding continued operation

Jefast Holding's operations require access to creditfacilities and liquidity. It is of utmost importance for the company to ensure that a positive cash flow is achieved. In order to ensure a positive cash flow, expensive loans need to be renegotiated or alternatively change the balance sheet size and lower the loan-to-value ratio and thus the financial costs. This would have a positive impact on the cash flow. A difficult or expensive lending would have a negative impact on the company's ability to conduct operations and thus also on profit and cash flow. Creating a long-term sustainable capital structure is a prerequisite for continued operations and means that the company as well as the Group can be expected to fulfill its obligations in both the short and the long term. In order to achieve a sustainable capital structure, work is underway with the company's various financiers to ensure liquidity and a positive cash flow. In addition, a review of the Group's investment properties is being carried out with a view to enabling reduced capital tied up and freeing up liquidity. If the measures described do not follow through, it may mean that prerequisites for continued operations do not exist and there may be considerable uncertainty about the company's ability to continue operations. The Board's assessment is that it is likely that these measures will be implemented and that continued liquidity can be obtained. The company's financial reports have been prepared in accordance with the assumption of continued operations. The risk of not being able to fulfill payment obligations is handled through a strict liquidity and cash-flow control.

Ownership

Bo Jertshagen owns 91.1% of the Group and Induere AB, org. no. 556767-3941, owns 8.9% which in turn is fully owned by Bo Jertshagen.

For more detailed information on the financial position and significant events, see pages 1-9 of this Annual Report.

MULTI-YEAR OVERVIEW

The Group TKR	2019	2018	2017	2016
Net turnover	302,871	301,273	305,823	275,159
Gross earnings	155,287	151,710	165,915	143,942
Operating result	44,110	70,318	159,848	221,387
Profit/loss after financial items	-28,552	-4,963	90,700	165,115
Interest coverage ratio (times)	1.4	1.3	1.5	1.6
Property value (mkr)	2,605	3,110	3,281	2,608
Net loan to value (%)	59.1	65.2	65.8	65.6
Balance sheet total	2,745,816	3,272,685	3,465,485	2,766,440
Equity/asset ratio (%)	35	27	25	29
Number of employees	13	14	15	14

The Parent company	2019	2018	2017	2016
Profit/loss after financial items	-16,012	-19,511	-15,098	-8,818
Balance sheet total	455,916	455,977	447,897	251,870
Equity/asset ratio (%)	3	4	4	9

*For definitions of key ratios please see page 58

PROPOSED PROFIT ALLOCATION

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

Profit carried forward	
Issue of share capital	12,936,121
Reduction of the share capital	-2,000
Profit for the year	-2,998,000
	0
To be distributed so they are:	13,436,121
Carried over	
Profit carried forward	13,436,121

CONSOLIDATED INCOME STATEMENT

TSEK	Note	2019	2018
Revenue	4, 5, 6	302,871	301,273
Operating expenses	4, 7	-147,584	-149,563
Gross profit	4	155,287	151,710
Administrative expenses	6, 7, 8, 9	-96,613	-76,461
Changes in fair value of investment property	12	837	831
Other operating income		145	38
Other operating expenses	7	-15,546	-5,800
Operating profit/loss		44,110	70,318
Financial income	10	225	263
Financial expenses	10	-71,618	-74,283
Change in fair value of derivate	19	-1,269	-1,261
Profit before tax		-28,552	-4,963
Tax	11	-7,325	18,715
Profit for the year		-35,877	13,752
Profits attributable to:		-35,877	13,752
Equity owners of the parent			
Profit for the year in TSEK (there are no dilutive effects) per share data	18	-7	3

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

TSEK	Note	2019	2018
PROFIT FOR THE YEAR		-35,877	13,752
Other comprehensive income to be reclassified to profit or loss in			
Exchange differences on translation of foreign operations		14,740	30,437
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-21,137	30,437
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Change in value of owner occupied property		97,808	-9,252
Tax	11	-20,148	2,036
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		77,660	-7,216
Total comprehensive income for the year net of tax		56,523	36,973
Total comprehensive income attributable to:			
Equity owners of the parent		56,523	36,973

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TSEK	Note	31 december 2019	31 december 2018
ASSETS			
Non-current assets			
Investment properties	12	1,899,031	2,481,861
Owner-occupied properties	13	705,523	627,970
Equipment, tools and installations	14	68,969	38,031
Deferred tax assets	11	522	260
Receivables	19	1,847	1,800
Total non-current assets		2,675,892	3,149,922
Current assets			
Inventory		1,846	1,555
Rent and other receivables	15, 19	13,213	15,503
Tax assets		1,991	1,828
Prepaid expenses and other receivables	16, 19	27,299	40,045
Cash	17, 19	25,575	63,832
Total current assets		69,924	122,763
Total assets		2,745,816	3,272,685
Equity and liabilities			
Share capital		500	500
Foreign currency translation reserve		81,003	66,263
Revaluation reserve		210,056	134,414
Retained earnings incl. net income		660,451	697,310
Equity attireutable to the shareholders of the parent		952,010	898,487
Total equity	18	952,010	898,487
Non-current liabilites			
Interest bearing loans and borrowings	19	1,127,482	1,575,944
Bond loans	19	425,000	425,000
Leasing debt		1,115	-
Deferred tax liability	11	159,604	180,042
Derivate financial instruments	19	2,529	1,261
Total non-current liabilities		1,715,730	2,182,247

Current liabilities			
Interest bearing loans and borrowings	19	10,360	92,353
Leasing debt		979	-
Accounts payables	19, 20	17,096	49,766
Current tax payable		2,530	4,484
Other liabilities	19, 20	24,725	12,724
Accrued expenses and prepaid income	19, 21	22,386	32,624
Total current liabilites		78,076	191,951
Total liabilities		1,793,806	2,374,198
Total equity and liabilites		2,745,816	3,272,685

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

TSEK	Note	Sharecapital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total equity
EQUITY AT 1 JANUARY 2018		500	35,826	143,753	684,435	864,514
Profit/loss for the year		-	-	-	13,752	13,752
Other comprehensive income		-	30,437	-7,216	-	23,221
Total comprehensive income for the year		-	**30,437**	**-7,216**	**13,752**	**36,973**
Effect of depreciation on the revaluation reserve				-2,123	2,123	-
Transaction with Owners:						
Issue of share capital		2	-	-	-2	-
Reduction in share capital		-2	-	-	-2,998	-3,000
Equity at 31 december 2018		500	66,263	134,414	697,310	898,487
Profit/loss for the year		-	-	-	-35,877	-35,877
Other comprehensive income		-	14,740	77,660	-	92,130
Total comprehensive income for the year			**14,740**	**77,660**	**-35,877**	**56,253**
Effect of depreciation on the revaluation reserve			-	-2,018	2,018	-
Transaction with Owners:						
Issue of share capital		2	-	-	-2	-
Reduction in share capital		-2	-	-	-2,998	-3,000
Equity at 31 december 2019		500	81,003	210,056	660,451	952,010

CONSOLIDATED STATEMENT OF CASH FLOWS

TSEK	Note	2019	2018
OPERATING ACTIVITIES			
Profit or loss before tax		-28,552	-4,963
Adjustments to reconcile profit before tax to net cash flows:			
Change in value from investment properties		-837	-831
Result from disposal of businesses and fixed assets		25,198	2,351
Depreciations		25,524	20,714
Exchange gains		0	137
Change in fair value of derivates		1,269	1,261
Paid tax		-3,718	1,021
		18,884	19,690
Working capital adjustments:			
Change in operating receivables		15,036	-12,801
Change in inventory		-291	342
Change in operating liabilities		-28,850	-27,345
Net cash flow from operating activities		4,779	-20,114
INVESTMENT ACTIVITIES			
Purchase /investments of investment properties		-89,809	-281,702
Purchase /investments of owner-occupied properties		-21,416	-73,212
Purchase plant and equipment		0	-857
Disposal of subsidiaries		475,306	208,074
Changes in long term receivables		-47	-326
Net cash flow from investment activities		364,034	-148,023
FINANCING ACTIVITIES			
Proceeds from borrowings		46,235	394,651
Amortization of borrowings		-450,563	-255,621
Reduction in share capital		-3,000	-3,000
Net cash flow from financing activities		-407,328	136,030
Net increase/decrease in cash and cash equivalents		-38,515	-32,107
Cash and cash equivalents at the beginning of the year		63,832	95,469
Translation adjustments of cash and cash equivalents		258	470
Cash and cash equivalents at 31 December	18	25,575	63,832

PARENT COMPANY INCOME STATEMENT

TSEK	Note	2019	2018
NET SALES			
Administrative expenses	8, 9	-6,075	-8,704
Operating profit/loss		-6,705	-8,704
Financial income		16,012	-
Financial expenses	10	13,575	14 499
Profit/loss after financial items	10	-23,513	-25,306
		0	-19,511
Received Group contributions			
Profit/loss before tax		0	19,511
Tax		0	0
Result for the year	11	0	0
NET SALES		0	0

PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

TSEK	Note	2019	2018
Result for the year		0	0
Other comprehensive income net of tax		0	0
Total comprehensive income for the year net of tax		0	0

