A N N U A L   R E P O R T

for

Reinhold Europe AB (publ.)

Org.nr. 556706–3713

The Board of Directors and the CEO hereby submit the annual report for the fiscal year 2018-01-01 - 2018-12-31

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.

CEO Statement

We have laid a solid foundation for continued positive development of Reinhold Europe AB (publ)

Reinhold Europe AB has previously conducted operations within construction and property development. However, over the past four years, the company has reconstructed its operations. The new focus is on becoming a significant supplier/agent of prefabricated house modules and offering solutions in the energy saving area.

The reconstruction has largely been completed

Economy

The Finances of the Company, has like the last three financial years, been very strained. Previous boards left a company with very great need for reconstruction. The Board has actively worked to establish agreements with most of the company's creditors, which has partly been successful so far. During the financial year, the company had limited sales. Agreements have been signed with creditors where liabilities are converted into equity through a set-off issue. This has added about EUR 1.6 million to equity.

At the end of the financial year, the company had no guaranteed financing for future operations. However, equity during the year has been significantly strengthened by partly shareholder contributions amounting to EUR 0.5 million. The Board's work on strengthening the balance sheet has been heavily influenced by a tax liability amounting to EUR 1.4 million, which is attributable to previous financial years that effected the 2017 results. This has led to significant challenges as this has made it difficult to find new funding for the company's new business. In order to further strengthen the company's equity, discussions have been entered with remaining creditors and the state regarding set-off for the liabilities that are attributable to previous fiscal years.

During the year, the Annual General Meeting resolved to instruct the Board to divest the subsidiary Waxy International AB. The divestment was made at the end of the fiscal year by the creation of a new subsidiary, WXY Holding AB, and for this purpose the shares in Waxy International were transferred and subsequently the shares in WXY Holding were sold to the company's shareholders. The valuation of WXY Holding was governed by the valuation of Waxy International, and the Board's assessment was that Waxy International stands for very large investments going forward and that an additional item amounting to approximately SEK 5 million was charged to Waxy's balance sheet in the form of an extra work related to the investment in Smista. This meant that the Board of Directors proposed to the Extra General Meeting that the value of WXY Holding should be set at approximately SEK 7.2 million, which meant a loss compared to the acquisition date.

Since the company's operating subsidiary was sold during the year, no consolidated accounts have been prepared. The company is also the owner of GPS Scandinavia AB, where the intention is to conduct the energy area's operations. This company has not had any operations during the year.

Organization

The company's organization is intentionally very limited. The business has mainly been conducted in the divested subsidiary Currently, the undersigned has been appointed as the acting CEO of the Company and the Board is working to find a long-term solution.

Future

At present, the company is mainly working on getting business with the house module operational. The company has several prospects. However, this type of projects are very long-term and the time spent is significant. The Board of Directors is of the opinion that during the next business year, one of the different projects will come to reality, thus the business can take new speed.

Stockholm, April 26, 2019

Ingvar Rehbinder

Acting CEO

The annual report has been prepared in Euro, EUR.

Operations

Reinhold Europe AB has previously conducted operations in construction and real estate development. Over the last four years, the company has reconstructed its operations. New focus is on becoming a major supplier of prefabricated properties (consisting of modules) and offering solutions in the energy saving area. Since December 2007, the company is listed on the regulated market Warsaw Stock Exchange, WSE, in Poland. At 31 December 2018 there were two share classes, A and B shares, but only the company's B shares were listed on the WSE. The closing price at 31 December 2018 was 0.19 (0.39) PLN per share, corresponding to a total market capitalization of 46.0 (23.1) MPLN or 6,4 MEUR (10,7).

The Company has had limited operations during the fiscal year.

The company's financial position is precarious and at the end of the financial year there was no agreed financing for the next fiscal year. However, the Board's work on resolving funding has been successful, which is commented separately below related to events after the closing date

Multi-year comparison

The amounts in the multiannual statement are stated in thousands of euros unless otherwise stated.

	1801-1812	1701-1712	1601-1612	1501-1512	1401-1412
Results / share	-0,01	-0.01	0.01	-0.06	0.26
Profit for the year	-1 193	-2 610	2 121	-7 197	9 776
Equity EUR / Share	-0,01	-0.02	-0.02	-0.03	-0.03
Equity ratio	neg	neg	neg	30	neg

Equity and ownership

The current Board of Directors of Reinhold Europe is of the opinion that shareholders' equity was used up before their entry into the Board. The current board has chosen to focus on partly restoring equity through arrangement agreements and set-off issues, and partly to find financing for future operations. The current board of directors considers that it was the previous boards duty to draw up a control balance sheet according to applicable law within statutory time frames.

