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

and

G R O U P C O N S I L I D A T I O N

for

Reinhold Europe AB (publ.)

Org.nr. 556706–3713

The Board of Directors and the CEO hereby submit the annual report and consolidated accounts for the fiscal year 2017-01-01 - 2017-12-31

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.

President's Statement

We have created a solid foundation for a positive development of Reinhold Europe AB (publ).

Reinhold Europe AB has previously conducted operations in construction and real estate development. However, in the last four years, the company has reconstructed its operations. New focus is on becoming a major supplier/agent of prefabricated properties (consisting of modules), building a chain of car care facilities and offering solutions in the energy saving area.

The reconstruction has been largely completed and will be completely completed in 2018

Economy

Like the last two years, our finances have been very tense. Previous boards left a company with a very large need for reconstruction. The Board has been actively working to make agreements with most of the company's creditors, which has been successful. During the fiscal year, the company has not had any turnover. Capital has been added through acquisition of Waxy International AB, which was acquired through a share issue. The issue provided a capital contribution of approximately EUR 1.6 million. Agreements have been signed with creditors where liabilities are converted into equity through a set-off issue. This will add about 1.8 MEUR.

At the end of the financial year, the company had no guaranteed funding for future operations. However, during the first tertiary year, shareholders 'equity was significantly strengthened by shareholders' contribution amounting to EUR 0.5 million. Considering this and a settlement agreement of 1.8 MEUR, the Board considers that equity is restored, and financing of future operations is ensured.

Waxy International AB has, through the participation of the Nord Fondkommission, issued a bond of EUR 2.3 million. The company's holding of shares in the subsidiary has been pledged as collateral.

Organization

The company's organization is deliberately very limited. The operations will be conducted in subsidiaries and the goal is that only administrative resources will be in the parent company. At present, Ingvar Rehbinder is appointed as CEO for the parent company and the board is working intensively to find a long-term solution.

Partners

We are very active and present in the market where we connect with different partners and stakeholders, market breakthrough is close. Our focus areas are property models and car care facilities. It is important that we have strong partners with a clear presence and high credibility in each market. The partner must have a good story, a well-functioning organization and a customer-centered focus.

Future

With the "turn-around" project implemented, all positive results from our subsidiary, interesting prospects in pipeline we look confident on next year, the future is bright!

During the coming fiscal year, we will properly establish ourselves on both the real estate module segment and car care facilities. We also have good hopes that our investment in the energy segment will carry and it is our absolute ambition to achieve a neutral result by 2018. However, our investment plans require additional investments and we have good prospects for finding market options.

Stockholm, June 4, 2018

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), building a chain of car maintenance stations 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. As at 31 December 2017 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 2017 was 0.39 (0.23) PLN per share, corresponding to a total market capitalization of 46.0 (23.1) MPLN

The Group 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.

	1701-1712	1601-1612	1501-1512	1401-1412	1301-1312
Results / share	-0.01	0.01	-0.06	0.26	-0.02
Profit for the year	-2 610	2 121	-7 197	9 776	-153
Equity EUR / Share	-0.02	-0.02	-0.03	-0.03	-1.87
Equity ratio	neg	neg	30	neg	neg

* The multiannual comparison relates to the parent company's figures, the Group's figures are essentially consistent with the Parent Company's figures.

Significant events during the fiscal year

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

The first half of the year was dominated by completing the 2015 and 2016 annual reports, negotiating with creditors on chords, the negotiations were successful, and savings of more than 7.5 million EUR were achieved. During the year, negotiations also led to creditors having agreed that part of the company's debts should be converted into share capital.

The Extraordinary General Meeting 30th of march decided to authorize the Board to issue an additional 40,000,000 B shares. The use shall be the acquisition of subsidiaries through a share issue, debt settlement and the sale of new shares.

During the year at the extraordinary general meeting of 28th of december, the company's share capital was reduced to EUR 1,000,000, the write-down was made to cover accumulated loss, the reduction is reported in Q1 2018 as this is governed by the Swedish Companies Registration Office

On 1 July, the company acquired all shares in Waxy International AB (publ) through a share issue. Waxy's business idea is to build a car care chain in Sweden and the first facility in Smista Allé, just south of Stockholm, which was completed in early 2018. Waxy's operations have been funded by the subsidiary having issued a bond of SEK 23 million and that the subsidiary and parent company under shorter period has taken external bridge loans.