PARENT COMPANY BALANCE SHEET

TSEK	Note	31 December 2019	31 December 2018
ASSETS			
Fixed assets			
FINANCIAL ASSETS			
Shares in Group companies	25	25,603	25,603
Receivables from Group companies	26	423,549	383,960
Total financial assets		449,152	409,563
Total non-current assets			409,563
CURRENT ASSETS			
Other receivables		61	28
Prepaid expenses and accrued income		6,456	11,950
Cash and cash equivalents		247	34,436
Total current assets		6,764	46,414
Total assets		455,916	455,977
EQUITY AND LIABILITIES	18		
Restricted equity			
Share capital		500	500
Restricted equity		500	500
NON-RESTRICTED EQUITY			
Retained earnings		12,936	15,936
Result for the year		0	0
Non-restricted equity		12,936	15,936
Total equity		13,436	16,436
NON-CURRENT LIABILITIES			
Bond loan	19	425,000	425,000
Interest bearing loans and borrowings	19	10,000	10,000
Other liabilities	19	7,267	4,347
Total non-current liabilities		442,267	439,347
CURRENT LIABILITIES			
Other liabilities		213	194
Total current liabilities		213	194
Total liabilities		442,480	439,541
Total equity and liabilities		455,916	455,977

PARENT COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

TSEK	Share capital	Retained earnings	Total equity
EQUITY AT 1 JANUARY 2018	500	18,936	19,436
Result for the year	-	0	0
Other comprehensive income:	-	0	0
Total comprehensive income	-	0	0
Issue of share capital	2	-2	0
Reduction in share capital	-2	-2,998	-3,000
EQUITY AT 31 DECEMBER 2018	500	15,936	16,436
Result for the year	-	0	0
Other comprehensive income:	-	0	0
Total comprehensive income	-	0	0
Issue of share capital	2	-2	0
Reduction in share capital	-2	-2,998	-3,000
EQUITY AT 31 DECEMBER 2019	500	12,936	13,436

PARENT COMPANY STATEMENT OF CASH FLOWS

TSEK	Note	2019	2018
OPERATING ACTIVITIES			
Profit or loss before tax		0	0
Adjustments in working capital			
Change in operating receivables		5,461	-5,832
Change in operating liabilities		19	-1,190
Net cash flow from operating activities		5,480	-7,022
INVESTMENT ACTIVITIES			
Payments to Group companies		-243,306	-140,228
Repayment from Group companies receivables		203,716	170,895
Net cash flow from investment activities		-34,110	30,667
FINANCING ACTIVITIES			
Proceeds from borrowings		3,002	27,270
Repayment of borrowings		-82	-15,000
Reduction in share capital		-3,000	-3,000
Net cash flow from financing activities		-80	9,270
Net increase/decrease in cash and cash equivalents		-34,190	32,915
Cash and cash equivalents at the beginning of the year		34,436	1,521
Cash and cash equivalents at 31 December		246	34,436

NOTES OVERVIEW

Note 1 Accounting principles

General information

The consolidated accounts and the annual accounts of Jefast Holding AB (publ) 556721-2526 for the 2019 financial year have been approved by the Board of Directors and CEO for publication on 30 April 2020 and will be presented to the Annual General Meeting on 30 April 2020 for adoption. The Group's main business is owning and managing investment property and a hotel business. The Parent Company is a Swedish public limited company with its registered office in Höganäs.
Norregatan 2.

Basis of preparation

The consolidated financial statements of Jefast Holding AB (publ) and its subsidiaries (collectively, the Group) are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Furthermore, the recommendation RFR 1 Supplementary accounting rules for corporate groups issued by the Swedish Financial Reporting Board have been applied.

The Parent Company apply the same accounting policies as the Group except in cases listed below in the section for Accounting polices for parent. The Parent Company apply the Swedish Annual Accounts Act and RFR 2 "Accounting for legal entities". Exceptions and additions are caused by legal provisions or by connection between accounting and taxation in Sweden.

The consolidated financial statements are expressed in SEK, since this is Jefast Holding's functional and reporting currency. All values are rounded to the nearest thousand TSEK where indicated.

Assets and liabilities have been based on historical acquisition values except for investment properties/owner-occupied properties and certain financial assets and liabilities that are valued at fair value. Financial assets and liabilities valued at fair value consist of derivatives in the form of interest rate swaps.

Risks and uncertainties

In order to ensure that the the annual report is prepared in accordance with generally accepted accounting principles, several assessments and assumptions are made in the report, which are affecting the reported assets, liabilities, revenues and expenses as well as other information. These assessments and assumptions are based on past experiences as well as other factors that are reasonable to consider with the current circumstances. Actual outcome might differ from these assessments and assumptions in case the conditions are changed. For more information regarding these assessments and assumptions see note 2.

Basis of consolidation

Subsidiaries are the companies in which the Parent Company directly or indirectly has a controlling influence. Direct or indirect controlling influence means the right to formulate a companies financial and operational strategies in order to obtain economic benefits.

Control exists when the Group is exposed to or has rights to variable return from its involvement in the enterprise, and has the ability to affect those returns through its power over the enterprise. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The subsidiaries' financial statements are included in the consolidated financial statements from the date when the controlling influence commences until the date when it ceases.

These consolidated financial statements includes Jefast Holding AB (publ) and its subsidiaries, which are presented in note 25.

On a consolidated level, intra-group balances and intra-group transactions are eliminated in full.

Foreign currency translation

Foreign currency transactions are converted at the moment of the transaction and exchange differences are recognized in the result.

Monetary assets and liabilities in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date and exchange differences are recorded in the income statement.

All currency differences derived from Owner-occupied properties regarding receivables and liabilities are recorded in the operating result, while exchange differences regarding financial assets and liabilities are recorded as a result from financial entries.

Translation of foreign subsidiaries

The result and financial position of all Group companies are translated to the Group's reporting currency as follows:

- Assets and liabilities are translated at the closing day exchange rate
- Revenues and expenses are translated at the average exchange rate during the financial year
- Exchange rate differences arising on translation of foreign operations are reported as translation differences for the year in other comprehensive income

Business combinations and asset acquisitions

The Group acquires subsidiaries that own real estate. At the time of the acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group recognize the acquisition as an owner occupied business if it is combined with other businesses in addition to the property. More specifically, consideration is made based on to what extent the acquired business and, in particular, the extent of services provided by the subsidiary (e.g., maintenance and administration).

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

Revenue

The Group reports revenue when the Group fulfills a performance commitment, which is when a promised product or service is delivered to the customer and the customer takes over the control of the product or service. Control of a performance commitment can be transmitted over time or at a time. The revenue consists of the amount that the Group expects to receive as compensation for transferred goods or services. In order for the Group to be able to report revenue from agreements with customers, each customer agreement is analyzed in accordance with the five-step model found in the standard. Jefast's revenues mainly consist of hotel revenue and rental income and to some extent income from property sales.

Hotel revenue

Hotel revenue includes room-, spa-, restaurant, group events- and other minor departments revenue and is recorded in the period when the service is used. Hotel revenue is included in the item Revenue in the income statement.

Rental and service revenue

Leasing agreement where a substantial part of the risks and benefits associated with the ownership fall on the lessor, are classified as operating leases. All leases related to Jefast's investment properties are recognized as operating leases. Rental income deriving from operating leases is announced in advance and reported on a straight-line basis during the lease term and is included in the item “Net sales” in the income statement. Rental income includes traditional rent including indices and any additional charges for investments. Any rental reductions are reported as a reduction in rental income on a straight-line basis over the lease term. The lease term is the non-cancellable period of the lease agreement together with any extension options and / or termination options that the management is reasonably certain that the lessee will use.

In addition to leasing income for rent, the Group has service revenues in the form of additional charges such as heating, cooling, garbage disposal and water, etc. These revenues are included in net sales and are reported in the period the service is performed and delivered to the tenant.
The management's assessment is that the Group acts as the principal in this regard. Advance rentals are reported as prepaid rental income.

Revenue from property sales
Revenue from property sales is reported when the control has been transferred to the buyer. This usually means that accounting will take place at the buyer's date of access unless it is conflict with the sales purchase agreement. Profit from property sales is reported as a change in value and refers to the difference between the sales price received after deduction for selling expenses and the reported value in the latest published report with adjustment for investments thereafter. In cases where sales are made via companies, the part of the profit attributable to previously booked deferred tax is recognized in profit or loss on the line for tax on the profit for the year.

Financial revenue
Financial revenues includes interest revenue and are recognized in the period which they become receivable. When calculating financial income, the effective interest method is applied.

Compensation to employees
Compensation for employees in the form of paid vacation, paid sick leave and more is reported as employees have performed services corresponding to the compensation. Pensions and other benefits after termination of employment can be classified as defined contribution plans or defined benefit plans. The majority of the Group's commitment to pensions consists of defined contribution plans, which are fulfilled through premiums to independent authorities or companies that administer the plans. Fees for defined-contribution plans are recognized as an expense when they arise. A number of the Group's employees have defined-benefit ITP plans with continuous payments to Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of the ITP 2 pension plan, which is financed through insurance with Alecta, this is a defined benefit plan that includes several employers. For the financial year 2019, the company did not have access to information to be able to account for its proportionate share of the plan's obligations, management assets and costs, which meant that the plan was not possible to report as a defined benefit plan. The ITP 2 pension plan, which is secured through insurance with Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit retirement and family pensions is individually calculated and is dependent, among other things, on salary, previously earned pension and expected remaining service life. Expected fees for the next reporting period for ITP 2 insurance that are subscribed to Alecta amount to SEK 112,000 (2019: 202). The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amounts to 0.00104 and 0.00069 percent (0.00212 and 0.0011 percent, respectively).