The company's share capital at the balance sheet date amounts to EUR 66,939 (5,817) KEUR and is divided into 143,524,724 shares, of which 900,000 class A and 142,624,724 class B. Class A has 10 votes and class B 1 vote. Due to accumulated losses, equity is used up. The company's share register kept by Euroclear comprises 143,524,724 shares.

The company uses EUR as its accounting currency and the quotient value is 0.0005 per share.

It is estimated that the company has about 500 (300) shareholders, many nominees registered, so one cannot see the underlying owner, only the custodian institution.

Significant events during the fiscal year

The Board's work has focused on completing the reconstruction of the company's operations.

Extraordinary General Meeting 2018-05-28 decided to reduce the share capital to EUR 55,000.

At the Annual General Meeting 2018-06-30, it was resolved that the meeting be declared open when the company's auditor resigned promptly for health reasons, and the board hadnot had the opportunity to find successors

The Annual General Meeting continued on 2018-07-30 when, among other things, it was instructed to the Board to divest the company's subsidiary Waxy International AB and to extend the Board's authorization to issue 32,000,000 B-shares.

At the Extraordinary General Meeting 2018-10-05, Johan Kaijser was appointed as the company's auditor, and the Board was authorized to issue 40,000,000 B shares.

At Board meetings 2018-10-25, a set-off issue was resolved that liabilities of MEUR 1.6 would be offset against new shares in the company, hence the number of shares increased to 143,524,724 shares and the share capital was set at 66,309.

At the Extraordinary General Meeting 2018-11-15, in accordance with the Board's proposal, it was decided that all shareholders in the Company were to be offered one share in WXY Holding AB for each owned share in the Company + 5 öre per share.

The company offered to all shareholders in the company to acquire one share in WXY Holding for each owned share. The offer was terminated primarily on 28/12, at this time approximately 95% of the shares had been subscribed for in the company, including the guarantor's subscription. The Board of Directors decided to extend the subscription period until January 11, 2019.The company has agreed with creditors to settle a claim against share capital, the company's debt amounts to approximately EUR 1.8 million. The settlement will be completed in H1 2018.

Significant events after the end of the fiscal year

The sale of shares in WXY Holding ended on January 11, 2019.

The company's Chairman Bobby Mandl reported his own resignation to the Swedish Companies Registration Office.

Runar Söderholm is elected new chairman at extraordinary general meeting

Disposition of the years result

Proposed treatment of the company's available funds.

The amounts in the profit position are stated in Euro.

Funds to dispose of:

Share premium fund	9 760 774
Retained earnings	- 10 255 998
Loss for the year	-1 193 484
Sum	-1 688 708
Transferred to retained earnings	- 1 658 708

Reports

INCOME STATEMENT	***1,2,3,4, 5, 9, 18, 19***		
		2018-01-01	2017-01-01
		2018-12-31	2017-12-31
Operating income, inventory change etc.			
Net turnover		54	0
Other operating income	5	217	30
Total operating income, inventory changes, etc.		**271**	**30**
Operating expenses			
Other external expenses	6, 7, 8, 9	– 768	-1 296
Other operating expenses		-1 017	0
Total operating expenses		**– 1 784**	**-1 296**
Operating profit		- 1 514	-1 266
Financial items	10	342	-93
Profit after financial items		**-1 172**	**-1 358**
Profit before tax		**-1 172**	**-1 358**
Taxes			
Tax expense for the year	11	-21	-1 064
Profit for the year		**- 1 193**	**- 2 422**

BALANCE SHEET	1, 2, 3, 4, 18, 19		
		2018-12-31	2017-12-31
ASSETS			
Fixed assets			
Financial assets			
Shares in Group companies	12	711	1 966
Other financial assets	12	946	0
Total financial assets		**1 657**	**1 966**
Total fixed assets		**1 657**	**1 966**
Current assets	25		
Receivables			
Receivables in group companies		127	127
Other current receivables		508	187
Total current receivables		**314**	**314**
Cash and bank	17		
Cash and bank		0	0
Total cash and bank		**0**	**0**
Total current assets		**508**	**314**
TOTAL ASSETS		**2 165**	**2 280**