The company has negotiated with house module manufacturers in China and signed a cooperation agreement that the Company has the right to represent them in Sweden and abroad for commission on contracts. The company has found customers who are now negotiating with the Chinese suppliers and the company expects that some of these negotiations will lead to completion in 2018.

The company is still working on finding suitable energy saving products, and has started negotiations with potential partners, but no contract has been reached.

The Board's previous assessments regarding a number of debt items have been revised during the fiscal year with a negative effect on earnings. The changed assessments relate partly to debts to major creditors, as well as possible risk of charge of taxes with respect to previous year's profit tax.

The company's CEO Joakim Karlsson resigned in June 2017 when his mission ceased. The Board has appointed the company's CFO Ingvar Rehbinder to the acting CEO and the search process regarding a new CEO is in progress.

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

During Q1 2018, the company has agreed to shareholders' contribution of approximately 0.5 MEUR, the amount was paid in April 2018. During the second quarter, the company reduced the company's share capital to EUR 55,000. This means that the company's equity is restored.

Waxy's Board of Directors was restructured so that the Chairman of the Parent Company also became the chairman of the subsidiary. Waxy has also appointed a new CEO after Lennart Andersson who resigned for personal reasons at the end of the fiscal year. New CEO of Waxy is Peter Björklund.

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	8 141 352
Retained earnings	- 14 020 333
Loss for the year	-2 421 940
Sum	-8 300 921
Transferred to retained earnings	- 8 300 921

Financial reports

Consolidated Group Accounts

The Group was formed in 2017-07-01, therefore no comparative figures have been reported for the Group

INCOME STATEMENT	***1, 2, 3,4,9, 27***	
		2017-01-01
		2017-12-31
Operating income, inventory change etc.		
Net turnover		0
Other operating income		30
Total operating income, inventory changes, etc.		**30**
Operating expenses		
Personnel costs	9	- 4
Other external expenses	6, 7, 8	- 1 391
Total operating expenses		**- 1 395**
Operating profit -		**1 365**
Financial posts		
Interest expenses and similar income items	10	- 153
Total financial items		**-153**
Profit after financial items		**- 1 470**
Profit before tax		**- 1 470**
Taxes		
Tax expense for the year	12	- 1,064
Profit for the year		**-2 582**
Items that may be reclassified in later financial reports		
Valuation difference in the translation of subsidiaries		**-28**
Total income for the year	21	**- 2 610**
Earnings per share before and after dilution		**-0,022**
Average number of shares		**113 926 724**

BALANCE SHEET	1, 2, 3, 4, 24	
		2017-12-31
ASSETS		
Fixed assets		
Intangible assets		
Goodwill	13	1 644
Total intangible fixed assets		**1 644**
Tangible fixed assets		
Machinery and facilities		13
Ongoing plant	15	1 399
Total tangible assets		**1 411**
Financial assets		
Other long-term receivables	16	333
Total financial assets		**333**
Total fixed assets		**3 389**
Current assets	26	
Receivables		
Current tax assets		110
Other current receivables		206
Prepaid expenses and accrued income		93
Total current receivables		**409**
Liquid funds	17	
Liquid funds		5
Total cash and bank		**5**
Total current assets		**414**
TOTAL ASSETS		**3 803**

EQUITY AND LIABILITIES

Shareholders' equity	21	
Share capital		6 241
Other contributed capital		8 141
Other reserves		- 28
Balanced result		-14 020
Profit for the year		-2 582
Total equity		**-2 248**
Long-term liabilities	22	
Other liabilities		1 217
Total long-term liabilities		**1 217**
Current liabilities	25	
Accounts payable		524
Current tax liabilities		1 051
Other liabilities		2 967
Accrued expenses and prepaid income	19	292
Total current liabilities		**4 834**
TOTAL EQUITY AND LIABILITIES		**3 803**