Financial costs
Financial costs include interest and other costs related to financing the business. Financial costs are recognized in the income statement in the period to which they relate. Financial costs also include interest expenses for interest rate derivative contracts. Market valuations of interest rate derivative agreements entered into do not affect net financial items as they are reported as changes in value under a specific heading. The part of the interest expense that relates to interest during the production period for major new construction or renovation projects is capitalized.

Tax
Tax on this year's result includes current income tax and deferred income tax for the Swedish and American Groups.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income

statement.

Deferred income tax
The deferred tax on temporary differences between the recognized asset or debt and its recognised value and tax value are reported in accordance with the balance sheet method. As a result deferred tax assets and deferred tax liabilities are realised when the asset or liability is sold. Exceptions are applied for temporary differences related to the first reporting of assets and liabilities related to asset acquisition.

Deferred tax liability related to loss carry forwards are recognised since it is likely to be offset in future taxable surpluses. Deferred tax liability is calculated on the difference between the properties carrying amount and the taxable value as well as derivates. A change in these items will impact the deferred tax liability/asset, which are recognised in the income statement as deferred tax.

Leasing agreements

Leasing agreements in which the substantial risks and advantages related to the ownership falls on the lessor are classified as an operational lease agreement. Leaseholds and agreements are classified as lessee. Payments made during the lease period are expensed in the income statement on a straight-line basis over the period of the lease. Lease agreements where Jefast is the lessor can be found in note 6. All current rental agreements attributable to Jefasts Investment Properties, seen from an accounting perspective, are classified as operational lease agreements. The reporting of the agreements are further explained in the accounting principle for revenues as well as note 6.

Investment properties

Investment properties are held in order to generate rental income and/or a value increase.

The investment properties are recognised at fair value in the balance sheet in accordance with IAS 40 which means that amortisations are not recognised in the income statement.
The change in value is recorded on a separate line in the income statement and are calculated based on valuations at the end of each period compared to last year, alternatively at the acquisition value if the property was acquired during the year. Additional expenses that results in an economical advantage for the company, e.g that has an value impact and which can be accounted for on a reliable manner is capitalised. Expenses related to repairs and maintenance are expensed in the period in which they occur. Interest related to larger construction projects or reconstruction are capitalised during the production time.

Owner occupied properties

The group has decided to apply the revaluation model for owner occupied properties. The hotel property in USA is the only property that is classified as an owner occupied propery. Owner occupied properties are valued at fair value on the balance sheet date with deduction of accumulated depreciation for buildings. Valuations are made yearly to ensure no discrepancies in the fair value and the recognised value. Change in fair value is recognised in other comprehensive income, adjustments are made between the retained earnings and the revaluation reserv. However, if a previous recorded profit or loss deficit asset, is reversed in a revaluation the increase is recognised in the income statement. A deficit in a revaluation is recorded in the income statement, unless it causes a displacement of surplus for the same asset in the revaluation reserve.

A yearly transfer is made between the revaluation reserve to retained earnings based on the deprecation of the revalued value of the asset and the already made depreciation based on the acquisition value of the asset. The accumulated depreciation is eliminated at the time of the revaluation and the assets recorded at gross value and the net value is recalculated to the revalued amount of the asset. At divestment any valuation reserve is reversed back to the specific asset and retained earnings.

If properties, facilities and inventories are divested or there are no further economical future advantages from their use or divestment, the recordings are removed. Any profit or loss are recorded in the income statement at the time of the asset divestment (calculated as the difference between the received cash and from the divestment of the asset) included in the income statement when the asset has been divested.

Inventory

Fixed asset, except for properties, are recorded at acquisition value with deduction of any accumulated deprecations and/or accumulated provisions.

Depreciations

Assets are amortised based on the estimated useful lives, see below. If a property, land or inventory includes parts of different useful life spans each significant component will be amortised separately.

The residual value, useful life and amortisation of properties, land and inventories is analysed at the end of each financial year and adjusted if necessary.

Amortisation is calculated based on a straight-line method based on the life value of the assets as follows:

Owner occupied properties	75 yrs
Land	20 yrs
Inventory, tools and installations	5–30 yrs

Financial assets and liabilities

Financial asset is recognised in the balance sheet when the group becomes a party to the commercial terms and conditions of the instrument. Liabilities are recorded when the counterpart has performed its part and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recorded when the invoice is received.

A financial asset is removed from the balance sheet when the rights in the agreement has been realised, matures or the group lose control of the asset. Same thing applies for a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or in another way is extinct. Same thing applies for a financial liability.

A financial asset and a financial liability is offset and recorded with a net amount in the balance sheet is offset and recorded with a net amount in the balance sheet only when a legal right to offset the amounts exists as well as when an intention to settle the entries with a net amount or at the same time realise the asset and settle the liability.

Acquisitions and divestment of financial assets are recorded on the business day. The business day constitutes of the day when the company undertake an acquisition or divestment of the asset.

Profit and loss from removal from the balance sheet and modification are reported in the result.

Classification and valuation

Financial assets

Debt instruments: the classification of financial assets that are debt instruments based on the Group's business model for managing the asset and the nature of the asset's contractual cash flows.

The Group's debt instruments are classified at amortised cost.

Financial assets are classified at amortised cost, are initially valued at fair value with the addition of transaction costs. Accounts receivable are initially recognised at the invoiced value. After the first accounting period, the assets are valued according to the effective interest method. Assets classified at amortised cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount. The assets are covered by a loss reserve for expected loan losses.

Classification and valuation of financial liabilities

Financial liabilities are classified at amortised cost with the exception of derivatives and bond loan. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. After the first accounting date, they are valued at accrued acquisition value according to the effective interest method.

Derivatives and bond loan classified at fair value through profit or loss. The Group does not apply any hedge accounting.

Impairment of financial assets

The Group's financial assets, other than those that are classified at fair value through profit or loss measured at fair value through other comprehensive income, are subject to impairment losses for expected loan losses. Write-downs for loan losses according to IFRS 9 are forward-looking and a loss reserve is made when there is an exposure to credit risk, usually at the first reporting date. Expected credit losses reflect the present value of all cash flow deficits attributable to default either for the next 12 months or for the expected remaining term of the financial instrument, depending on the asset class and on the credit deterioration since the first reporting date. Expected credit losses reflect an objective, probability-weighted outcome that takes into account the majority of scenarios based on reasonable and forecasts.

The simplified model is applied to customer- and rental receivables, lease receivables. A loss reserve is reported, in the simplified model, for the expected residual maturity of the asset or asset.

For other items covered by expected loan losses, an impairment model with three stages is applied.

Initially, and at each balance sheet date, a loss reserve for the next 12 months is reported, or for a shorter period of time depending on the remaining term (stage 1). The Group's assets have been judged to be in stage 1, that is, there has been no significant increase in credit risk.

If there has been a significant increase in credit risk since the first accounting date, resulting in a rating below investment grade, a loss reserve for the asset's remaining maturity (stage 2) is reported. For assets that are judged to be impaired, reserves are still reserved for expected loan losses for the remaining maturity (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss reserve, as opposed to the gross amount as in the previous stages.

The valuation of expected loan losses is based on various methods. The method for customer and rental receivables and contract assets is based on historical customer losses combined with forward-looking factors. Other receivables and assets are impaired according to a rating-based method through external credit ratings. Expected credit losses are valued at the product of probability of default, loss given default and the exposure in the event of default. For credit-impaired assets and receivables, an individual assessment is made taking into account historical, current and forward-looking information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

The financial assets are reported in the balance sheet at amortised cost, that is, net of gross value and loss reserve. Changes in the loss reserve are reported in the income statement.

Assessment of fair value

The group value derivate instruments, investment properties and bond at fair value on the balance sheet date.

Fair value is the expected price if an asset was divested or would be paid in order to transfer a liability in a organised transaction between market operators on the date for the assessment. The assessment of the fair value is based a transaction takes place on either the main market for the asset or liability, or in the case of the absences of the main market, the most favorable market at the point of the valuation.

The fair value of an asset or liability is assessed through the assumption that market operators would price the asset or liability in the same way, assuming that both market operator acts on behalf of their best economic interests.

The group utilize different valuation techniques based on underlying circumstances and for which sufficient data is available in order to assess the fair value, maximize the utilization of relevant and observable in data and minimize the utilization of non-observable in data. The techniques utilized to determine fair value is described in detail in note 2 and note 12 whereas valuation of financial instruments are described in note 19.

All assets and liabilities that are valued at fair value are categorized in the hierarchy for fair value, based on the lowest entry level that is significant for the valuation of fair value as a whole:

- Level 1 - Listed market prices on markets for identical assets and liabilities.
- Level 2 - Valuation techniques in which the lowest entry level of fair value are direct or indirect observable.
- Level 3 - Valuation techniques for which the lowest entry level, that is significant for the valuation of fair value, is not observable.

Reoccurring assets and liabilities recorded in the financial statements at fair value, are assessed by the group if any changes in levels has taken place by a new assessment on each balance sheet day.

Equity

The calculation of earnings per share is based on the Group's profit for the year attributable to the parent company's shareholders and on outstanding shares during the year.

Segment definition

The Group's operations are divided into two operating segments: investment properties and hotel operations. Revenues, operating expenses and changes in value of properties are reported and monitored regularly by segment of the Group's management. There is no distribution of common costs or other assets and liabilities in each segment.

