Interim report

2019-01-01 – 2019-09-30

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.

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1. Summary of Q1 - 3 2019

The following summary refers to the period Q1 - 3 2018 with comparative period Q1 - Q3 2018.

- Revenue for the period amounts to 112 KEUR *(184 KEUR)*
- The result for the period amounts to 150 KEUR *(-369 KEUR)*
- Cash and cash equivalents amounted to EUR 0 (0 KEUR), in addition short-term receivables to 123 KEUR (168 KEUR)
- The number of shares amounts to 143 524 724 (117 926 724 shares)

2. Summary of Q3 2019

Following summary relates to the period Q3 2018.

- Revenues for the period amount to 112 (184) KEUR
- The result for the period amounts to 77 (-202) KEUR

3. Comments from the Board of Directors

The third quarter was characterized by work on financing the company. The Board of Directors has identified 2 cases of possibility for the company to request recovery or liquidated damages from previous boards as significant amounts have been divested without proper documentation or decisions. The Board is currently focusing on financing these legal processes.

The company's CEO resigned at his own request during the quarter and the Board is working to find a new CEO.

The company's financial position is very precarious, and the aforementioned activities are intended to restore the company's capital.

Runar Söderholm

Chairman of the Board

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4. Ownership

1. *Share capital*

The share capital as per 2019-09-30 is divided into 143 524 724 shares, of which 900 000 are A shares and 142 624 724 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 2019-09-30 was 0.34 PLN. At the end of the period, the company's market value was EUR 9,9 million.

5. Significant events during the period:

none

6. Significant events after the period:

2019-09-07	The Swedish Companies Registration Office registers Ingvar Rehbinder's departure as a board member and CEO.
2019-09-18	FI imposes sanction fee of SEK 750,000 related to the company's annual report for 2017. The company has appealed the fine.

7. Upcoming reporting dates

2020-02-28	Yearend report 2019	2018-10-01 - 2018-12-31
2020-04-30	Annual report 2019	2019-01-01 - 2019-12-31
2020-05-28	Interim Q1 report 2020	2020-01-01 – 2020-03-31
2020-08-31	Interim H1 report 2020	2020-04-01 – 2020-06-30
2020-11-30	Interim report Q3 2020	2020-07-01 – 2020-09-30

8. Other information from the company

2. *Personnel*

The company has no employees.

3. *The Company*

The group activities is still in start-up phase, as plan are as presently the housing module business and the energy saving product business will be organized within the parent company.

4. *Risk Factors*

There are several 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 possible disturbances. The company may be affected by the demand for the housing market. Other significant risks are that key personnel choose to leave the company. In order to counteract this, we have identified key competencies and are constantly seeking recruitment of new staff who will possess these skills.

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5. Transactions with related parties

The subsidiary has purchased services from the Parent Company in the form of financial services and paid interest on loans. Otherwise, the company has purchased services from key personnel.

6. Accounting principles

The accounting principles are described in Note 1 on page 17 (and in Appendix 2).

7. Financial position

The Group's financial position is still very precarious. The balance sheet is weighted by debts which emanate from the previous financial year and taxes attributable to the fiscal year 2015. Equity is negative. However, several activities are ongoing to restore this, including the Board's authorization at the Annual General Meeting 2018-07-30 to issue 32,000,000 new shares. As previously stated in this report, the Board of Directors has signed an agreement with two creditors in October that their claim amounting to EUR 1.6 million will be offset against 24,598,000 new B shares.

8. Audit

The present interim report has been subject to review by the company's auditors

1. The Boards of Directors certificate

The Board and the Managing Director certifies that this interim report provides a true and fair view ofthe 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 November 2019

Runar Söderholm	Harry Rosenberg
Chairman of the Board	Member of the Board

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 Thursday, November 28, 2019 at. 16:00

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2. The auditor’s report

I have conducted a review of the financial interim information in brief for Reinhold Europe AB as of 30 September 2019 and the nine-month period ending on that date. The Board and the Managing Director are responsible for establishing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. My responsibility is to express a conclusion

This interim report based on my review.

INSTRUCTION AND SCOPE OF THE OVERVIEW

I have conducted my review in accordance with International Standard on Review Engagements ISRE 2410 Review of financial interim information conducted by the company elected auditor. A review will consist of making requests, primarily to persons who are responsible for financial matters and accounting issues, to conduct analytical review and that take other review measures. A review has a different orientation and one significantly less scope than the focus and scope of an audit according to International Standards on Auditing and good auditing practice in general. The audit measures that taken in a review, makes it impossible for me to get such a security that I become aware of all the important circumstances that could have been identified if an audit was carried out. Therefore, the stated conclusion based on a review does not have the assurance that a pronounced conclusion based on an audit has.