EQUITY AND LIABILITIES		2018-12-31	2017-12-31
Shareholders' equity	**15**		
Restricted equity			
Share capital		67	6 241
Total restricted equity		67	6 241
Unrestricted equity			
Shareholder contribution		531	
Share premium fund		9 761	8 141
Retained earnings		-10 256	-14 020
Profit for the year		-1 193	-2 422
Total unrestricted equity		**-1 157**	**-8 301**
Total equity		**-1 090**	**-2 060**
Long-term liabilities	16		
Other liabilities		475	475
Total long-term liabilities		**475**	**475**
Current liabilities	17		
Accounts payable		685	290
Current tax liabilities		1 067	1 051
Other liabilities		650	2 269
Accrued expenses and prepaid income	14	378	255
Total current liabilities		**2 780**	**3 865**
TOTAL CAPITAL AND LIABILITIES		**2 165**	**2 280**

REPORT ON EQUITY

	Share capital	Premium fund	Retained earnings	Total Equity
Opening Balance	**6 241**	**8 141**	**-16 442**	**-2 060**
Reduction of Share capital	-6 1826		6 186	0
Issue in kind	12	1 620		1 632
Shareholder contribution			531	531
Profit for the year			- 1 193	-2 422
Closing balance per 2018-12-31	**67**	**9 761**	**-10 918**	**-1 090**

CASH FLOW ANALYSIS

	2018-01-01 2018-12-31	2017-01-01 2017-12-31
The ongoing business		
Operating profit	-1 514	- 1 266
Interest paid	342	-180
Taxes paid	-21	-123
Cash flow from operating activities before changes of working capital	**-1 193**	**- 1 661**
Changes in working capital		
- Increase (-) / Reduction (+) of operating receivables	-432	-159
Increase (+) / Reduction (-) of operating liabilities	-1 101	-1 725
Cash flow from operating activities	**- 2 472**	**-95**
Investment		
Acquisition of subsidiary	309	-305
Cash flow from investments activities	**309**	**-300**
Financing activities		
Equity excl result of the year/Equity	2 163	
Loans raised	0	400
Cash flow from financing activities	**2 163**	**400**
Cash flow for the year	**0**	**0**
Liquid funds at the beginning of the year	**0**	**0**
Cash and cash equivalents at the end of the year	**0**	**0**

Note 1 General information

Reinhold Europe AB (publ)) are active in real estate-related services.

The company is a PUBLIC limited liability company registered in Sweden and based in Stockholm.

The address of the headquarters is Kommendörsgatan 37, 114 58 Stockholm. The company has been listed on the Warsaw Stock Exchange (GPW) since December 2007.

On April 26, the Board approved this financial statement for publication

Note 2 Summary of important accounting principles

The most important accounting principles applied when preparing this financial statement are set out below. These principles have been applied consistently for all years presented, unless otherwise stated.

Reason for the preparation of reports

The financial statements for Reinhold Europe 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 balance sheet items that have been 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 company’s accounting principles.

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

The International Accounting Standard Board (IASB) has issued a number of changes in standards that come into force in 2018. None of these are expected to have any significant impact on the Group's financial reports.

The IASB has also issued three comprehensive standards that will enter into force 2019

- Lease. In January 2016, the IASB published a new lease standard that will replace IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with some exceptions, are reported in the balance sheet. This accounting is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time an obligation to pay for this right. The standard is applicable for fiscal years commencing January 1, 2019 or later. The Company is expected to be preliminarily affected by the agreements set out in the note "Operating leases". Detailed evaluation will take place in the 2019 fiscal year.

No other IFRS or IFRIC interpretations that have not yet come into force are expected to have a significant impact on the Group.

Transactions in foreign currency

Functional currency and report currency

Items included in the financial statements of the various entities in the Company are valued in the currency used in the economic environment in which each company is primarily active (functional currency). The accounts use Euro (EUR), which is the Company’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. However, for the current fiscal year, the Company has no currency hedges of this kind.

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 expensesThe Company has only financial exchange gains and losses.

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.

Intangible assets

Goodwill

Goodwill arising from business combinations and included in intangible fixed assets. Goodwill refers to the amount by which the purchase price exceeds the fair value of identifiable assets, liabilities and contingent liabilities in the acquired business. Goodwill is not written off but is tested annually or more often if events or changes in conditions indicate a possible depreciation. Goodwill is therefore reported at cost less any write-downs. The sale of a unit includes the carrying amount of goodwill in the gain / loss arising.

In order to test impairment requirements, goodwill acquired in a business combination is allocated to cash-generating units that are expected to benefit from synergies from the acquisition. Goodwill is supervised within the Company per subsidiary.

In case of impairment testing, the cash-generating unit's recoverable value is calculated. The recoverable amount is the maximum value in use and the fair value minus selling costs. This value is compared to the reported value of the device. Any write-downs are recognized immediately as an expense and are not reversed

Tangible fixed assets

All tangible fixed assets are reported at cost less depreciation. The acquisition value includes expenses directly attributable to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or reported as a separate asset, whichever is appropriate only when it is likely that the future financial benefits associated with the asset will be allocated to the Company and the asset's acquisition value can be measured reliably. The reported value of the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are reported as expenses in the income statement during the period they arise.