Differences in the group and the parent company’s accounting principles

Differences between the group and the parent company’s accounting principles are described below. The accounting principles below regarding the parent company has been applied consistently for all periods presented in the parent company’s financial statements, unless stated otherwise.

Valuation principles

The parent company establishes its financial statements in accordance with the Annual Accounts Act and the RFR 2, Accounting for Legal Entities, recommendation. This recommendation means that the parent company apply the same accounting principles as the group, except for cases when the Annual Accounts Act or applicable tax regulations limits the possibilities to utilize IFRS.

Parent company and associates

Shares in parent companies are recorded in the parent company using the cost method. This means that transaction costs are included in recorded value of the parent company.

In cases where the recorded share value exceeds the fair value of the parent company, a depreciation will be recorded in the income statement. When depreciation is no longer applicable the depreciation will be reversed.

Financial instruments

Due to the relationship between accounting and taxation, the parent company does not apply IFRS 9 for financial instruments. Instead, the Parent Company reports financial instruments applying the acquisition value method in accordance with the Annual Accounts Act. In the Parent Company, therefore, financial fixed assets are valued at acquisition value and financial current assets according to the lowest value principle, with the application of depreciation for expected loan losses according to IFRS 9 for assets that are debt instruments. For other financial assets, depreciations on fair value are based on derivative instruments with a negative fair value are reported as a liability to the negative fair value with a change in value in the result.

The parent company applies the exception not to value financial guarantee agreements for the benefit of subsidiaries in accordance with the rules in IFRS 9, but instead applies the principles for valuation according to IAS 37 Provisions, contingent liabilities and contingent assets.

Group contributions and shareholder contributions

Received and provided group contributions are recognised as dispositions in accordance with the alternative rule (RFR 2). Shareholder contributions are recorded as equity at the receiver and is capitalised as shares at the provider, unless there is no need for impairment.

Note 2 Significant Accounting Assessments and assumptions

Property classification

The group has classified the properties as either Investment properties or Owner occupied properties based on the following:

Investment properties consists of land and buildings (mainly offices, apartments, retail and commercial properties) with the main reason is to generate rental revenue and value increase from the properties. These buildings are commonly rented out to tenants.

Owner occupied properties are properties that generates not only cash flow from the building but also from other assets, which accounts for the hotel business in the USA.

It is the assessment of the board of directors, that the group does not possess any warehousing properties.

Valuation of properties

The fair value of investment properties is determined by property experts using well recognised valuation techniques and the principles for IFRS 13 Valuation to Fair value.

The group reports its Investment properties at fair value and change in the fair value is recognised in the income statement. Furthermore, Owner occupied properties are valued at a revalued value including change in the fair value recognised in other comprehensive income. The group hired an independent valuation expert in order to assess the fair value per December 31 2019 and December 31 2018. Investment properties were valued based on the valuation method DCF-method, due to the lack of market data available on the properties. Land and buildings are valued based on reference cases and market proof, by utilising comparable prices for specific market factors such as essential characteristics, location and the overall condition of the properties.

Note 3 New standards and standards issued not yet effective

Standards which came into force in 2019

In this annual report, the Group and the Parent Company are applying for the first time the new and amended standards and interpretations to be used for fiscal years beginning on or after January 1, 2019. None of the new and amended standards and interpretations to be applied as of January 1, 2019 have any material impact on the Group's or Parent Company's financial reports. No new or amended IFRS has been applied prematurely.

IFRS 16 Leasing Agreement

IFRS 16 Leases supersedes IAS 17 Leases and related interpretations and entered into force on January 1, 2019 and is applied by the Group from this date.

The transition to the new standard has not had any material affect to the Group in its role as lessor but has led the Group to report a right of use with associated lease debt for the leases previously classified as operating leases. Exceptions have been made for the contracts identified as of low value or with a remaining lease period of less than 12 months from the date of the first application.

The Group has chosen to apply the simplified

transition method, and comparative information has not been recalculated.
At the transition to IFRS 16, the average marginal borrowing rate was 2,5%.

Standards, amendments and interpretations regarding existing standards that have not yet entered into force and are not applied in advance by the Group

As of the date of approval of these financial reports, certain new standards, amendments and interpretations of existing standards that have not yet come into force have been published by the IASB.

Management assumes that all relevant statements will be included in the Group's accounting and valuation principles when the statement comes into force. New standards, amendments and clarifications that are neither applied nor stated below are not expected to have a material impact on the Group's financial reports

Note 4 operating segments

The Group's operations are divided into operating segments based on which parts of the business as the Group's management team follows up, known as business management perspective. The Group's activities are organised so that Group management monitors the operating profit/loss the different segments generates. Assets and liabilities are not followed up from a segment perspective, the Group management chooses to analyze assets and liabilities at the Group level excluding properties.

In cases where there is sales between the various segments the price is set based on the "arm's length"-principle. That is, the parties are independent of each other, well informed and with a mutual interest in the transactions.

The following operating segments have been identified:
- Investment properties
- Hotel business

Within the investment property segment, leasing of housing and premises in Sweden is conducted. In the hotel business, rooms, hotel services such as a spa and restaurant are rented out.

The Group's operating segments are divided into the following geographical areas; Sweden and the United States. The geographic areas are consistent with the operating segments, investment property is entirely located in Sweden while the Hotel business is conducted solely in the United States.

The Group has no single tenant that accounts for more than 10 per cent of the total revenue.

Group					
Year ended 31 december 2019	Investment Properties	Hotel business	Total segments	Adjustments and eliminations	Consolidated
Internal revenue	6,972	-	6,972	-6,972	-
Hotel revenue	-	200,667	200,667	-	200,667
External revenues from agreements with customers	9,346	-	9,346	-	9,346
External rental revenues	92,858	-	92,858	-	92,858
Total revenue	**109,176**	**200,667**	**309,843**	**-6,972**	**302,871**
Property expenses	-37,831	-	-37,831	1,314	-36,517
Raw materials and consumables	-1,967	-38,397	-40,364	-	-40,364
Depreciation of owner-occupied property	-	-9,819	-9,819	-	-9,819
Personnel costs	-	-60,884	-60,884	-	-60,884
Gross profit	**69,378**	**91,567**	**160,945**	**-5,658**	**155,287**
Operating profit/loss	**25,032**	**24,736**	**49,768**	**-5,658**	**44,110**
Net financial	**-37,003**	**-34,390**	**-71,393**	**-1,269**	**-72,662**
Income tax expenses	-	-	-	-	**-7,325**
Result for the year					**-35,877**

Year ended 31 december 2018	Investment Properties	Hotel business	Total segments	Adjustments and eliminations	Consolidated
Internal revenue	8,402	-	8,402	-8,402	0
Hotel revenue	-	153,762	153,762	-	153,762
External revenues from agreements with customers	11,526	-	11,526	-	11,526
External rental revenues	135,985	-	135,985	-	135,985
Total revenue	**155,913**	**153,762**	**309,675**	**-8,402**	**301,273**
Property expenses	-46,691	-	-46,691	1,258	-45,433
Raw materials and consumables	-4,445	-37,851	-42,296	-	-42,296
Depreciation of owner-occupied	-	-9,042	-9,042	-	-9,042
Personnel costs	-	-52,792	-52,792	-	-52,792
Gross profit	**104,777**	**54,077**	**158,854**	**-7,144**	**151,710**
Operating profit/loss	53,526	9,648	63,174	7,144	70,318
Net financial	-47,144	-26,876	-74,020	-1,261	-75,281
Income tax expenses					18,715
Result for the year					13,752

Property value per segment

Year ended 31 December 2019	Investment Properties	Hotel business	Total segments	Adjustments and eliminations	Consolidated
Properties	1,899	706	2,605	-	2,605
Year ended 31 December 2018	**Förvaltningsfastigheter**	**Hotell-verksamhet**	**Summa segment**	**Justeringar och elimineringar**	**Koncernen**
Properties	2,482	628	3,110	-	3,110

Not 5 Revenue

Group

Revenue TSEK	2019	2018
Rental income	92,858	135,985
Hotel revenue	200,667	153,762
Other income	9,346	11,526
Total revenue	302,871	301,273

Group

Revenue from external customers/geographical TSEK	2019	2018
Sweden	102,204	147,511
USA	200,667	153,762
Total Revenue	302,871	301,273

Note 6 Operational leasing agreements

Group as lessor

The Group has entered into leases on its property portfolio. The commercial property leases typically have leases between years 2019 and 2023 and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to exit before the end of the lease term.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2019 are, as follows:

TSEK	2019	2018
Within 1 year	54,288	85,968
After 1 year, but not longer than 5 years	142,086	164,262
More than 5 years	133,149	132,583
Total minimum lease payments under non-cancellable operating leases	329,524	382,813

Group

This year's lease revenues amounted to 92,858 TSEK (135,985).

Group as lease

The Groups operating leases primarily refers to leases of premises and cars. The future amount of minimum lease payment obligations are distributed as follows:

TSEK	2019
Short-term	978
Long-term	1,115
Total	2,094

Future minimum lease payment obligations are distributed as follows:

TSEK	2018
Within 1 year	916
After 1 year, but not more than 5 years	135
More than 5 years	-
Total minimum lease payments under non-cancellable operating leases	1,051

Koncernen

This years interest expenses amounted to 72 TSEK.
Lease payments for the year 2018 amounted to 1,412 TSEK.