BASIS FOR EXCLUDED END WITH DEFINITIVE OPINION

As noted in the audit reports for 2017 and 2018, the previous year's significant shortcomings in the management of the company have resulted in significant restrictions on the ability to obtain audit evidence for significant items in both the income statement and the balance sheet.

CONCLUDED WITH DEVIATION

Due to the significance of the circumstances described in the paragraph "Basis for Comprehensive Opinion", my review shows that the interim report has not been prepared in all material respects in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act

SIGNIFICANT UNCERTAINTY FACTORS REGARDING THE CONTINUATION OF CONTINUED OPERATION

As shown in the interim report, the Group's financial position is very precarious and have a pronounced need of additional funding to ensure its ability to continue operations.

Stockholm, November 30, 2018.

Johan Kaijser
Chartered Accountant

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3. Financial reports

Amounts in KEUR

9. Income statement for the company

P&L in summary, parent company

KEUR	2019-01-01 2019-09-30	2018-01-01 2018-09-30	2019-07-01 2019-09-30	2018-07-01 2018-09-30
Operating income etc				
Net sales	0	0	0	54
Oter operating income	112	185	112	110
Operating expenses				
Other external expenses	-90	-292	-74	-176
Personnel costs	0	0	0	0
Other operating expenses	0	0	0	0
	0	0	0	0
Operating Profit	22	-107	39	-11
Financial Items	-172	-241	-115	-170
Result after financial items	-150	-348	-77	-181
Result before taxtes				
	0	-21	0	-21
Net Result of the period	-150	-369	-77	-202
Number of shares	143 524 724	117 926 724	143 524 724	117 926 724

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10. Balance sheet in summary for the company

ASSETS	2018-01-01 2018-09-30	2018-01-01 2018-09-30	2019-01-01 2019-06-30	2018-01-01 2018-06-30
Fixed Assets				
Financial Assets	946	2 689	946	2 689
Total Fixed Assets	946	2 689	946	2 689
			0	0
Current Assets			0	0
Recievables	575	123	463	129
Cash and bank balances	0	0	0	0
Total Current Assets	575	123	463	129
TOTAL ASSETS	**1 521**	**2 812**	**1 409**	**2 818**
			0	0
EQUITY AND LIABILITIES			0	0
Equity			0	0
			0	0
Share capital	67	55	67	1 000
			9 761	8 673
Premium Fund	9 761	8 673	-10 918	-11 201
Retained earnings	-10 918	-10 256	-73	-203
Presult of the year	-150	-369	-1 164	-1 731
Total Equity	-1 240	-1 897	0	0
			0	0
Long term liabilities and appropriations	475	475	475	475
Short term Liabilities			0	0
Accounts payable	238	236	233	227
Current tax liabilities	1 072	1 057	1 071	0
Other debts	492	2 607	492	3 619
Accrued expenses and paid-up income	415	334	303	227
Total short-term liabilities	2 217	4 234	2 098	4 074
TOTAL EQUITY AND LIABILITIES	**1 521**	**2 812**	**1 409**	**2 818**

11. Cash-flow report in summary for the company

	2019-01-01 2019-09-30	2018-01-01 2018-09-30
Cash flow from current operations		
Operating profit	22	-107
Adjustments for items not included in cash	0	-21
Paid Interest	-172	-241
Cash flow from operating activities		
before changes in working capital	**-150**	**-369**
Changes in working capital		
Change in operating receivables	-67	507
Change in operating liabilities	-494	53
Cash flow from current operations	**-561**	**560**
Investment		
Investments in property, plant and	711	-723
Cash flow from investing activities	**711**	**-723**
	0	0
Loans raised and the like	0	532
Cash flow from financing activities	**0**	**532**
The year's cash flow	**0**	**0**
Cash and cash equivalents at the beginning	0	0
Cash and cash equivalents at end of	0	0

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4. Notes

12. Note 1 Accounting and valuation principles

Reinhold Europe's quarterly report has been prepared in accordance with IAS 34, Interim Financial Reporting.

13. Note 2 Financial assets and liabilities

The Reinhold Europe Group holds financial assets classified as "Loans and receivables" which are reported at accrued acquisition value. All liabilities are reported at accrued acquisition value. Financial assets and liabilities that are reported at accrued acquisition value in all cases have short maturities.

