

Interim report

2017-01-01 - 2017-12-31
Reinhold Europe AB (publ)
Org. nr. 556706–3713

Reinhold Europe AB (publ.), 556706–3713, offers modern real estate-related products in a company based on tradition and innovation. In the late 1950s, Reinhold Gustafsson decided to implement the idea of building traditional Swedish functionalism and combining high quality and reasonable rents. A focus that made Reinhold one of Sweden's most legendary builder. Beaten by faith in creating win-win solutions in all business, Reinhold Gustafsson often stated that "*it's better to have a part in a larger number of projects, each providing reasonable profitability, than having a few projects with the highest profitability*".

Today, this is history and the new Reinhold Europe shall not own or manage real estate, but the legacy lives on in the company's visions and daily business activities now with a new focus on real estate-related products and services with high returns.



This is an inhouse translation from the original Swedish Version.

The English version is for convenience only and in case of any discrepancy, the Swedish version will prevail.

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2. Summary of Q1 – Q4 2017 for the group

Summary of Q1 – Q4 2017 for the Group

The following summary refers to the period Q1 – Q4 2017.

The Group consists of the parent company Reinhold Europe AB (publ) and Waxy International AB (publ), which was acquired in Q3 to 100%.

- Revenue for the period amounts to 3 KEUR
- The result for the period amounts to -2,549 KEUR
- The number of shares amounts to 117 926 724 (900 000 A shares and 117 026 724 Class B shares)
- Earnings per share -0,01 EUR

3. Summary of Q1 – Q4 2017 for the parent company

The following summary refers to the period Q1 – Q4 2017 with comparative period Q1 – Q4 2016.

- Revenue for the period amounts to 3 KEUR (*15 KEUR*)
- The result for the period amounts to -2,428 KEUR (*2,121 KEUR*)
- Cash and cash equivalents amounted to EUR 0 (0.1 KEUR), in addition short-term receivables to 315 KEUR (-286 KEUR)
- The number of shares amounts to 117 926 724 (900 000 A shares and 117 026 724 Class B shares)

4. Summary of Q4 2017 for the group

Following summary relates to the period Q3 2017

- Revenue for the period amounts to 0 KEUR
- The result for the period amounts to – 2 100 KEUR

5. Summary of Q3 2017 for the parent company

Following summary relates to the period Q4 2017 with comparison to 2016.

- Revenues for the period amount to 0 KEUR (0 KEUR)
- The result for the period amounts to -1,552 KEUR (-2,317 KEUR)

6. Comments from the Board of Directors

During the fourth quarter, efforts to reconstruct the company continued.

The search for new CEO is in progress. CFO Ingvar Rehbinder has been appointed acting CEO in the meantime.

As previously informed, the business is focused on three sectors

- property-related services
- car care establishments
- energy saving solutions

At the beginning of the quarter, it was announced that the company acquired Waxy International AB, which will significantly contribute to the company's success.

Establishing Waxy's first facility in the area of “Kungens Kurva”, just south of Stockholm, is in its final phase. The inauguration will take place March 22, 2018. In addition, efforts to find more sites for continued expansion have continued and we are hoping that 2 – 3 addition facilities will be established in 2018.

The Group's results 2017 are burdened with previous debts, partly unknown to the Board, and previous assessments of possible settlements have also been revalued. It is now the opinion of the Board, as in the Q3 report, that the balance sheet and income statement now include all items that the company may have incurred during previous administrations.

The Board's focus in 2017 has been to find financial and business solutions that can solve future long-term operations. This has been done partly by the acquisition of Waxy International AB, partly through the owners' authorization to issue new shares and the board's discussions with creditors that part of company debt will be offset against new shares.

The company has completed the agreement to acquire all shares in Waxy International AB, including by adding the company's shareholder contributions. The financing has been through loans. The subsidiary has issued a bond of SEK 23 M through the assistance of the Nord Fond Commission, which at the end of the year was subscribed with approximately SEK 9.7 million.

The company has continued to invest in housing modules where several important achievements have been noted. The Board expects to announce several signed contracts during Q1 2018.

During Q1 2018, the Reinhold Group will enter into a commercial resale agreement for energy-saving products. Prior contacts with stakeholders have in the meanwhile been initiated, but at present there are no commercial contracts.

In accordance with previous information, an Extra General Meeting of 28 December decided to reduce the company's share capital to EUR 1 000 000, registered by the Swedish Companies Agency 2018-01-25, as well as to extend previous authorization to issue new shares.