Inventories, tools and installations - 5 years

Machinery and other technical facilities 15 years

Assets' residual values and useful lifespan are tested at the end of each reporting period and adjusted as necessary. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on disposal are determined by a comparison between sales revenue and the carrying amount and are reported net in other operating income and other operating expenses.

Impairment of non-financial assets

Assets written off are assessed for impairment whenever events or changes in circumstances indicate that the reported value may not be recoverable.

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 per each balance sheet date is made.

Financial assets

The Company classifies its financial assets in the following categories: "Loans and receivables".

The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of the financial assets 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 except for expiration dates more than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loan receivables and accounts receivable consist mainly of 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 Company undertakes to buy or sell the asset. Financial instruments are recognized for the first time at fair value plus transaction costs, which applies to all financial assets not recognized at fair value through profit or loss.

Financial assets are derecognised when the right to receive cash flows from the instrument has expired or transferred and the Company 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.

The application of the effective interest method means that receivables that are interest-free or run at interest rates differing from market interest rates and have a maturity of more than 12 months are reported at discounted present value and the time-value change is reported as interest income in the income statement. For receivables with maturities less than 12 months, the discount value is deemed to be insignificant.

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 does not depend 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 accrued acquisition cost

The Company assesses at the end of each reporting period if there is objective proof that there is a need for impairment for a financial asset or Company of financial assets. A financial asset or Company of financial assets has a write-down requirement and is written down only if there is objective evidence of a write-down requirement due to one or more events occurring after the asset was first reported (a "loss event") and that this event (or events) have an impact on the estimated future cash flows of the financial asset or Company of financial assets that can be estimated reliably.

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 income statement.

Liquid funds

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. Reinhold Europe classifies for accounting years holdings in fixed income funds as liquid funds. Other short-term investments consist of holdings in shares, either directly or via mutual funds.

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.

Accounts payable

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

Loans

Loans in the Company refers primarily to other long-term debt.

Loans are initially recognized at fair value, net of transaction costs. Borrowings are then 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 method.

Provisions

A provision is a liability that is uncertain as to maturity date or amount. A provision is recognized when the Company 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. At the end of the fiscal year there are no provisions.

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 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.

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 recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legal set-off for current tax receivables and tax liabilities and when deferred tax assets and tax liabilities relate to taxes debited by one and the same tax authority and concern either the same taxpayer or different taxpayer, where there is an intention to settle balances through net payments.

Compensation to employees

The Company has not had any employee during the fiscal year

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 Company 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.

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 Company 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 at the original effective interest rate.

Leasing

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

The company has no financial lease agreements

The Company’s reporting policies

Financial instruments

The company reports all financial instruments based on the acquisition value. This means that short-term investments are reported at the lower of cost and fair value.

Presentation of income statement and balance sheet

The Company complies with the Annual Accounts Act. means another allocation of equity. For this reason, the company reports the short-term investments, cash and bank balances separately in its balance sheet.

Note 3 Financial risk management

Through its operations, the Company is exposed to various types of financial risks such as market, liquidity and credit risks. Market risks mainly consist of currency, interest rate and price risk. It is the company's board which is ultimately responsible for exposing, managing and monitoring the Group's financial risks and these frameworks are evaluated and revised annually.

Currency risk

The Company has most of its operations in SEK, while the company's reporting currency is in EUR, resulting in large currency fluctuations in the accounts, but as the business is on both revenue and cost side in SEK, the net effect is smaller.

Interest rate risk

Interest rate risk refers to the risk that fair value or future cash flow fluctuates as a result of changes in market interest rates.

The Company has no loans with floating interest rates. Waxy has issued a bond with a value of MSEK 23 with a fixed interest rate of 15%, and other interest-bearing liabilities also have fixed interest rates. The Board estimates that since there are no external liabilities with variable interest rates, interest rate risk for current financing is limited. In the future, market interest rates may affect future financing requirements related to the Group's investment programs, primarily in car care facilities.

Price Risk

The Company currently has no instruments that are subject to price risk.

Liquidity and financing risk.

Liquidity risk refers to the risk that the Company will face difficulties in meeting its commitments related to the Group's financial liabilities. Financing risk refers to the risk that the Company cannot provide sufficient funding at a reasonable cost. The Company is financed with equity and has, no financial borrowing. The Company has some older commitments that expire later than within one year. Current liabilities and short-term receivables for Company expire within one year.