The fair value of these is therefore deemed to be in accordance with the book value. No financial assets or liabilities have been moved between the valuation categories.

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5. Appendix 1 - Background and history

Background and history

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 story and the new Reinhold Europe are not owned or managed by 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.

Our vision is that all activities should be conducted from a sustainable perspective, creating good profitability for the owners while creating added value for our customers.

We achieve this by focusing our Real Estate Development on the major housing needs of new arrivals and elderly, offering real estate solutions with efficient production.

We do this by collaborating with experienced entrepreneurs and committed municipalities, and we do this by providing quality assured and flexible apartment modules that are quickly and easily built into full-fledged homes and houses, where the majority of steel structures are made from recycled steel.

This gives us another opportunity to build purposeful and affordable housing for young people and students.

Reinhold shall be characterized by long-term, credibility and clear corporate responsibility. Our projects are characterized by ecological sustainability, cost-effectiveness and clear added value. Our accommodations are characterized by participation, well-being and social and economic sustainability.

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6. Appendix 2 Accounting principles

14. Summary of important accounting principles

The most important accounting principles applied when preparing this consolidated financial statement are set out below.

The parent company's accounting policies follow the Group unless otherwise stated. The differences are listed at the end of this Appendix.

Reason for the preparation of reports

The consolidated accounts of Reinhold Europe AB (publ) have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. It has been prepared in accordance with the acquisition value method. There are no financial instruments that are valued at fair value.

The preparation of reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management requires certain assessments when applying the Group's accounting principles. The areas that include a high degree of assessment, which are complex or areas where assumptions and estimates are essential for the consolidated accounts are mainly intangible fixed assets and accounts receivable linked to the activities previously carried out in the group.

New standards and interpretations that have not yet been applied by the Group

With the exception of IFRS 16 Leases (replacing IAS 17 Lease Agreement and beginning on January 1, 2019, but not yet adopted by the EU), none of the IFRS or IFRIC interpretations that have not yet entered into force are expected to have a significant impact on the Group. The Group holds leases and is deemed to be affected by IFRS 16. IFRS 16 implies that, for the lessee, almost all leases are to be reported in the balance sheet; as asset and liability. The income statement reports depreciation and interest expenses on the liability.

15. Principles for transactions in foreign currency

Functional currency and report currency

Items included in the financial statements of the various entities in the Group are valued at the currency used in the economic environment in which each company is primarily active (functional currency). The consolidated accounts use Euro (EUR), which is the Group's reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates prevailing on the transaction date or the date on which the items are revalued. Exchange rate gains and losses arising from the payment of such transactions and the translation of monetary assets and liabilities in foreign currency at the closing date are recognized in the income statement. Exceptions are when the transactions constitute hedges that meet the terms of hedge accounting for cash flows or net investments, as gains / losses are reported in other comprehensive income.

Foreign exchange gains and losses relating to loans and cash equivalents are reported in the income statement as financial income or expenses. All other exchange gains and losses are reported in the item Other income and other operating expenses. For consolidated periods, the Group has only financial exchange gains and losses.

16. *Cash-flow analysis*

The cash flow statement is prepared according to the indirect method. This means, among other things, that the reported income is adjusted for non-liquidity items.

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17. *Impairment of non-financial assets*

Assets are assessed for impairment whenever events or changes in circumstances indicate that the

reported value may not be recoverable. For assets that are not yet ready for use (eg unfinished balance sheet development costs), impairment losses are required at least once a year.

An impairment loss is made by the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets that have previously been written down, a review of whether reversals should be made on each balance sheet date is made.

18. *Financial assets*

The Group classifies its financial assets and liabilities in the following categories: loan receivables and accounts receivable and liabilities at accrued acquisition value. The classification depends on the purpose for which the financial asset or liability has been acquired. Management determines the classification at the first reporting date

Classification

Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted on an active market. They are included in current assets with the exception of expiration dates more than 12 months after the end of the reporting period, which are classified as non-current assets. Group loan receivables, accounts receivable, other receivables, accrued income and liquid assets.

Accounting and valuation

Purchases and sales of financial assets are reported on the business day - the date when the Group undertakes to buy or sell the asset. Financial instruments are recognized initially at fair value plus transaction costs. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or transferred and the Group has transferred virtually all risks and benefits associated with ownership. Loan receivables and accounts receivable are reported after acquisition date at accrued acquisition value using the effective interest rate method.