During Q4, the company has received loans with the possibility of converting into shares of a total of SEK 2.9 million. Negotiations are also ongoing to convert an additional SEK 15 million into liabilities to share capital. Thus, the company's share capital will be restored.

The Board looks confident in 2018 and expects the Group to deliver a positive result.

Bobby Mandl

Chairman of the Board

7. Ownership

7.1 *Share capital*

The share capital as per 2017-12-31 is divided into 117 926 724 shares, of which 900 000 are A shares and 117 026 724 are B shares. The A share entitles to 10 votes and the B share to 1 vote. Each share gives equal rights to the company's assets and profits.

The share is traded on the Warsaw stock exchange under ticker RHD and closing price 2017-12-30 was 0.39 PLN. At the end of the period, the company's market value was EUR 11,005 million.

The Board has been authorized by the EGM to issue 32,000,000 new B shares.

8. Significant events during the period:

The company has received a loan of SEK 2.9 million which can be converted into shares.

The Swedish Companies Registration Office registers an increase in the company's share capital following the acquisition of Waxy.

The company applied 1 085 KEUR in tax for the income year 2015 due to the tax office unapproved reversal of reserves as non-taxable income. The company has requested reassessment.

Ingvar Rehbinder is appointed CEO of Reinhold Europe AB and CFO of the subsidiary Waxy International AB (publ)

Share capital is reduced at the Extraordinary General Meeting 2017-12-28 to EUR1,000,000.

9. Significant events after the period:

Ingvar Rehbinder left the board at his own request.

The subsidiary Waxy has signed a cooperation agreement with Diamant Car Wash in Segeltorp AB regarding the operation of the company's facility in Smista Alle. The agreement allows Waxy to immediately cover about 30% of capacity and the company generates positive cash flow

10. Upcoming reporting dates

2018-04-30	Annual report 2017	2017-01-01 - 2017-12-31
2018-05-31	Interim Q1 report 2018	2018-01-01 – 2018-03-31
2018-08-30	Interim H1 report 2018	2018-04-01 – 2018-06-30
2018-11-30	Interim report Q3 2018	2018-07-01 – 2018-09-30

11. Other information from the company

11.1 *Personnel*

The parent company has no employees, only one long-term contracted consultant. The subsidiary Waxy has 1 employee.

11.2 *Investments*

The Group through its subsidiary is active in constructing a car wash facility with planned completion during Q1 2018.

11.3 *Parent company*

The Group's operations are still in the start-up phase, as the plans are currently, property-related services will be conducted in the Parent Company. The group was formed on acquisition of the subsidiary Waxy International AB (publ) on July 1, 2017.

11.4 *Risk Factors*

There are a number of risk factors that may affect the Company's operations. In short, it can be said that the company has observed and has an action plan to counter the possible risks identified.

In addition, the outcome of the negotiation of known requirements from previous operations, any unknown requirements from past operations, and outcomes of future financing attempts will have a significant impact on the Group.

11.5 *Transactions with related parties*

Transactions have taken place with related parties in the form of remuneration to senior executives, transactions with subsidiaries, and related parties have funded operations through loans to both parent companies and subsidiaries.

11.6 *Financial position*

The Group's financial position is still very precarious. The Board's main priority is to ensure the company's funding for the next 12 months. A number of activities are underway to remedy this and to restore the share capital, such as reducing the share capital at the Extra General Meeting 2017-12-28 to EUR 1 million, and the Board of Directors to be empowered to issue 32,000,000 new shares. Of the company's total liabilities, there are agreements for conversion to shares of approximately 1,800 KEUR, these of-sett will utilize some of these new shares, and the Board has good hopes that additional investors will buy shares, which means that the company's share capital has been restored.

11.7 *Audit*

The present interim report has not been subject to review by the company's auditors.

12. The Boards of Directors certificate

The Board and the Managing Director certifies that this interim report provides a true and fair view of the company's and the Group's operations, financial position and results and describes significant risks and uncertainties faced by the company and its subsidiaries.

Stockholm, 28th of February 2018

Bobby Mandl
Chairman of the
Board

Harry Rosenberg
Member of the
Board

Sven-Gunnar Bodell
Member of the
Board

Ingvar Rehbinder
Acting CEO



This information is the information that Reinhold Europe AB is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on Wednesday, February 28, 2018 at. 16:00

13. Financial reports

Amounts in KEUR

13.1 *Summary Income statement for the group*¹*

The group was formed 2017-07-01.