Capital

The Group's capital management objective is to ensure the Group's ability to continue its business in order to generate a fair return to shareholders and benefit to other stakeholders. The Group's capital is defined as the Group's equity. The Group's current policy is not to pay any dividend. Only when the company achieves long-term profitability will proposals for dividend to shareholders be possible. There are no external requirements for the Group's capital.

Lender	**2018-12-31**	**2017-12-31**
Long-term	475	475
Short term	2 761	3 864
Total	3 256	4 339

The long-term liabilities run at fixed interest rates in the range of 6-15% and with a maturity of 2-5 years. Short-term liabilities run at a fixed rate of interest between 0 and 20 percent in addition to a bridge loan with a fixed interest amount. Short-term liabilities largely expire within a 6-month period or are of an older nature and expired. Some of the items in the Company, 0,9 MEUR, are located at the Kronofogden for dismissal, but since the Company has no measurable assets, the claim remains outstanding. The Board has ongoing negotiations with creditors on chords.

Note 4 Important estimates and assessments for accounting purposes

Reinhold Europe AB's financial statements have been prepared in accordance with IFRS. This means that the preparation of financial statements and the application of accounting principles are often based on estimates and assumptions that are considered reasonable and balanced when the assessment is made. However, with other estimates, assumptions and estimates, the result may be different, and events may occur that may require a substantial adjustment of the carrying amount of the asset or liability concerned. The following are the most important areas where assessments and assumptions have been made and which are deemed to have the greatest impact on the financial statements.

Notes to income statement

The item includes results from voluntary agreements with creditors and revaluations regarding provisions with -600 (+772).

Not 5 Other operating income

Reported income relates to invoiced administrative services to the sold subsidiary..

Not 6 Other external costs

I posten ingår resultat från frivilliga ackord med fordringsägare, där skulden uppkommit under tidigare räkenskapsår.

Note 7 Remuneration to auditors

	2018-12-31	2017-12-31
Mazars (audit assignment)	17	20
Allians (Audit Mission)	10	

Note 8 Operational leasing agreements

	2018-12-31	2017-12-31
Lease fees, cost of the year	24	6
Future lease fee with due date 1-5 years	28	28

Lease fees are essentially rentals

Note 9 Staff

	2018-12-31	2017-12-31
Salaries and other remuneration		
Board of Directors and CEO and corresponding executives	93	93
Total salaries and other remuneration	93	93
Social costs and pension costs		
Social costs	30	0
(of which pension costs to the Board and CEO and the equivalent)		0
Total salaries, other remuneration, social security expenses and pensions	93	0
the average number of employees		
Men	0	0
Average number of employees	0	0
Gender distribution in the company's board		
Men	3	3
Gender distribution in company management		
Male	3	3

In 2018, Board members and CEO have invoiced compensation of 145 KEUR, these costs are included in other external costs.

Note 10 Interest expenses, income and write-downs and similar income items

	2018-12-31	2017-12-31
Interest income	811	0
Interest expenses -	-392	-83
Translation differences	-77	-13
Total	342	-96

Note 11 Income tax

	2018-12-31	2017-12-31
The tax expense consists mainly of the following parts:		
Reported tax in the income statement		
Current tax	0	0
Previous year's tax	-21	-1,064
Total reported tax	-21	-1,064
Reconciliation of effective tax rate		
Profit before tax	-1 172	- 1 357

Tax at current tax rate 22.00 (22.00)%	-257	-299
Tax effect of non-taxable income	0	+0
Tax effect of non-deductible expenses	203	129
Unrecognized loss carryforwards	170	170
Use of previous year's deficit not reported as assets +	0	0
Previous years tax cost	-21	-1 064
Total reported tax	-21	-1 064
Accumulated tax carry forward	826	772

Notes to the balance sheet

Note 12 Other long-term receivables

	2018-12-31	2017-12-31
Opening balance	1 966	0
Acquisition by operations	711	1 966
Sales of assets	1 966	0
Closing balance	711	1 966

Note 13 Liquid funds

	2018-12-31	2017-12-31
Cash and bank	0	0
Carrying amount	0	0

Note 14 Accrued expenses and prepaid income

	2018-12-31	2017-12-3
Estimated accrued special payroll tax	0	0
Accrued interest expenses	185	166
Other accrued expenses	192	89
Total accrued expenses and prepaid income	377	255

Note 15 Equity

Equity

Share capital

Holders of ordinary shares are entitled to dividends determined by hand and the shareholding entitles the right to vote at the Annual General Meeting with 10 votes per share for Class A shares and one vote per share for Class B shares. All shares have the same right to the Group's remaining net assets.