Offsetting

Financial assets and liabilities are offset and reported with a net amount in the balance sheet only when there is a legal right to settle the reported amounts and an intention to settle them with a net amount or to simultaneously realize the asset and settle the liability. The legal right must not be dependent on future events and it must be legally binding on the company and the counterparty both in normal business and in case of payment, insolvency or bankruptcy.

Impairment of financial assets

Assets recognized at amortized cost

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For the category loan receivables and accounts receivable, the write-down is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future non-performing loan losses) discounted to the original effective interest rate of the financial asset. The reported value of the asset is written down and the write-down amount is reported in the consolidated income statement.

19. Cash and cash equivalents

Liquid funds are defined as, in addition to cash and bank balances, also short-term investments that can easily be converted into a known amount of cash and bank and exposed to an insignificant risk of value fluctuations. The Group has no short-term investments for reported periods.

20. Share capital

Stock shares are classified as equity.

Transaction costs directly attributable to the issue of new common shares are reported, net of tax, in equity as a deduction from the emission allowance.

21. Trade payables

Trade payables are liabilities to pay for goods or services that have been acquired in the current business from suppliers. Trade payables are classified as current liabilities if they appear within one year or earlier (or during normal business cycle if longer). If not, they are recorded as long-term liabilities.

Trade payables are recognized initially at fair value and subsequently at accrued acquisition value using the effective interest rate method.

22. Liabilities valued at accrued acquisition value

Here, the Group reports all of its long and current liabilities. Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently reported at accrued acquisition value and any difference between the amount received (net after transaction costs) and the repayment amount

are recognized in the income statement over the loan period, using the effective interest rate method.

23. Provisions

A provision is a liability that is uncertain as to maturity date or amount. A provision is recognized when the Group has an existing legal or informal obligation as a result of an event occurring and it is likely that an outflow of resources will be required to settle the commitment and a reliable estimate of the amount can be made.

24. Current and deferred income tax

The tax expense for the period comprises current and deferred taxes. Tax is reported in the income statement, except when the tax refers to items recognized in other comprehensive income or directly in equity. In such cases, tax is also reported in other comprehensive income and equity.

The current tax expense is calculated on the basis of the tax rules that were decided or, in practice, decided in the countries where the parent company and its subsidiaries are active and generate taxable income. Management regularly evaluates the claims made in self-declarations regarding situations where applicable tax rules are subject to interpretation. It, when deemed appropriate, makes provisions for amounts likely to be paid to the tax authorities.

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Deferred tax is recognized on all temporary differences that arise between the tax value of assets and liabilities and their reported values in the consolidated accounts. Deferred tax liability, however, is not recognized if it arises as a result of the initial recognition of goodwill.

Deferred tax is recognized on all temporary differences that arise between the tax value of assets and liabilities and their reported values in the consolidated accounts. Deferred tax liability, however, is not recognized if it arises as a result of the initial recognition of goodwill.

Deferred tax assets are reported to the extent that future tax surpluses will be available, against which the temporary differences can be utilized.

Deferred tax assets and liabilities are settled when there is a legal right to set off current tax assets and liabilities and when the deferred tax assets and tax liabilities relate to taxes debited by a single tax authority and concern either the same taxpayer or different taxpayers where there is an intention to adjust the balances through net payments.

25. Revenue recognition

Revenue is valued at the fair value of what is received or will be received, and corresponds to the amounts received for the goods sold, less discounts, returns and VAT.

The Group reports an income when its amount can be measured reliably, it is likely that future economic benefits will accrue to the company and specific criteria have been met for each of the Group's operations as described below. The Group has yet to begin revenue generation.

Interest income is recognized as income using the effective interest method. When the value of a receivable in the loan and receivables category has decreased, the Group reduces the carrying amount at the recoverable amount, which is estimated by future cash flow, discounted by the original effective interest rate of the instrument, and continues to solve the discount effect as interest income. Interest income on impaired loan receivables and accounts receivable is reported in initial effective interest.

26. Leasing

Leasing where a significant part of the risks and benefits of ownership is retained by the lease donor is classified as operational leasing. Payments made during the lease term (after deduction of any incentives from the lease donor) are expensed in the income statement on a straight-line basis over the lease term.

The Group has no financial leases.

27. The parent company's accounting principles

The company will establish, prepare its annual report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Recommendation RFR2, Accounting for Legal Entities and the Emergency Group's statement. The rules of RFR2 imply that the parent company in the annual report of the legal entity shall apply all of the EU-approved IFRS / IAS rules and statements as far as possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies which exceptions should be made from IFRS / IAS. The provisions of IFRS / IAS are set out in the consolidated accounts note 1Reading principles.

7. Contact

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