Note 7 Operating expenses

Operating expenses TSEK	2019	2018
Repair and maintenance	15,223	16,328
Heat	7,652	12,374
Other expenses	7,400	11,229
Property tax	6,242	5,502
Raw materials and consumables	40,364	42,296
Depreciation of owner occupied properties	9,819	9,042
Salary costs	60,884	52,792
Total operating expenses	147,584	149,563

Administrative expenses		
TSEK	2019	2018
Personnel costs	7,866	10,099
Depreciation for the year	15,706	11,672
Other	73,041	54,690
Total administrative expenses	96,613	76,461

Raw materials and consumables are mainly attributable to the hotel business in the United States. The Hotel Service Management company Noble House has during the year had 150 (147) employees for Jefast´s hotel operations in the US. The employees are legally employed by Noble house, which provides Jefast with management and staff services. Therefore, they are not included in note 8 Employees. Cost for the hotel operator is included in Operating expenses. Other administrative expenses consist primarily of consulting expenses and rental costs

Other operating expense

Other operating expenses consists mainly of losses due to disposal of hotel interior related to the room renovation carried out in 2019

Note 8 Employees

Group

Salaries and remunerations TSEK	2019	2018
KEY MANAGEMENT PERSONNEL AND DIRECTORS		
Salaried and remunerations, board members	184	178
Salaries and remunerations, CEO	440	424
Social security costs	196	163
Pension costs	23	22
Total remuneration	844	787
OTHER EMPLOYEES		
Salaries and remunerations	4,928	6,181
Social security costs	1,717	1,997
Pension costs	471	537
Total remuneration	7,116	8,715

Number of employees	2019	2018
Women	7	8
Men	6	6
Total	13	14

Gender distribution amongst key management personnel TSEK	Antal personer	2019	Antal personer	2018
Proportion of women on the board of directors	1	33 %	1	33 %
Proportion of men on the board of directors	2	67 %	2	67 %
Proportion of women amongst key management personnel	2	50 %	2	50 %
Proportion of men amongst key management personnel	2	50 %	2	50 %

The CEO has a notice period of 2 months. The Group does not pay any compensation to the board of directors. The parent company has not had any employees during the year.

Note 9 Fees paid to auditors

Group – Fees to Auditors

Ernst & Young AB TSEK	2019	2018
Audit services	1,143	1,687
Other services	210	427
Total	1,353	2,114

Sharff, Wittmer, Kurtz & Diaz P.A TSEK	2019	2018
Audit services	589	409
Other services	157	211
Tax advice services	275	217
Total	1,021	837

No audit fees in the Parent company.

Note 10 Financial income and expenses

Group

Financial income TSEK	2019	2018
Interest income from accounts receivables	225	263
Total financial income	225	263

Financial expenses TSEK	2019	2018
Interest expenses, credit institutions	-71,618	-74,147
Foreign exchange adjustments	0	-136
Total financial expenses	**-71,618**	**-74,283**

All interest income and interest expenses are derived from financial assets and liabilities valued at amortized cost.
with the exception of interest expense related to derivatives valued at fair value through profit or loss amounting to 541 TSEK (661).

Parent company

Financial income TSEK	2019	2018
Interest expenses	13,575	14,499
Total financial expenses in accordance with the effective interest method	13,575	14,499

Financial expenses TSEK	2019	2018
Interest expenses	-23,513	-25,306
Total financial expenses in accordance with the effective interest method	-23,513	-25,306

Note 11 Tax

Group

Income statement TSEK	2019	2018
Current income tax:		
Current income tax charge	-1,601	-1 144
Deferred tax:		
Deferred tax related to temporary differences	-5,724	19,859
Total reported income tax	-7,325	18,715

Other comprehensive income ("OCI")	2019	2018
Deferred tax related to items recognized in OCI during the year:		
Deferred income tax on fair value changes of owner occupied property	-20,148	2,036
Total tax in OCI	-20,148	2,036

Reconcilation of the effective tax rate for the year				
	2019		2018	
	%	TSEK	%	TSEK
Result before tax		-28,552		-4,963
Nominal weighted tax rate for the group	21,4%	6,110	22%	1,092
Non-taxable income				0
Non-deductible expenses		-316		-17
Property divestment through company		7,391		1,040
Effect on deferred tax due to reduced tax rate		-		9,656
Other		-20,148		2,036
Effective tax rate for the year		-362		4,908
Result before tax		-7,325		18,715

"Other" includes deferred tax on temporary differences and deferred tax assets on loss carryforwards in Sweden, which have not yet been recognised. Loss carry-forwards for the Group amount to 198,395 TSEK (128,934). The deficits include both the Swedish and American operations. The US deficits have expiration dates from 2029 onwards. Total deficit corresponds to a deferred tax asset of 42,402 TSEK (27,493) of which 6,999 (6,997) has been capitalized. Deferred tax assets are recognized if the deficit is expected to be used in the foreseeable future. Deferred tax assets have been calculated at a tax rate of 20,6% (20.6) for temporary differences in Sweden and 21,4% (21.4) for temporary differences in the US.

Parent Company

Income statement		
TSEK	2019	2018
Current income tax:	0	0
Total reported income tax	0	0

Reconcilation of the effective tax rate for the year				
	2019		2018	
	%	TSEK	%	TSEK
Result before tax		0		0
Nominal weighted tax rate for the group	21,4 %	0	22 %	0
Non-taxable income		0		0
Effective tax rate for the year	0%		0 %	0

Group deferred tax

Reconcilation of deferred tax liabilities/assetes		
TSEK	2019	2018
Deferred tax liabilities/assets at 1 January	179,782	221,151
Tax on other comprehensive income	20,148	-2,036
Temporary differences in the Group's properties	-40,063	-38,496
Tax loss carryforwards	-2	-577
Derivate	-261	-260
Deferred tax liabilities/assets at 1 January	159,604	179,782

Deferred tax specification	Deferred tax asset		Deferred tax liability	
TSEK	2019	2018	2019	2018
Investment properties			102,020	142,083
Other non-current assets			65,104	44,956
Derivat	521	260		-
Tax loss carry forwards	6,999	6,997		-
Deferred tax	7,520	7,257	167,124	187,039

Note 12 Investment Property

Group

TSEK	Not	2019	2018
On 1 January		2,481,862	2,750,992
Capital expenditure on owned property		90,006	277,539
Divestments		-676,000	-551,767
Exchange differences		2,326	4,267
Remeasurement adjustments		837	831
Total completed investment property 31 December		1,899,031	2,481,862

Jefast's entire property portfolio is valued by external independent well-known evaluation institutes with yearly recognised qualifications. The values of the investment's properties have been calculated using a market adapted cash flow model. The cash flow model is based on the current value of a residual value at the end of the calculation period. The residual value is calculated based on a normal net operating profit the year after the calculation period ends, divided by an estimated yield. The discount rate for the discount of the net operating profit and residual value represents the market requirements on total yield and can therefore be judged to consist of a risk free real rate of interest + compensation for expected inflation + compensation related to the properties with variables such as location, property kind, etc.

As a basis for the adopted cash flow model the following prerequisites and assumptions has been made:

- A yearly inflation of 2,0 procent
- A yearly rent growth for apartments of 100 (100) percent of consumer price index
- A yearly rental development for premises under contract in accordance with each agreement respectively
- A yearly increase of operations and maintenance 100 (100) percent of consumer price index
- The yields ranging from 3.25% (3.25) to 8% (8).

The valuation thus takes place according to IFRS 13, Level 3.

Sensitivity analysis

When estimating the market value there are always some uncertainty involved due to the assumptions used in the valuation model. To demonstrate the effects of changed assumptions the below table is presented. The yield value only applies to investment properties available at the end of the accounting period.

Investment properties	Assumed change		Change in value, MSEK	
	2019	2018	2019	2018
Market rent level	5 %	5 %	126	183
Market rent level	-5 %	-5 %	-99	-188
Operation and maintenance costs	5 %	5 %	-7	-75
Operation and maintenance costs	-5 %	-5 %	33	70
Yield	0.5	0.5	-289	-256
Yield	-0.5	-0.5	102	323

In the table above for 2018, Holland 25 and 26 have been adjusted to correspond to a full year.

34 percent (27) of all investment properties are classified as residential properties and 66 percent (73) as commercial properties, this is based on the total area.

Note 13 Owner-occupied property

Group

TSEK	2019	2018
On 1 January	627,970	530,976
This year's acquisition	17,691	68,243
This year's divestements	-9,832	-1,434
Reclassifications	-44,948	-
Transfer*	-11,378	-
Revaluation	-97,808	-12,279
Exchange differences	28,212	-9,252
On 31 December	705,523	627,970

Depreciaiton and impairment		
TSEK	2019	2018
On 1 January	-	-
Depreciaiton for the year	9,819	9,041
Transfer*	-11,378	-12,279
Exchange differences	1,559	3,238
On 31 December	-	-

*This transfer relates to the accumulated depricaion as at the revalution date that was eliminated against the gross carrying amount.

Owner occupied property is valued by an external independent well-known evaluation institute with yearly recognised qualifications. The value of the owner-occupied property has been calculated using a market-adapted cash flow model in which future estimated revenues and cost (ten years or longer) are simulated to analyse the market expectations on the valuation object. The yield used in the model is derived from sales of similar properties.