	2017-12-31
Operating Income, etc	
Net Sales	0
Other operating income	3
Operating Expenses	
Other external expenses	-1 410
Rörelseresultat	-1 407
Financial items	-78
Result from Financial items	-78
Result after financial items	-1 485
Result before taxes	-1 485
	-1 064
Result for the period	-2 549
Average number of shares	117 026 724
Earnings per share	-0,01

***1)** The Group was formed by acquisition of subsidiaries in July 2017, which means that it is the first period of consolidated financial reporting since 2014. The consolidated income includes the subsidiary as of July 1, 2017, and the parent company from January 1, 2017.

13.2 *Balance sheet in summary for the group*

2017-12-31

ASSETS

Fixed assets

Intangible assets 1 644

Tangible fixed assets 1 336

Total assets 2 980

Other long-term receivables 333

Total financial assets 333

Current assets

Receivables 345

Cash and cash equivalents 5

Total current assets 350

TOTAL ASSETS 3 663

EQUITY AND LIABILITIES

Equity

Share capital 1 000

Other contributed capital 13 252

Balanced earnings incl. profit for the year -16 517

Shareholders equity attributable to the
parent company's shareholders -2 265

Long-term liabilities 1 103

Current liabilities 4 825

TOTAL EQUITY AND LIABILITIES 3 663

13.3 Cash-flow report in summary for the group

	2017-01-01
	2017-12-31
Cash flow from current operations	0
Operating profit	-1 416
Adjustments for items not included in cash flow	2 137
Paid Interest	-77
<hr/>	
Cash flow from operating activities before changes in working capital	644
	0
Changes in working capital	0
Change in operating receivables	-600
Change in operating liabilities	591
<hr/>	
Cash flow from current operations	-9
Investment	0
Investments in property, plant and equipment	-1 310
Cash flow from investing activities	-1 310
	0
Loans raised and the like	680
<hr/>	
Cash flow from financing activities	680
The year's cash flow	5
Cash and cash equivalents at the beginning of the year	0
Cash and cash equivalents at year-end*	5

*refers to the subsidiary

13.4 Report over changes in own capital for the group

Specification Group Equity	Share Capital	Other Contrit	Other Equity	Total Equity
Opening Balance	5 817	6 904	-11 900	-3 419
Appropriations of last years result			-2 121	2 121
Reduction in Share Capital	-5 241	5 241		0
New Issue	424	1 237		1 661
Currency deviation			-75	-75
Year result				-2 553
Closing Balance	1 000	13 383	-14 095	-2 265

13.5 *Income statement for the parent company*

P&L in summary, parent company

	2017-01-01	2016-01-01	2017-09-01	2016-09-01
KEUR	2017-12-31	2016-12-31	2017-12-30	2016-12-31
Operating income etc				
Net sales	0	0	0	0
Oter operating income	3	15	2	0
Operating expenses				
Other external expenses	-1 366	1 358	-452	-94
Personnel costs	0	19	0	0
Other operating expenses				
Operating Profit	-1 336	1 404	-465	1 477
Financial Items	-28	764	-23	788
Result after financial items	-1 364	2 168	-488	2 265
Result before taxes	-1 364	2 168	-488	2 265
Net Result of the period	-2 428	2 121	-1 552	2 318
Number of shares	117 926 724	109 926 724	117 926 724	109 926 724

13.6 Balance sheet in summary for the parent company

	2017-01-01	2016-01-01
	2017-12-31	2016-12-31
ASSETS		
Fixed Assets		
Financial Assets	1 966	
Total Fixed Assets	1 966	
	0	
Current Assets	0	
Receivables	315	-286
Cash and bank balances	0	0
<hr/>		
Total Current Assets	315	-286
TOTAL ASSETS	2 280	-286
 EQUITY AND LIABILITIES		
Equity		
Share capital	1 000	5 817
Premium Fund	13 383	6 904
Retained earnings	-14 020	-16 141
Result of the year	-2 428	2 121
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Total Equity	-2 065	-1 299
Tax accrual fund		
Long term liabilities and appropriations	475	255
Short term Liabilities	3 871	758
TOTAL EQUITY AND LIABILITIES	2 280	-286

14. Contact

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