REPORT ON EQUITY

	Share capital Capital	Other accrued reserves	Other income	Balanced incl. year Profit	Total Own Capital
Creation of Group - Parent Company equity	5 817	6 904		-14 019	-1,229
Profit for the year				-2 582	-2 535
Other comprehensive income			-28		-28
Total result for the year			-28	-2 582	-2 610
New Issue (in kind)	424	1 237			1 661
Total transactions reported directly towards equity	424	1 237			1 661
Closing balance per 2017-12-31	**6,241**	**8,141**	**-28**	**-16 554**	**-2 248**

CASH FLOW ANALYSIS

	2017-01-01 2017-12-31
The ongoing business	
Operating profit	-1 365
Adjustments for items not impacting in cash flow, etc.	-180
Interest paid	-153
Taxes paid	- 78
Cash flow from operating activities before changes of working capital	**-1 729**
Changes in working capital	
- Increase (-) / Reduction (+) of operating receivables	-267
Increase (+) / Reduction (-) of operating liabilities	2 624
Cash flow from operating activities	**2 357**
Investment	
Investment in property, plant and equipment	-1 409
Investments in subsidiary	19
Cash flow from investing activities	**-1 390**
financing activities	
Loans taken	814
Cash flow from financing activities	**814**
Cash flow for the year	**5**
Liquid funds at the beginning of the year	**0**
Cash and cash equivalents at the end of the year	**5**

Parent company

INCOME STATEMENT	***1,2,3,4, 5, 9, 27***		
		2017-01-01	2016-01-01
		2017-12-31	2016-12-31
Operating income, inventory change etc.			
Net		0	0
Other operating income	5	30	35
Total operating income, inventory changes, etc.		30	15.
Operating expenses			
Other external expenses	6, 7, 8, 9	– 1 296	571
Other operating expenses		0	-35
Total operating expenses		**– 1 296**	**536**
Operating profit		- 1 266	570
Financial items	10	-93	-9
Profit after financial items		**- 1 358**	**561**
Allocations			
Change in accrual fund	11	0	1,559
Profit after financial items		**- 1 358**	**2 121**
Profit before tax		**- 1 358**	**2 121**
Taxes			
Tax expense for the year	12	- 1,064	-47
Profit for the year		**-2 422**	**2 121**

BALANCE SHEET

	Note 1, 2, 3, 4	2017-12-31	2016-12-31
ASSETS			
Fixed assets			
Financial assets			
Shares in Group companies	14, 20, 23, 24	1 966	0
Total financial assets		**1 966**	**0**
Total fixed assets		**1 966**	**0**
Current assets	25		
Receivables			
Receivables in group companies		127	0
Other current receivables		187	45
Total current receivables		**314**	**45**
Cash and bank	17		
Cash and bank		0	0
Total cash and bank		**0**	**0**
Total current assets		**314**	**45**
TOTAL ASSETS		**2 280**	**45**

EQUITY AND LIABILITIES

Shareholders' equity	21		
Restricted equity			
Share capital		6 241	5 817
Total restricted equity		6 241	5 817
Unrestricted equity			
Share premium fund		8 141	6 904
Retained earnings		-14 020	-16,141
Profit for the year		-2 422	2 121
Total unrestricted equity		**-8 301**	**-7,116**
Total equity		**-2 060**	**-1 299**
Provisions			
Other Provisions	18	0	80
Total other provisions		**0**	**180**
Long-term liabilities	22		
Other liabilities		475	75
Total long-term liabilities		**475**	**75**
Current liabilities	25		
Accounts payable		290	330
Current tax liabilities		1 051	0
Other liabilities		2 269	693
Accrued expenses and prepaid income	18,	255	66
Total current liabilities		**3 865**	**1 088**
TOTAL CAPITAL AND LIABILITIES		**2 280**	**45**

REPORT ON EQUITY

	Share capital	Premium fund	Retained earnings	Total Equity
Opening Balance	5 817	6 904	-14 020	-1 299
Issue in kind	424	1 237		1 661
Profit for the year			- 2 422	-2 422
Closing balance per 2017-12-31	6 241	8 141	-16 442	-2 060