Variables that have a large impact in deciding the yield requirement are the assessment that the subject will be operated as a full service, chainaffiliated hotel with a supporting reservation system and will be operated by competent and experienced management familiar with the operation of full-service hotels. The valuation is based on current earnings capacity and a cash flow, stretching at least ten years, which is estimated for each owner-occupied property. For the revenue part, occupancy and room rate are used. For vacancy rates an estimate is made based on an individual level for each property. The inflation assumption is three per cent. The revenues are assumed to follow the inflation rate.

The assessment of cost is based on annual historical data. An estimate of the present value of cash flow and the present value at the end of the calculation period lies as the foundation of the evaluation. The Group's operating properties have been valued at MSEK 703 (628), corresponding to the value if the acquisition value method has been applied to MSEK 341. The valuation thus takes place in accordance with IFRS 13, Level 3.

Sensitivity analysis

When calculating the market value, there is always some uncertainty due to the assumptions used in the valuation model. The table below aims to show the impact of changed assumptions.

Owner-occupied properties	Assumed change		Change in value, MSEK	
	2019	2018	2019	2018
Total revenue	5 %	5 %	165	170
Total revenue	-5 %	-5 %	-143	-80
Total expenses	5 %	5 %	-107	-40
Total expenses	-5 %	-5 %	128	140
Yield	0.5	0.5	-42	-70
Yield	-0.5	-0.5	72	20

Note 14 Equipment, tools and installation

Group

Equipment, tools and installation TSEK	2019	2018
On 1 January	62,697	62,081
This year’s acquisition	-	659
Reclassifications	44,948	-
Assets through IFRS 16	3,414	-
Divestments	-19,297	-4,834
Exchange differences	2,245	4,791
On 31 December	94,007	62,697

Depreciations and impairment TSEK	2019	2018
On 1 January	24,666	22,963
Depreciaiton for the year	7,758	5,629
This yearäs divestment	-8,072	-2,067
Exchange differences	686	-1,859
On 31 December	25,038	24,666
Net book value	68,969	38,031

The above amount includes the right of utilization in accordance with IFRS with a carrying amount of 2,126 TSEK.

Note 15 Rent and other receivables

Rent and other receivables TSEK	2019	2018
Receivables	7,011	6,798
Rent receivables	5,639	4,202
Other receivables	563	4,503
Total	13,213	15,503

Rent and other receivables not impaired have the following maturites TSEK	2019	2018
Not due	6,424	10,666
Due ≥ 30 days	622	4,518
Due 31-90 days	491	15
Due > 90 days	5,676	304
Total	13,213	15,503

The creditworthiness of receivables that have not reached maturity or write-downs is deemed to be high.

Group

Receivables mainly consist of customer and rental receivables for which the Group has chosen to apply the simplified method for reporting expected credit losses. This means that expected loan losses are reserved for the remaining maturity, which is expected to be less than one year for all receivables. All reported rental receivables have fallen due. The Group reserves for expected credit losses based on historical credit losses, as well as forward-looking information and other known information about each customer. The Group's customers have similar risk profiles, which is why the credit risk is initially assessed collectively for all customers. Any major individual receivables are assessed per counterparty. The Group writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been terminated.

Note 16 Prepaid expenses and accrued income

Group

TSEK	2019	2018
Prepaid insurance	123	6,189
Accrued income	263	349
Other prepaid expenses	26,913	33,507
Total	27,299	40,045

Other prepaid expenses consist primarily of prepaid loan fees that are accrued over the term of the loans, funds allocated in the US for future renovations.

Note 17 Cash

Group

TSEK	2019	2018
Cash at bank and on hand		
SEK	15,953	57,783
USD*	9,622	6,049
Cash on 31 december	25,575	63,832

Overdraft facilities amount to 0 tkr (0 kr).
**converted to SEK on the closing day rate*

Not 18 Equity

Share capital	2019		2018	
	Nominal value	Number of shares	Nominal value	Number of shares
	TSEK	(in thousands)	TSEK	(in thousands)
Share capital at 1 January (issued and fully paid)	500	5	500	5
Issued for cash	500	5	500	5

In December 2019 the share capital was increased to 502 (502) TSEK through an issuance of 20 (20) shares, which later reduced to 500 (500) TSEK through a withdrawal of 20 (20) shares.

Share capital and number of shares	Number of shares		Quota value	
	2019	2018	2019	2018
Class A shares	4,625	4,625	462,500	462,500
Class B shares	255	255	25,500	25,500
Class C shares	120	120	12,000	12,000
Total	5,000	5,000	500,000	500,000

The B shares has a dividend right of priority amounting to 15 165 TSEK after which the C-shares has a dividend right from 15 165 TSEK to a maximum amount equaling 25 275 TSEK. After this dividend's payout accrues to the A-shares. Result per share has been calculated by the result of the year divided by the number of outstanding shares.

The various components of equity are as follows:
Share capital represents the quota value for issued shares
Currency translation reserve contains exchange rate differences attributable to the translation of financial reports for the Group's foreign operations.
The revaluation reserve includes gains and losses on revaluation of operating properties
Balanced earnings contain all the balanced profits for previous financial years.

Note 19 Financial instruments and financial risk management

Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables, and other liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

Market risk

A decrease in the in the economy and uncertainty in the international financial market has a negative impact on the global economy. The turbulence on the market and changes in the global economy could affect Jefast's tenants and their ability to pay their rent. Deterioration of the global economy or decrease of the demand of properties might have a negative impact on Jefast's business, financial balance and result. There is a housing deficit in all municipalities where Jefast operate. The ten largest commercial tenants account for less than 29% (19) of the rental income.

Currency risk

The Group is exposed to the risk of changes in foreign exchange rates, which relates primarily to the net investments in subsidiaries in the US.

The Group does not hedge this risk because the impact on Jefast's business, financial balance and result is immaterial.

Interest risk

Interest rate risk refers to the exposure to changes in market interest rates and credit margins. One of the Group's largest costs is interest and change in the interest rate market may thus have a negative impact on Jefast's business and results, the Group has limited this risk by working with long-term credit limits with fixed terms and fixed interest through derivatives. The derivatives are recognised in the balance sheet as per the contract date and are valued on an ongoing basis at fair value in accordance with level 2 of IFRS 13.

Counter-party risk

The counter-party risk means that Jefast's counter-party cannot live up to its financial obligations towards Jefast. The financial situation of tenants and other counter-parties may change and this would change their ability to pay the agreed commitments to Jefast. This would have a negative impact on Jefast's business, balance sheet and earnings. Jefast limits counter-party risk by carrying out customary credit reports before accepting a new tenant and, if necessary, supplementing the lease agreement with a guarantee, rental deposit or bank guarantee.

The financial assets covered by provisions for expected credit losses according to the general method consist of cash and cash equivalents, other receivables and accrued income. Jefast applies a rating-based method in combination with other known information and forward-looking factors for assessing expected credit losses. The Group has defined default as when payment of the claim is 90 days late or more, or if other factors indicate that payment cancellation exists. Significant increase in credit risk has not been considered to exist for any receivable or asset on the balance sheet date. Such an assessment is based on whether payment is 30 days late or more, or if significant deterioration of the rating occurs, entailing a rating below investment grade. In cases where the amounts are not deemed to be insignificant, a reserve for expected loan losses is reported.

Liquidity and financing risk

Liquidity and financing risk refers to the risk of not being able to fulfill their payment obligations as a result of insufficient liquidity or difficulty in acquiring new loans. Liquidity risk is managed through regular liquidity forecasts and access to credit or liquid funds that can be raised at short notice. Jefast may be obliged to refinance some or all of its outstanding debts. Jefast's may be required to refinance a few or all of its outstanding debt. The outcome of these are based on Jefast's own financial position at that time. The risk that future refinancing will not be possible or be according to desirable conditions is always a risk that can have negative consequences for Jefast's business operations, balance sheet and results. Jefast works continuously with refinancing and has good relations with several Swedish financiers.

Principles and procedures for capital management

The Group's goal regarding the capital structure is to secure the Group's ability to continue its operations, so that it can generate return to shareholders and benefit other stakeholders and maintain an optimal capital structure to sustain the cost of capital down.

Management assesses the Group's capital needs in order to maintain an effective overall financing structure and at the same time avoid excessive leverage effects. The Group manages the capital structure and makes adjustments to it in the event of changed financials conditions and with regard to the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the group can adjust the amount of dividend to the shareholders, repay capital to lenders, or sell assets to reduce debt. The Group assesses the capital based on various covenant commitments in the loan and bond documentation.

The tables below show the Group's financial assets and liabilities that are subject to financial risk, classified in the categories according to IFRS 9.

Group

TSEK	Carrying amount 2019	Carrying amount 2018	Fair value 2019	Fair value 2018
Financial assets				
Financial assets at amortized cost				
Other receivables	563	1,800		1,800
Rent and other receivables	12,649	15,503	12,649	15,503
Cash and cash equivalents	25,575	63,832	25,575	63,832
Total financial assets	38,788	81,484	38,788	81,484
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivats	2,529	1,261	2,529	1,261
Bond loans	425,000	425,000	425,000	425,000
Financial liabilities at amortised cost				
Interest-bearing loans and borrowings	1,137,814 ,	1,668,297	1,137,814 ,	1,668,297
Trade and other payables	17,097	49,766	17,097	49,766
Other liabilities	24,276	12,724	24,276	12,724
Accrued expenses	22,386	20,787	22,386	20,787
Total financial liabilities	1,629,102	2,177,835	1,629,102	2,177,835

The maximum credit risk of the assets consists of the net amounts of the reported values in the table above. The Group has not received any pledged assets for the financial net assets.