Other contributed capital

Other contributed capital consists in its entirety of amounts paid on issue in excess of the quotient value of issued shares.

Retained earnings including profit for the year

Balance of earnings including profit for the year includes earned earnings in the Company.

Dividend

No dividend will be proposed to the Annual General Meeting 2019.

Company Share Capital

Change in number of shares:	2018-12-31	2017-12-31
Opening balance	116 126 724	109 026 724
New issue	27 398 000	8 000 000
Closing balance	143 524 724	117 926 724
Of which A shares are	900 000	900,000
Of which B shares	142 626 724	116 126 724

The company's ordinary shares have a quota value of EUR 0.0005 per share. A share entitles ten votes and B shares entitles one vote.

Restricted equity.

Restricted equity cannot be reduced through profit distribution.

Premium fund

Share premium fund consists in its entirety of amounts paid on issue in excess of the quoted shares of issued shares and constitute free equity.

Retained Earnings

Comprises the free equity of the previous year after a possible profit distribution has been submitted. Together with share premium and profit for the year, total free equity.

Note 16 Long-term liabilities

Overview Significant Liabilities	**2018-12-31**	**2017-12-31**
Debs that has a due date 2-5 year	475	475

Note 17 Financial assets and liabilities

The fair value of financial assets and liabilities is shown in the table below. See also Note 10

	Lånefordringar och kundfordringar		**Finansiella skulder till upplupet anskaffningsvärde**	
	2018-12-31	**2017-12-31**	**2018-12-31**	**2017-12-31**
Kundfordringar	**0**	**0**		
Receivables at Group companies	**0**	**127**		
Other receivables	**508**	**187**		
Cash and cash equivalents	**0**	**0**		
Other long-term debts			**475**	**475**
Payables			**685**	**289**
Other short-term debts			**2095**	**3575**

Real values

The reported values are judged to be in accordance with actual values.

Note 18 Events after the balance sheet date

The company finalizes the sales of its subsidiary WXY Holding AB.

Note 19 Transactions with related parties

	Sales of goods and services		**Interest revenue and costs**		**Purchase of goods and services**	
Relation	**2018-12-31**	**2017-12-31**	**2018-12-31**	**2017-12-31**	**2018-12-31**	**2017-12-31**
Subsidiary			810	108		
Key persons in controlling position	0	0			154	94
Other						
Total	0	0	810	108	154	94

	Receivables at key persons		**Debts to keypersons**	
Relation	**2018-12-31**	**2017-12-31**	**2018-12-31**	**2017-12-31**
Subsidiaries	0	127		
Keyperson in controlling position	0	70	167	45
Other			105	
Summa		197	167	150

Stockholm

2019-04-26

Runar Söderholm	Harry Rosenberg	Ingvar Rehbinder
Chairman of the Board	Director	Director Acting CEO

Our audit report has been submitted 2019-04-30

Johan Kaiser

CPA

Audit Report

To the Annual General Meeting of Reinhold Europe AB (publ.)

No. 556706-3 713

Report on the annual report

Statement with dissenting meaning

I have carried out an audit of the annual report for Reinhold Europe AB (publ.) for the year 2018. The company's annual report is included on pages 3-19 of this document.

In my opinion, because of the importance of the relationship described in the section "Reasons for dissenting opinions", the annual report has not been prepared in accordance with the Annual Accounts Act and does not give a true and fair view of Reinhold Europe AB (publ.) financial position as of December 31, 2018 and of its financial results and cash flow for the year according to International Financial Reporting Standards (IFRS) as adopted by the EU, and the Annual Accounts Act. The administration report is consistent with the other parts of the annual report.

As a result of the above statement, I do not agree that the Annual General Meeting approves the income statement and balance sheet.

Reason for statements with different meaning

It is not clear from the annual report that, as a result of the company's share capital being more than half, the Board of Directors has an obligation to establish a control balance sheet.

The annual report also does not provide sufficient clarity on the fact that there are uncertainties that can lead to a significant doubt about the company's ability to continue operations.

I have performed the audit in accordance with International Standards on Auditing (ISA) and good auditing standards in Sweden. My responsibility under these standards is described in more detail in the section Auditor's responsibility. I am independent in relation to Reinhold Europe AB (publ.) according to good auditing practice in Sweden and have otherwise fulfilled my professional ethical responsibility according to these requirements. This includes, based on my best knowledge and belief, no prohibited services referred to in Article 5 (1) (537/2014 / EU) of the Auditors Regulation, the audited company or, where applicable, its parent company or its controlled companies within the EU has been provided.