CASH FLOW ANALYSIS

	2017-01-01 2017-12-31	2016-01-01 2016-12-31
The ongoing business		
Operating profit	-1 266	570
Interest paid	-180	-732
Taxes paid	-123	-30
Currency valuation		22
Cash flow from operating activities before changes of working capital	**-1 661**	**- 170**
Changes in working capital		
- Increase (-) / Reduction (+) of operating receivables	-159	0
Increase (+) / Reduction (-) of operating liabilities	-1 725	115
Cash flow from operating activities	**- 95**	**- 55**
Investment		
Acquisition of subsidiary	-305	0
Cash flow from investments activities	**-300**	**0**
Financing activities		
Equity excl result of the year/Equity		
Loans raised	400	0
Cash flow from financing activities	**400**	**0**
Cash flow for the year	**0**	**-55**
Liquid funds at the beginning of the year	**0**	**55**
Cash and cash equivalents at the end of the year	**0**	**0**

Note 1 General information

Reinhold Europe AB (publ) and its subsidiaries (collectively the Group) are active in real estate-related services.

The parent 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 parent company has been listed on the Warsaw Stock Exchange (GPW) since December 2007.

On June 12, the Board approved this consolidated financial statement for publication

Note 2 Summary of important accounting principles

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

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

Reason for the preparation of reports

This is Reinhold Europe's first year, where consolidated accounts are prepared and published. The subsidiary was acquired 2017-07-01. The parent company has previously owned subsidiaries, but these were divested in 2015.

The consolidated 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 Group's accounting principles.

IFRS is applied for the first time

During the financial year, Reinhold Europe acquired a subsidiary and delivers its consolidated accounts for the first time. The consolidated accounts, as stated above, are prepared in accordance with IFRS. As the first fiscal year is consolidated, IFRS is fully applied. Opening equity for the Group's notes relates to the parent company's closing values as per 2016-12-31.

The Parent Company has previously applied BFNAR 2012: 1 Annual Report and consolidated accounts. The transition to IFRS has not caused any changed accounting and valuation rules.

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 2017 and 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 2018 and 2019 respectively:

- IFRS 9 Financial Instruments. The standard replaces IAS 39 Financial Instruments Accounting and Valuation. It contains rules for the classification and valuation of financial assets and liabilities, impairment of financial instruments and hedge accounting. The Group estimates that the new standard will not have a material impact on the financial statements. The standard are applied from 2018
- IFRS 15 Income from agreements with customers. The standard deals with the recognition of income from contracts and from the sale of certain non-financial assets. It will replace IAS 11 Entrepreneurial Agreement and IAS 18 Revenue and associated interpretations. The standard will apply from 2018. Considering that the Group's revenue generation is still limited, the introduction of this standard will not entail any changes for historical periods.
- 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 Group is expected to be preliminarily affected by the agreements set out in the note "Operating leases". Detailed evaluation will take place in the 2018 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.

Consolidated accounts

Subsidiaries are all companies over which the Group has controlling influence. The Group controls a company when it is exposed to or is entitled to variable returns from its holding in the company and is able to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used to account for the Group's business combinations. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets, liabilities borne by the Group to former owners of the acquired company and the shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities that arise as a result of a conditional purchase agreement. Identifiable acquired assets and liabilities assumed in a business combination are initially valued at fair value on acquisition date. For each acquisition - i.e. acquisition for acquisition - the Group decides whether non-controlling interest in the acquiree is reported at fair value or on the proportionate share of the holding in the carrying amount of the acquiree's identifiable net assets.

Acquisition related costs are expensed when incurred. If the business combination is carried out in several stages, the previous equity interests in the acquired company are revalued to its fair value at the acquisition date. Any gain or loss resulting from the revaluation is recognized in the income statement. Each conditional purchase price to be transferred by the Group is reported at fair value at the acquisition date. Subsequent changes in the fair value of a conditional purchase consideration classified as an asset or liability are reported either in the income statement or in other comprehensive income.

Intra-Group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated.

Transactions with non-controlling interests that do not result in loss of control are reported as equity transactions - that is, as transactions with the owners in their role as owners. In the case of acquisitions from non-controlling interests, the difference between the fair value of the consideration paid and the actual acquired share of the carrying amount of the subsidiary's net assets is recognized in equity. Gains and losses on divestments to non-controlling interests are also recognized in equity.