Quantative disclousures of the Group's financial instruments in the fair value measurements hierarchy as at 31 December 2019	Nivål TSEK	Nivå 2 TSEK	Nivå 3 TSEK	Summa TSEK
Financial liabilities at fair value through profit or loss				
Derivates		2,529		2,529
Bond loans	425,000			425,000

31 December 2018	Nivå 1 TSEK	Nivå 2 TSEK	Nivå 3 TSEK	Summa TSEK
Financial liabilities at fair value through profit or loss				
Derivates		1,261		1,261
Bond loans	425,000			425,000

Parent company

TSEK	Carrying amount 2019	Carrying amount 2018	Fair value 2019	Fair value 2018
Financial assets				
Financial assets at amortized cost				
Depositions	423,549	383,960	423,549	383,960
Rent and other receivables	61	28	61	28
Accrued income	247	34,436	247	34,436
Cash and cash equivalents	423,857	418,424	423,857	418,424
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Bond loans	425,000	425,000	425,000	425,000
Financial liabilities at fair value through profit or loss				
Interest-bearing loans and borrowings	10,000	10,000	10,000	10,000
Other liabilities	7,480	4,541	7,480	4,541
Accrued expenses	442,480	439,541	442,480	439,541

The maximum credit risk of the assets consists of the net amounts of the reported values in the table above. The Parent has not received any pledged assets for the financial net assets.

Quantative disclousures of the Group's financial instruments in the fair value measurements hierarchy as at 31 December 2019	Nivå 1 TSEK	Nivå 2 TSEK	Nivå 3 TSEK	Summa TSEK
Financial liabilities at fair value through profit or loss				
Bond loans	425,000			425,000

31 December 2018	Nivå 1 TSEK	Nivå 2 TSEK	Nivå 3 TSEK	Summa TSEK
Financial liabilities at fair value through profit or loss				
Derivates	425,000			425,000

Receivables, rent receivables, cash and bank, accounts payable as well as other receivable are recognised at amortised costs with deduction of potential depreciation, which is why the fair value is assessed to align with the reported value.

The following methods and assumptions has been used to assess the fair value:

The group uses hedging instruments in the form of interest rate swaps in order to decrease the interest rate risk related to interest rate liabilities that the group is exposed to. The interest rate swaps are recognised as derivates and are valued at fair value on level 2 in IFRS 13. Changes in the value of derivatives are reported as profit or loss on a separate line in the income statement. The value of interest rate swaps is reported as the current value of the estimated flows during the remaining term. The estimated flows are calculated by looking at the first period and forward rates of 3-month Stibor and their volatility.

Fair value of the groups interest-bearing debt as well as bond loans are determined using the DCF method using a discount rate that is representative of Jefast Holding AB (publ) borrowing rate including its own risk for non-performance risk at December 31 2019.

The groups agreed and non-discounted interest rate payments and amortisations of financial liabilities are shown in the table below. Foreign amounts has been recalculated to SEK on the balance sheet day. Financial instruments with floating interest rate has been calculated using the interest rate on the balance sheet day. Liabilities has been included in the earliest period in which amortisation might be required.

The below table shows future cashflow per 2019-12-31:

Group

2019, TSEK	Year 1	Year 2	Year 3-5	More than 5 years	Total
Interest-bearing loans and borrowings	662,325	52,303	366,497	-	1,081,125
Bond loans	24,561	449,561	-	-	474,122
Other liabilities	17,097	-	-	-	17,097
Trade payables and other financial liabilities	24,276	-	-	-	24,276
Total financial liabilities	728,259	501,864	366,497	-	1,596,620

The below table shows future cashflow per 2018-12-31:

2018, TSEK	Year 1	Year 2	Year 3-5	More than 5 years	Total
Interest-bearing loans and	471,781	697,576	254,728	332,946	1,757,031
Bond loans	23,163	23,163	430,469	-	476,795
Other liabilities	12,724				12.724
Trade payables and other financial liabilities	49,766				49.766
Total financial liabilities	557,434	720,739	685,195	332,946	2,296,316

Parent Company

2018, TSEK	Year 1	Year 2	Year 3-5	More than 5 years	Total
Interest-bearing loans and	10,350	-	-	-	10,350
Bond loans	24,561	449,561	-	-	474,122
Other liabilities	7,480	-	-	-	7,480
Total financial liabilities	42,391	449,561	-	-	491,952

2018, TSEK	Year 1	Year 2	Year 3-5	More than 5 år	Total
Interest-bearing loans and	350	10,117	-	-	10.467
Bond loans	23,163	23,163	430,469	-	476,795
Other liabilities	194	-	-	4,319	4,513
Total financial liabilities	23,707	33,280	430,469	4,319	491,775

Note 20 Trade and other payables

Group

TSEK	2019	2018
Account payables	17,097	49,766
Other liabilies	24,276	12,724
Total	41,373	62,490

Other liabilities mainly consists of VAT, social security contributions and settlements related to divestments.

Note 21 Accrued expenses and prepaid income

Group

TSEK	2019	2018
Accrued personnel cost	5,213	5,098
Accrued interest	8,300	9,699
Accrued revenues	6,926	11,837
Other accrued expenses and prepaid income	1,947	5,990
Total	22,386	32,624

Note 22 Related parties

Entity	Relation	Ownership
Bo Jertshagen	Majority owner	91.1 %
Induere AB (Bo Jertshagen)	Shareholder	8.9 %

Group

Significant transactions and balances with related parties				
	Jefast Förvaltning		Induere	
TSEK	2019	2018	2019	2018
Service management costs	320	360	-	-
Rent	-719	-721	-	-
Liabilities to related parties	0	0	7,267	4,319

The parent company of the Group Jefast Holding AB has a debt to the related companies as described above. Jefast Holding AB's subsidiary Jefast AB is responsible for administrative services related to the companies and thus invoices management services. Two of the Group's companies rent premises from related companies as described above. All transactions take place in accordance with the market conditions in accordance with the arm's length principle.

Parent company

Significant transactions and balances with related parties and balance				
	Jefast Förvaltning		Induere	
TSEK	2019	2018	2019	2018
Liabilities to related parties	0	0	7,267	4,319

Transactions regarding the board of directors and the CEO are specified in Nore 8. Bo Jertshagen is the sole 100% owner of Jefast Förvaltning.

Note 23 Guarantees and contingencies

Group

TSEK	2019	2018
Property mortgages	983,303	1,421,178
Bankaccounts	2,368	-
Shares in group companies	103,770	90,770
	1,089,441	1,511,948

Parent company

TSEK	2019	2018
Contingent liabilities for the benefit of the subsidiaries	576,753	411,940
	576,753	411,940

Note 24 Reconciliation of liabilities related to financing activities

TSEK	2019	2018
Opening balance for liabilities and current liabilities related to financing activities	2,094,558	2,252,928
Changes effecting the cashflow		
Borrowings	46,235	394,651
Loan repayments	-450,563	-255,621
Changes not effecting the cashflow		
Conversion effects	14,725	33,192
Change in loans related to divestments	-142,113	-331,853
Derivate	2,529	1,261
Closing balance for liabilities and current liabilities related to financing activities	1,565,371	2,094,558

Note 25 Shares in subsidiaries

Moderbolag

TSEK	2019	2018
Acquisition cost on 1 January	25,603	25,603
Acquisition cost on 31 December	25,603	25,603

Company	Corporate ID	City	Result	Equity	Prop. Of shares	Net book value 2019	Net book value 2018
Jefast AB	556311-1409	Höganäs	29,529	233,961	100 %	25,603	25,603
Jefast Aviation AB	556464-9266	Höganäs			100 %		
Jefast Belgien Västra AB	556856-6201	Höganäs			100 %		
Jefast Byggservice AB	556581-9827	Höganäs			100 %		
Jefast Industriby KB	916941-9315	Höganäs			90 %*		
Jefast Borrower AB	559056-4984	Höganäs			100 %		
Jefast Norra Belgien AB	559056-4968	Höganäs			100 %		
Jefast LP AB	559056-4976	Höganäs			100 %		
Fastigheten Belgien Norra 19 KB	969646-3752	Höganäs			99%*		
Jefast Åstorp AB	559056-4992	Höganäs			100 %		
Jefast Borrower II AB	559109-3140	Höganäs			100 %		

Company	Corporate ID	City	Result	Equity	Prop. Of shares	Net book value 2019	Net book value 2018
Jefast Cityfastigheter AB	556650-5169	Höganäs			100 %		
Jefast Sundshörnet AB	559126-6886	Höganäs			100 %		
Fastighets AB Snödroppen	556713-8416	Höganäs			100 %		
Jefast Fastigheter Holding AB	556856-6250	Höganäs			100 %		
Jefast i Helsingborg AB	556714-0180	Höganäs			100 %		
Paletten Hotel & Restaurang KB	916831-3097	Höganäs			99 %*		
Jefast Specialfastigheter AB	556856-6243	Höganäs			100 %		
Jefast USA AB	556847-9835	Höganäs			100 %		
Jefast Hotel LLC	75-3269387	USA			100 %		
Properties in Fort Lauderdale LLC	46-5554841	USA			100 %		
Jefast Manager LLC	45-4908005	USA			100 %		
Jefast Pelican Grand I LLC	35-2344083	USA			99 %*		
Jefasthuset Holding AB	556844-0928	Höganäs			100 %		
Jefasthuset AB	556676-5805	Höganäs			100 %		
Manere AB	556850-4806	Höganäs			100 %		
Jefast Citygalleria AB	556731-9065	Höganäs			100 %		
Jefast Parkering AB	556468-2549	Höganäs			100 %		
Jefast Real Estate LLC	68-0676594	USA			100 %		
Struere AB	556767-3933	Höganäs			100 %		

*Återstående aktier ägs av andra företag i koncernen

Note 26 Receivables from Group companies

Parent company

TSEK	2019	2018
Receivables from Group companies at 1 January	383,960	414,627
Added receivables	243,305	140,228
Substracted receivables	-203,716	-170,895
Receivables from Group companies at 31 December	423,549	383,960

Receivables from Group companies' equal loans to subsidiaries. There are no due dates on the loans.