I believe that the audit evidence I have obtained is sufficient and appropriate as a basis for my statements.

Particularly important areas

Particularly important areas for the audit are those which, in my professional judgment, were the most important for the audit of the annual report for the period in question. These areas were treated within the framework of the audit of and in my position on the annual report in its entirety, but I make no separate formal statements about these areas.

Significant uncertainties regarding the assumption of continued operation

As stated in the Board of Directors' report, the company is in a very strained financial situation and has an explicit need for additional funding to ensure its ability to continue operations. The fact that the company's board of directors has not been able to demonstrate that such financing is ensured entails that there is a material uncertainty factor that can lead to significant doubts about the company's ability to continue its business and therefore the company may not be able to realize its assets and pay its debts within the framework of it. normal business.

Other information than the annual report

This document also contains information other than the annual report and can be found on page 2. It is the Board of Directors and the President who are responsible for this other information. My statement regarding the annual report does not include this information and I make no statement with assurance regarding this other information.

In connection with my audit of the annual report, it is my responsibility to read the information identified above and consider whether the information is to a significant extent incompatible with the annual report. In this review, we also consider the knowledge we have otherwise obtained during the audit and assess whether the information in general appears to contain material misstatements.

If, based on the work done on this information, I conclude that the other information contains a material misstatement, we are required to report it. I have nothing to report in that regard.

Other information

The audit of the annual report for the financial year 2017 has been carried out by another auditor who submitted an auditor's report dated 2018-06-27 with modified statements in the Report on the Annual Report. The auditor considered that the annual report had not been prepared in accordance with the Annual Accounts Act and rejected the determination of the income statement and balance sheet.

Responsibility of the Board and the President

It is the Board of Directors and the CEO who are responsible for ensuring that the annual report is prepared and that it gives a true and fair view in accordance with the Annual Accounts Act and in accordance with IFRS, as adopted by the EU. The Board of Directors and the CEO are also responsible for the internal control that they deem necessary to establish an annual report that does not contain any material misstatement, whether due to irregularities or errors.

In preparing the annual report, the Board and the CEO are responsible for assessing the company's ability to continue operations. They inform, when applicable, of conditions that may affect the ability to continue the business and to use the assumption of continued operation. However, the assumption of continued operation is not applied if the Board and the Managing Director intend to liquidate the company, cease operations or have no realistic alternative to doing any of these.

Auditor's responsibility

My goal is to obtain a reasonable degree of certainty as to whether the annual report as a whole does not contain any material misstatement, whether due to irregularities or errors, and to provide an audit report containing my statements. Reasonable security is a high degree of security but is not a guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material misstatement if one exists. Inaccuracies may arise due to irregularities or mistakes and are considered essential if they can reasonably be expected to affect the financial decisions that users make on the basis of the annual report.

As part of an audit under ISA, I use professional judgment and have a professionally sceptical attitude throughout the audit. Also:

- I identify and assess the risks of material misstatement in the annual report, whether these are due to irregularities or errors, formulate and carry out audit actions, among other things on the basis of these risks and obtain audit evidence that is sufficient and appropriate to constitute a basis for my statements. The risk of not detecting a material misstatement due to irregularities is higher than for a material misstatement due to errors, as irregularities may include collusion, counterfeiting, deliberate omissions, incorrect information, or breach of internal control.

- I get an understanding of the part of the company's internal control that is important for my audit to design review measures that are appropriate to the circumstances, but not to comment on the effectiveness of the internal control.

- I evaluate the appropriateness of the accounting principles used and the reasonableness of the Board's and the President's estimates in the accounting and related information.

- I draw a conclusion on the appropriateness of the Board and the President using the assumption of continued operation in preparing the annual report. I also draw a conclusion, based on the audit evidence obtained, on whether there is any material uncertainty factor that relates to such events or conditions that can lead to significant doubts about the company's ability to continue the business. If I conclude that there is a material uncertainty factor, in the audit report I must draw attention to the information in the annual report on the material uncertainty factor or, if such information is insufficient, modify the statement on the annual report. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause a company to cease to operate.

- I evaluate the overall presentation, structure and content of the annual report, including the information, and if the annual report reproduces the underlying transactions and events in a way that gives a true and fair view.

- I identify and assess the risks of material misstatement in the annual report, whether these are due to irregularities or errors, formulate and carry out audit actions, among other things on the basis of these risks and obtain audit evidence that is sufficient and appropriate to constitute a basis for my statements. The risk of not detecting a material misstatement due to irregularities is higher than for a material misstatement due to errors, as irregularities may include collusion, counterfeiting, deliberate omissions, incorrect information, or breach of internal control.