Transactions in foreign currency

Functional currency and report currency

Items included in the financial statements of the various entities in the Group are valued in 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. However, for the current fiscal year, the Group 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 expenses. For consolidated periods, the Group has only financial exchange gains and losses.

Group Companies

Reinhold Europe's subsidiary has SEK as the reporting currency

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 Group 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 Group 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 livespan 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 Group 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 with the exception of 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 Group 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 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.

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 Group 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 group of financial assets. A financial asset or group 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 group 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 consolidated 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 Group 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 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. 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 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.

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 Group has had one 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 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.

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 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 Group has no financial leases.

Parent Company's accounting principles

The parent company establishes its annual report in accordance with the Annual Accounts Act and the Financial Reporting Recommendation RFR 2, Accounting for Legal Entities and the Emergency Group's statement from the current financial year 2017-01-01 - 2017-12-31. The rules of RFR 2 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 Note 1 Accounting principles of the consolidated accounts.

The parent company applied earlier BFNAR 2012: 1. The transition to IFRS has, in addition to expanded disclosures, not entailed any changed accounting or valuation principles.

The Parent Company applies the accounting policies specified for the Group with the exception of the following:

Shares in subsidiaries

Holdings in subsidiaries are reported according to the acquisition method, which means that the balance sheet shows the holdings at cost less any impairment losses. Dividends from subsidiaries are reported as dividend income.

Reporting of Group contributions

Group contributions are reported in accordance with the alternative rule in RFR 2, which means that both group contributions received and received are reported as financial statements in the income statement.

Financial instruments

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

Note 3 Financial risk management

Through its operations, the Group 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 Group has the majority 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 Group 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 Group currently has no instruments that are subject to price risk.

Liquidity and financing risk.

Liquidity risk refers to the risk that the Group will face difficulties in meeting its commitments related to the Group's financial liabilities. Financing risk refers to the risk that the Group cannot provide sufficient funding at a reasonable cost. The Group is financed with equity and has, with the exception of a bond loan. no financial borrowing. The Parent Company has some older commitments that expire later than within one year. Current liabilities and short-term receivables for both Group and Parent 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	**Parent**	**Subsidiary**	**Total**
Long-term	475	742	1 217

Short term	3 864	970	4 834

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 Parent Company, 880 KEUR, are located at the Kronofogden for dismissal, but since the Parent 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.

Goodwill

Since the acquisition of the Group's subsidiary was made in 2017, and the conditions that existed at the acquisition, are not deemed to be materially changed, no impairment test has been carried out for the financial year 2017. Impairment testing will take place in the 2018 fiscal year

Tax liability

Reported tax liability is attributable to the income year 2015 and is based on tax decisions. For tax assessment, reconsideration is requested. The company does not expect any additional costs in relation to this.

Note 5 Purchases and sales to Group companies

Of the Parent Company's net sales, 0 (0) refers to Group companies. The parent company's expenses relate to - (0) purchases from group companies

Notes to income statement

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

Note 7 Remuneration to auditors

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Mazars (audit assignment)	20	20	10
PWC (Audit Mission)			29

Note 8 Operational leasing agreements

	Group 2017-12-31	**Parent 2017-12-31**	**Parent 2016-16-31**
Lease fees, cost of the year	8	6	15
		Moderbolaget	**Dotterbolaget**
Future lease fee with a maturity of 1 - 5 years		28	3 840
Future lease fee with a maturity above 5 years			12 128

Leasingavgifter avser i allt väsentligt lokalhyror.

Leasing fees relate essentially to local rents.

Note 9 Staff

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Salaries and other remuneration			
Board of Directors and CEO and corresponding executives	153	93	0
Total salaries and other remuneration	158	93	0
Social costs and pension costs			
Social costs	3	0	0
(of which pension costs to the Board and CEO and the equivalent)	0	0	0
Total salaries, other remuneration, social security expenses and pensions	158	93	0
the average number of employees			
Men	1	0	0
Average number of employees	1	0	0
Gender distribution in the company's board			
Men	3	3	3
Gender distribution in company management			
Male	3	2	2

In 2017, Board members and CEO have invoiced compensation of 154 KEUR, these costs are included in other external costs.