The parent company applies a rating-based method for calculating expected credit losses on intra-group receivables based on the probability of default, expected loss and exposure in the event of default. The parent company has defined default as when payment of the claim is 90 days late or more, or if other factors indicate that the payment default is present. The parent company believes that the subsidiaries currently have similar risk profiles and therefore the assessment is done on a collective basis. Significant increase in credit risk has not been considered to exist for any intra-group receivable on the balance sheet date. Such assessment is based on whether payment is 30 days late or more, or if significant deterioration of the rating takes place, entailing a rating below investment grade. The parent company's receivables from its subsidiaries are subordinated external lenders' claims for which the subsidiary's properties are pledged as collateral.

The parent company applies the general method for the intra-group receivables. The parent company's expected loss in the event of default takes into account the subsidiaries' average loan-to-value ratio and the expected market value in the event of a forced sale. Based on the parent company's assessments according to the above method, taking into account other known information and forward-looking factors, expected loan losses are not expected to be significant and no provision has therefore been reported.

Note 27 Alternative Key ratios

For definitions, please see page 58.

Group

TSEK	2019	2018
Closing balance for equity at the end of the period	952,010	898,487
Total asset	2,745,816	3,272,685
Solidity, %	**35**	**27**
Cash and cash equivalents	25,575	63,832
Interest bearing liabilities	1,127,482	1,575,944
Bond loans	425,000	425,000
Current interest bearing loans	10,360	92,353
Interest bearing net liability	**1,537,267**	**2,029,465**
Interest bearing net liability	1,537,267	2,029,465
Property value at the end of the period	2,604,554	3,109,831
Net loan to value, %	**59,1**	**65,2**
Adjusted operating result	93,323	84,346
Adjusted financial expenses	67,614	64,680
Interest coverade ratio, times	**1,4**	**1,3**
Number of properties	12	**30**
Number of owned hotel rooms	**137**	**136**
Total rent value	92,858	99 930
Total rent-income	103,176	113 100
Economic rental rate, %	**90**	**88**
Occupied rooms	43 298	34 022

Total available rooms	53 259	52 624
Average occupancy rate,%	**81,30**	**64,65**
Room revenue (USD)	11 675 576	9 605 120
Occupied rooms	53 259	34 022
Average daily rate (ADR) (USD)	**269,66**	**282,32**
Room revenue (USD)	11 675 576	9 605 120
Total available room	53 259	52 624
Revenue per available room (RevPAR) (USD)	**219,22**	**182,52**

Note 28 Events after the reporting period

Corona Covid-19

The Covid-19 pandemic broke out worldwide, which will have an impact on the company's revenue and earnings in 2020. Several measures have been taken to minimize the effect on the business, as well as to comply with government requirements both in the US and Sweden.

In the US hotel business, it was decided to temporarily shut down the hotel on April 6, 2020, to ensure both guests and employees' health and minimize the spread of the infection. In connection with the temporary closure, 97% of the employees have been laid off. To allow a quick opening of the business again when it is considered advantageous to open again, we have decided to retain the management team during this period. Support from the US state has been obtained, and we are closely following any new support packages that we can take advantage off.

In the Swedish business, we have taken a proactive approach and are in dialogue with the majority of our commercial tenants to support their individual needs. In some cases, this means rent deferral, rent reduction, but also other initiatives such as helping tenants to open outdoor cafés more quickly with the help of property managers and to initiate cooperation with a local taxi company to offer cost-effective home delivery of food from our various restaurants and cafes. We will, to the extent possible, utilize the Government's support package for rental discounts. Otherwise, we closely monitor the development and impact of Covid-19 and continuously analyze the risks to our operations. The company's assets consist mainly of properties. The ongoing pandemic will have an impact on rental income in 2020 and thus the profit for the year. When this annual report is released, there is a very uncertain time due to the ongoing outbreak of the Covid-19 virus that is affecting our entire society. The company is actively working to address the challenges that the crisis pose. See further information in the Management’s Report page 12.

Note 29 Proposed profit allocation

Proposed profit allocation	
The Board of Directors proposes that available earnings (SEK) be made available as follows:	
Profit carried forward	12,936,121
Issue of share capital	-2,000
Reduction of the share capital	-2,998,000
Profit for the year	0
	13,436,121
to be distributed so they are carried over:	13,436,121

DEFINITIONS

Definitions - IFRS

Earnings per share
Earnings for the period that are attributable to the Parent company's owners divided by average number of outstanding shares.

Operating profit (EBIT)
Earnings before taxes and interest.

Definitions - Alternative key financial ratios

Jefast Holding AB (publ) presents certain financial measures in this report that are not defined according to IFRS. Jefast considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS.

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

Net loan to value
Interest bearing net debt (interest bearing debt adjusted for cash) in relation to the total property value at the balance sheet day.

Interest coverage ratio
Operating profit as a relation to / percentage of total financial expenses. The calculation is adjusted for change in fair value of Investment Properties, depreciations, profits and expenses including financial expenses related to divestments and/or acquisitions made during the period. Adjusted for the operating

result and financial expenses which is calculated in accordance with the bond documents that can be found on www.jefast.se .

Definitions - Other key ratios

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

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

Economic rental rate
Rental income as a percentage of the rental value.

Occupancy rate
Room nights sold divided by rooms available multiplied by 100. Occupancy is always displayed as a percentage of rooms available.

Average Daily Rate
Average daily rate (ADR). Room revenue divided by the number of rooms sold displayed as the average rate for one room.

Revenue per available room
Revenue per available room (RevPAR) Room revenue divided with the number of available rooms.

SIGNATURES

The consolidated statement of income and consolidated statement of financial position, together with the Parent Company income statement and balance sheet are subject to approval by the Annual General Meeting on 30 April 2020.

The Board of Directors and the Chief Executive Officer hereby certify that the annual accounts have been prepared in accordance with generally accepted accounting practice and that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU.

The annual accounts and the consolidated accounts provide a true and fair view of the financial position and results of the Parent Company and the Group.

The Director's report for the Parent Company and the Group provides a true and fair view of the development of the operations, financial position and performance of the Parent Company and the Group and also describes the material risks and uncertainties facing the Parent Company and the other companies in the Group.

Höganäs 30 april 2020

Bo Jertshagen, Chairman

Cassandra Jertshagen, Board member & CEO

Joakim Green, Board member

Our Audit report was submitted April 30 2019
Ernst and Young AB

Per Karlsson, Authorized Public Accountant

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Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Jefast Holding AB (publ) for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 10-59 in this document.

In our opinion, the annual 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 as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and 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 general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Significant uncertainties regarding the assumption of continued operation

We would like to draw attention to the information in the management report where evidence is given that the company will be dependent on additional financing during the year for the business to be continued. This fact, together with the other circumstances mentioned, indicates that there are significant uncertainties which could lead to significant doubts about the company's ability to continue operating. Our statement is not modified in this regard.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. In addition to the material uncertainties regarding the assumption of continued operation, we have identified additional particularly important areas described. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Valuation of properties

Description	*How our audit addressed this key audit matter*
Investment properties is a significant balance sheet item and amounted to 1 899 MSEK in the consolidated statement of financial position as of 31 December 2019. Investment properties is recorded at fair value. Owner-occupied properties is a significant balance sheet item and amounted to 706 MSEK in the consolidated statement of financial position as of 31 December 2019. Owner-occupied properties are initially valued at cost but then valued according to the revaluation method. Each quarter the company makes an internal valuation and at year-end all properties are externally valued. The fair value measurement is based on presumptions regarding every properties rental income, operating cost, investments, discount rate and return requirements. The return requirement is unique for each property and decided through an analysis of transactions made on the market as well as the properties market position. Due to the amount of assumptions we consider this area to be a key audit matter. A description of the fair value measurement basis is found in Note 1 Accounting policies on page 23 and in Note 12 and 13.	In our audit we have assessed objectivity, independence and competence of the external valuation company. We have assessed and evaluated management's process for fair value measurement. We have evaluated the assumptions made in the external valuations including rental income, vacancy, inflation, operating and maintenance costs. The audit has been made with assistance from our internal specialists. For a selection of investment properties we have compared the external valuations input regarding rental income and operating costs to the company's accounts. We have reviewed information in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-9. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they 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.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

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Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Jefast Holding AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general 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.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement in order to be able to assess whether the proposal is in accordance with the Companies Act.

Ernst & Young AB, Jakobsbergsgatan 24, 111 44 Stockholm, was appointed auditor of Jefast Holding AB by the general meeting of the shareholders on the 29 of April 2019 and has been the company's auditor since the 11 of February 2013.

Ängelholm 30 April, 2020
Ernst & Young AB

Per Karlsson
Authorized Public Accountant