- I get an understanding of the part of the company's internal control that is important for my audit to design review measures that are appropriate to the circumstances, but not to comment on the effectiveness of the internal control.

- I evaluate the appropriateness of the accounting principles used and the reasonableness of the Board's and the President's estimates in the accounting and related information.

- I draw a conclusion on the appropriateness of the Board and the President using the assumption of continued operation in preparing the annual report. I also draw a conclusion, based on the audit evidence obtained, on whether there is any material uncertainty factor that relates to such events or conditions that can lead to significant doubts about the company's ability to continue the business. If I conclude that there is a material uncertainty factor, in the audit report I must draw attention to the information in the annual report on the material uncertainty factor or, if such information is insufficient, modify the statement on the annual report. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause a company to cease to operate.

- I evaluate the overall presentation, structure and content of the annual report, including the information, and if the annual report reproduces the underlying transactions and events in a way that gives a true and fair view.

I have to inform the board of, among other things, the planned scope and direction of the audit and the timing of it. I also need to inform about significant observations during the audit, including any significant deficiencies in the internal control I identified.

Report on other requirements according to laws and regulations

Statement with different meaning and statement

In addition to my audit of the annual report, I have also conducted an audit of the Board of Directors and the Managing Director's administration for Reinhold Europe AB (pub !.

As a result of the relationship described in the section "Reasons for dissenting opinions", I reject the fact that the Annual General Meeting deals with the loss according to the proposal in the administration report.

I endorse that the Annual General Meeting grants the Board members and the CEO responsibility for the financial year.

Grounds for statements

As can be seen from our report on the annual report, we dispute that the income statement and balance sheet are approved.

I have performed the audit in accordance with generally accepted auditing standards in Sweden. My responsibility according to this is described in more detail in the section Auditor's responsibility. I am independent in relation to Reinhold Europe AB (publ.) According to good auditing practice in Sweden and have otherwise fulfilled my professional ethics under these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate as a basis for my statements.

The Board of Directors and the CEO's responsibilities

It is the board that is responsible for the proposal for dispositions regarding the company's profit or loss. In the case of a proposed dividend, this includes, among other things, an assessment of whether the dividend is justifiable taking into account the requirements that the company's business nature, scope and risks impose on the size of the company's equity, consolidation needs, liquidity and other position.

The Board is responsible for the company's organization and management of the company's affairs. This includes, among other things, continually assessing the company's financial situation and ensuring that the company's organization is designed so that the accounting, funds management and the company's financial affairs are otherwise controlled in a satisfactory manner. The Managing Director shall manage the day-to-day administration in accordance with the Board's guidelines and instructions and, among other things, take the necessary measures to ensure that the company's accounts are complied with in accordance with the law and that the funds management is managed in a satisfactory manner.

Auditor's responsibility

My goal regarding the audit of the administration, and thus my statement on discharge from liability, is to obtain audit evidence in order to be able to assess, with a reasonable degree of certainty, whether any board member or the CEO in any material respect:

- has taken any action or has been guilty of any negligence that may cause liability to the company, or

- acted in some other way in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My goal regarding the audit of the proposal for dispositions of the company's profit or loss, and thus my statement on this, is to assess with reasonable degree of certainty whether the proposal is compatible with the Companies Act.

Reasonable security is a high degree of security, but no guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect measures or omissions that may result in liability to the company, or that a proposal for disposals of the company's profit or loss is not compatible with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I use professional judgment and have a professionally sceptical attitude throughout the audit. The audit of the administration and the proposal for dispositions of the company's profit or loss is based primarily on the audit of the accounts. Which additional audit measures are carried out are based on my professional judgment based on risk and materiality. This means that I focus the examination on such measures, areas and conditions that are essential for the business and where deviations and violations would have particular importance for the company's situation. I go through and try out decisions taken, decision-making documents, measures taken and other conditions that are relevant to my statement on discharge from liability. As a basis for my statement on the Board's proposal for dispositions regarding the company's profit or loss, I have examined whether the proposal is compatible with the Companies Act.

Notice

The company's reporting obligation according to the requirements for companies with shares listed on a regulated market has not been followed.

During the financial year, the company did not pay VAT in due time.

As can be seen from the balance sheet of the annual report, the company's equity is less than half of the share capital, which is why the board of directors has had an obligation to, according to ch. 13§ of the Swedish Companies Act, establish a balance sheet for the balance sheet. However, no balance of payments has been drawn up, contrary to the law.

Stockholm 2019-04-30

Johan Kaijser

Certified Public Accountant