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

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Interest income	0	0	0
Interest expenses -	-140	-83	-30
Translation differences	-13	-10	22
Total	-153	-93	-9

Note 11 Financial appropriations

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Tax accrual fund			
Reversal of accrual fund		0	1 559

Total change in accrual fund		0	1 559
Total financial statements	0	0	1 559

Note 12 Income tax

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31	
The tax expense consists mainly of the following parts:				
Reported tax in the income statement				
Current tax	0	0	0	0
Previous year's tax	-1,064	-1,064	0	
Total reported tax	- 1,064	-1,064	0	
Reconciliation of effective tax rate				
Profit before tax	-1 529	- 1 357	2 121	
Tax at current tax rate 22.00 (22.00)%	-336	-299	- 467	
Tax effect of non-taxable income	0	+0	+449	
Tax effect of non-deductible expenses	-137	-129	-8	
Unrecognized loss carryforwards	199	170	- 0	
Use of previous year's deficit not reported as assets +	0	0	26	
Previous years tax cost	-1 064	-1 064	0	
Total reported tax	-1 064	-1 064	0	
Accumulated tax carry forward	905	772		

Notes to the balance sheet

Note 13 Goodwill

	Group 2017-12-31
Opening cost	0
Acquisition through movement	1,676
Translation differences	-32
Outbound accumulated acquisition value	1 644
Carrying amount	1 644

Impairment

See note 4

Note 14 Shares in Group companies

	Parent 2017-12-31	Parent 2016-16-31
Opening cost	0	10 527
Changes in cost		
New Purchase	1 966	0
Sales / disposals		- 10 527
Closing cost	1 966	0
Accrued write-downs		-10,527
Changes in write-downs		
Reversed write-downs on sales and deletions		10 527
Impairments for the year	0	0
Outstanding write-downs	0	0

Specification of the Parent Company's holding of participations in Group companies

Company	Country	Seat	Org Number	Activity	Perc owned owned by Mother	Book value 2017-12-31	Book value 2016-12-31
Waxy International AB.	Sweden	Stockholm	556865-9600	Car care	100%	1 965	0

Note 15 Ongoing new installations

	Group 2017-12-31
Opening cost	0
Acquisition through movement	16
Other acquisitions during the year	1 409
Translation differences	-26
Outbound accumulated acquisition value	1 399
Opening accumulated depreciation	0
Depreciation	0
Translation differences	
Depreciation for the year	0
Closing accumulated depreciation	0
Closing carrying amount	1 399

Note 16 Other long term receivables

	Koncernen 2017-12-31	**Moderbolaget 2017-12-31**	**Moderbolaget 2016-16-31**
Opening balance	0	0	0
Acquisition by operations	339	0	0

Revaluation	-6	0	0
Closing balance	333	0	0

Note 17 Liquid funds

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Cash and bank	5	0	0
Carrying amount	5	0	0

Note 18 Provisions

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Risks in financial positions			
Carrying amount at year end		180	1 113
Provisions for the year (including adjustments due to changes in the present value)		0	- 19
Amounts reclassified		-180	-641
Amount recovered during the fiscal year		-	-272
Carrying amount at year-end		0	180

Provisions concern:

Other provisions have either dissolved agreed chord deals.

Note 19 Accrued expenses and prepaid income

	Group 2017-12-31	Parent 2017-12-31	Parent 2016-16-31
Estimated accrued special payroll tax	0	0	24
Accrued interest expenses	194	166	0
Other accrued expenses	98	89	41
Total accrued expenses and prepaid income	291	255	66

Note 20 Acquisition of business

On July 1, 2017, 100% was acquired of Waxy International AB.

Net sales are included in the Group with EUR 0 and a result of -172 KEUR. If the subsidiary had been consolidated for the entire consolidated period, the company had entered a net turnover of EUR 0 and a result of -206 KEUR.

Reported values at the acquisition Amount in KEUR:	
Goodwill	1 676
Rental Deduction	339
Ongoing plant	16
Current receivables	31
Cash and bank	19
Long-term liabilities	
Current liabilities	-420
Purchase Price	1 661
Issue in kind	1 661

The acquisition has been carried out through a rights issue. The number of issued shares was 8,000,000, which was issued at 0.208 Euro.

Goodwill represents expected future cash flow from Waxy.

