

Interim report

2019-01-01 - 2019-12-31
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.

1. Comments on the Q4 2019 performance from the CEO

company's operations during both Q4 and 2019 have been dormant.

The Board has focused on finding products or services that can contribute to the company's functioning, and on the other hand, the Board has analysed various previous settlements of subsidiaries that were made before 2016. The company has contracted legal expertise that will formulate a claim and prepare a lawsuit against the former official. The demand is estimated to amount to at least SEK 370 million.

The company's financial position is burdened by previous liabilities. However, the Board considers that the financial restructuring work carried out over the past two years has discovered all hidden liabilities. The company will seek external financing and examine the conditions for a new share issue.

The Board's focus in 2019 has been to find financial and operational solutions that can solve future long-term operations. The company is in the process of designing a new strategy that will include, among other things, a strong investment in building modules for the construction of affordable housing.

The revenues the company reports refer to a final settlement between the company and former subsidiaries.

The Board and the CEO look forward with cautious optimism to the coming financial year.

Runar Söderholm

CEO

2. Summary of Q1 – Q4 2019

The following summary refers to the period Q1 – Q4 2018 with comparative period Q1 – Q4 2017.

- Revenue for the period amounts to 112 KEUR (*271 KEUR*)
- The result for the period amounts to -148KEUR (*-1 193 KEUR*)
- Cash and cash equivalents amounted to EUR 0 (0 KEUR), in addition short-term receivables to 0 KEUR 507 KEUR)
- The number of shares amounts to 143 524 724 (900 000 A shares and 142 524 724 Class B shares)

3. Summary of Q4 2019

Following summary relates to the period Q4 2018 with comparison to 2017.

- Revenues for the period amount to 0 KEUR (0 KEUR)
- The result for the period amounts to 9 KEUR (-911 KEUR)

4. Ownership

The share capital as per 2019-12-31 is divided into 143 524 724 shares, of which 900 000 are A shares and 142 524 724 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 2019-12-30 was 0.38 PLN. At the end of the period, the company's market value was EUR 12,6 million.

5. Significant events during the period:

- The Board of Directors identifies the possibility of legally requesting recovery and or damages directed against former Board members.
- Runar Söderlund is appointed CEO, Harry Rosenberg as Chairman of the Board and Torsten Gunne as Director.
- The company has appealed the fine imposed by the Swedish Financial Supervisory Authority of 750,000 related to the company's late publication of the annual report 2018..

6. Significant events after the period:

- Vinge Advokatbyrå has accepted the assignment to represent the Company in upcoming litigation.

7. Upcoming reporting dates

2020-04-30	Annual report 2017	2019-01-01 - 2020-12-31
2020-05-29	Interim Q1 report 2019	2020-01-01 – 2020-03-31
2020-08-28	Interim H1 report 2019	2020-04-01 – 2020-06-30
2020-11-30	Interim report Q3 2019	2020-07-01 – 2020-09-30

8. Other information from the company

8.1 Personnel

The parent company has no employees.

8.2 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.

8.3 Transactions with related parties

Transactions have taken place with related parties in the form of remuneration to senior executives, All transactions have been funded operations through loans to the company.

8.4 Financial position

The company's financial position is still very precarious. The main priority of the Board is to secure the company's financing for the next 12 months. Several activities are under way to remedy this and to restore the share capital.

8.5 Audit

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

9. 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 2020

Harry Rosenberg
Chairman of the
Board

Torsten Gunne
Member of the
Board

Runar Söderholm
Member of the Board
Acting CEO

10. Financial reports

10.1 Changes in Equity

	Share Capital	Other Contributed Capital	Accrued equity incl this years result	Total Equity
Opening Balance	66	9 761	-10 918	-1 091
Year result	0	0	-149	-149
Closing Balance	66	9 761	-11 067	-1 240

10.2 Income statement for the parent company

	2019-01-01 2019-12-30	2018-01-01 2018-12-30	2019-01-01 2019-09-30	2018-01-01 2018-09-30
KEUR				
Operating income etc				
Net sales		54		
Oter operating income	112	217	112	106
Operating expenses				
Other external expenses	-65	-768	-91	-567
Personnel costs				
Other operating expenses	-65	-768	-91	-567
Operating Profit	47	-551	21	-461
Financial Items	-195	342	-179	567
Result after financial items	-148	-209	-158	106
Result before taxes		-21		
Net Result of the period	-148	-1 193	-158	-911
Number of shares	143 524 724	143 524 724	143 524 724	143 524 724

10.3 Balance sheet in summary for the parent company

	2019-01-01	2018-01-01	2019-01-01	2018-01-01
	2019-12-30	2018-12-30	2019-09-30	2018-09-30
ASSETS				
Fixed Assets				
Financial Assets	916	1 657	946	2 689
Total Fixed Assets	916	1 657	946	2 689
Current Assets				
Receivables		508	208	129
Cash and bank balances				
Total Current Assets		508	208	129
TOTAL ASSETS	916	2 165	1 154	2 818
EQUITY AND LIABILITIES				
Equity				
Share capital	67	67	67	1 000
			9 761	8 673
Premium Fund	9 761	9 761	-10 918	-11 201
Retained earnings	-10 918	-9 724	-158	-203
Result of the year	-149	-1 194	-1 248	-1 731
Total Equity	-1 239	-1 090		
Long term liabilities and appropriate	546	475	545	475
Short term Liabilities				
Accounts payable	218	684	221	227
Current tax liabilities	1 034	1 067	1 064	
Other debts	357	651	499	3 619
Accrued expenses and paid-up inc		378	73	227
Total short-term liabilities	1 609	2 780	1 857	4 074
TOTAL EQUITY AND LIABILITIES	916	2 165	1 154	2 818

10.4 *Cash flow analysis*

	2019-01-01	2018-01-01
	2019-12-31	2018-12-31
Cash flow from current operations		
Operating profit	47	-1 514
Adjustments for items not included in cash flow	72	-21
Paid Interest	-196	342
Cash flow from operating activities before changes in working capital	-77	-1 193
Changes in working capital		
Change in operating receivables	507	-194
Change in operating liabilities	-1 170	-1 085
Cash flow from current operations	-663	-2 472
Investment		
Investments in property, plant and equipment	740	309
Cash flow from investing activities	740	309
Loans raised and the like		2 163
Cash flow from financing activities		2 163
The year's cash flow	0	0
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at end of period	0	0

11. **Contact**

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