Note 21 Other comprehensive income / Equity

Other comprehensive income

The Group has currency translation from the translation of activities in subsidiaries falling within this category.

Equity Group level

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 Parent Company and its subsidiaries.

Dividend

No dividend will be proposed to the Annual General Meeting 2018.

Parent Company Share Capital

Change in number of shares:	2017-12-31	2016-12-31
Opening balance	109 026 724	109 026 724
New issue	8 000 000	0
Closing balance	117 926 724	109 026 724
Of which A shares are	900,000	900,000
Of which B shares	116 126 724	108 126 724

The parent company's ordinary shares have a quota value of EUR 0.0529 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 22 Long-term liabilities

Overview Significant Liabilities

Creditors	Interest	Parent company	Subsidiary	Maturity
Irlandzka Group	0	475		Dec 2021
WashTech Gmbh	6%		292	Dec 2022
Bond loan	15%		336	Dec 2019
Total		475	680	

Note 23 Pledged securities

As security for the bond issued by the subsidiary, the company has pledged holdings of shares in the subsidiary

	Group	Parent
	2017-12-3	2017-12-31
Shares in Subsidiaries	1 766	1 966

Note 24 Contingent liabilities / liability

The shares in the subsidiary owned by the parent are pledged as security for the bond in the subsidiary.

Waxy has an ongoing dispute with the landlord for Smista facility, the board's assessment is that it can adversely affect the assets 100 KEUR as well as an increase of the rent of approximately 20 KEUR per year

Note 25 Financial assets and liabilities

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

Financial risk management.

Group	Loans and receivables	Financial liabilities at accrued cost
	2017-12-31	2017-12-31
Accounts receivable	0	0
Other receivables	409	
Liquid funds	5	
Other liabilities, long-term		1 217
Accounts payable		524
Other debts		4 310

Parent	Loans and receivables		Financial liabilities at accrued cost	
	2017-12-31	2016-12-31	2017-12-31	2016-12-31
Accounts receivable	0	0		
Receivables from Co	127			
Other receivables	187			
Cash and bank balan	0	0		
Other liabilities, long-term			475	75
Accounts payable			289	330
Other debts			3 575	758

Real values

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

Note 26 Events after the balance sheet date

The Parent Company receives a conditional shareholder contribution amounting to 576 KEUR. The bond issued by Waxy International is oversubscribed. At the Extraordinary General Meeting of May 11, the share capital will be reduced to 55 KEUR in order to cover balance sheet losses.

Note 27 Transactions with related parties

Following transactions have been conducted with persons related to the

	Sales of goods and services to related parties		Interest revenue and cost from related parties		Purchases of goods and services from related parties	
	2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**	**2017-12-31**	**2016-12-31**
Group						
Related party						
Parent	**0**		**108**			
Other Group companies	**0**					
Key persons			**0**		**215**	
Other related			**-46**		**0**	
Total	**0**	**0**	**62**	**0**	**215**	**0**
Parent						
Related party						
Subsiidiary			**108**			
Keypersons					**94**	
Other related						
Total	**0**	**0**	**108**	**0**	**94**	**0**

			Recievables from related parties		Debts to related parties	
			2017-12-31	**2016-12-31**	**2017-12-31**	**2016-12-31**
Group						
Related party						
Parent						
Key persons					**95**	
Other related					**1 954**	
Total	**0**	**0**	**0**	**0**	**2 049**	**0**
Parent						
Related party						
Subsidiary			**127**			
Key persons			**70**	**0**	**45**	**0**
Other related					**1 622**	**105**
Total	**0**	**0**	**197**	**0**		**105**

Transactions with related parties are made on market terms arms lengths principle. In 2017, one of the parent company's owners has lended capital to redeem old debts and finance the operations; the subsidiary has had a bridge loan with related parties - interest has been paid based on these loans. Managing Director of Parent and Subsidiaries, as well as Board Membership in Subsidiaries, have invoiced for services performed

Stockholm

2018-06-12

Bobby Mandl	Sven-Gunnar Bodell	Harry Rosenberg
Chairman of the Board	Director	Director

Ingvar Rehbinder

Acting CEO

Our audit report has been submitted 2018-__-__

Mazars SET Auditing firm

Michael Olsson

CPA