Interim report

2017-01-01 - 2017-09-30

Reinhold Europe AB (publ)

Org. nr. 556706–3713

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

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

Reinhold

1. Innehållsförteckning

Reinhold

2. Summary of Q1 - Q3 2017 for the group

Summary of Q1 - Q3 2017 for the Group

The following summary refers to the period Q1 - Q3 2017.

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

- Revenue for the period amounts to 46 KEUR
- The result for the period amounts to -1,336 KEUR
- The number of shares amounts to 117 926 724 (900 000 A shares and 117 026 724 Class B shares)
- Earnings per share -0,01 EUR (-0,02 EUR)

3. Summary of Q1 - Q3 2017 for the parent company

The following summary refers to the period Q1 - Q3 2017 with comparative period Q1 - Q3 2016.

- Revenue for the period amounts to 46 KEUR *(15 KEUR)*
- The result for the period amounts to -1 323 KEUR *(-197 KEUR)*
- Cash and cash equivalents amounted to EUR 0 (0.5 KEUR), in addition short-term receivables to 168 KEUR (76 KEUR)
- The number of shares amounts to 117 926 724 (900 000 A shares and 117 026 724 Class B shares)

4. Summary of Q3 2017 for the group

Following summary relates to the period Q3 2017

- Revenue for the period amounts to 2 KEUR
- The result for the period amounts to - 797 KEUR

5. Summary of Q3 2017 for the parent company

Following summary relates to the period Q3 2017 with comparison to 2016.

- Revenues for the period amount to 2 KEUR (15 KEUR)
- The result for the period amounts to -786 KEUR (-3 KEUR)

6. Comments from the Board of Directors

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

Work in finding a new CEO is in progress, as a temporary solution, CFO Ingvar Rehbinder has been appointed CEO until a permanent solution has been found.

As previously informed, the business is focused on three branches

• property-related services

• car care establishments

• energy saving solutions

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

Work on the establishment of Waxy's first facility in the Kungens Kurva area just south of Stockholm is in its final phase and previously announced plans for the plant to open in January 2018 remain. In addition, efforts to find more sites for continued expansion have continued and we are hoping that in 2018 a further number of facilities will be established.

In the case of energy saving products, discussions with several stakeholders are ongoing and the company has good hopes of publishing entered agreements during the fourth quarter.

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

The Board's focus in 2017 has been to find financial and business solutions that can solve future long-term operations. This has been partly being done by the acquisition of Waxy International AB, partly through the owners' authorization to issue new shares and the board's discussions with creditors that claims will be offset against new shares. The Board has also called for an Extraordinary General Meeting in December to reduce the share capital to EUR 1 000 000. Through these measures, the Board expects that the company will have a positive equity at the end of the fiscal year.

Bobby Mandl

Chairman of the Board

Reinhold

7. Ownership

7.1 Share capital

The share capital as per 2017-09-30 is divided into 117 926 724 shares, of which 900 000 are A shares and 117 026 724 are B shares. The A share entitles to 10 votes and the B share to 1 vote. Each share gives equal rights to the company's assets and profits.

The share is traded on the Warsaw stock exchange under ticker RHD and closing price 2017-09-30 was 0.39 PLN. At the end of the period, the company's market value was EUR 9,935 million.

The Board has been authorized by the AGM to issue 40,000,000 new B shares, of which 8,000,000 have been used for the acquisition of Waxy International AB.

8. Significant events during the period:

- 2017-07-01 WAXY International AB is acquired to 100%.
- 2017-07-26 Waxy announces that Scandinavia's largest car maintenance facility will open on January 6, 2018.

2017-09-01 The company designates Copernicus as its Market Maker in Poland for the Warsaw Stock Exchange.

The Group was formed during the year by the acquisition of the subsidiary Waxy International AB (publ). Thus, it is the first year since 2014 that consolidated accounts are reported. The consolidated accounts have been prepared in accordance with IFRS, which means changes in accounting principles for the Parent Company. However, the amendment has not meet the need for a recalculation of the Parent Company's earnings and balance sheet reports. Therefore, there are no transient effects to reported numbers. The overall new accounting principles are shown in Appendix 4.

9. Significant events after the period:

- 2017-10-05 The Swedish Companies Registration Office registers an increase in the company's share capital following the acquisition of Waxy.
- 2017-10-12 The company applied 1 085 KEUR in tax for the income year 2015 due to the tax office unapproved reversal of reserves as non-taxable income. The company has requested reassessment.
- 2017-11-29 Ingvar Rehbinder is appointed as acting CEO

10. Upcoming reporting dates

- 2018-02-28 Yearend report 2017 2017-10-01 - 2017-12-31
- 2018-04-30 Annual report 2017 2017-01-01 - 2017-12-31
- 2018-05-31 Interim Q1 report 2018 2018-01-01 – 2018-03-31
- 2018-08-30 Interim H1 report 2018 2018-04-01 – 2018-06-30
- 2018-11-30 Interim report Q3 2018 2018-07-01 – 2018-09-30

11. Other information from the company

11.1 Personnel

The company has no employees, only one long-term contracted consultant.

11.2 Acquisitions

During the period an acquisition of Waxy International AB (publ) was carried out. The purchase price amounted to SEK 16,000,000.

11.3 Investments

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

11.4 Parent company

The Group's operations are still in the start-up phase, as the plans are currently, property-related services will be conducted in the Parent Company. The group was formed on acquisition of the subsidiary Waxy International AB (publ) on July 1, 2017. See further information in Note 4 on page 17.

11.5 Risk Factors

There are a number of risk factors that may affect the Company's operations. In short, it can be said that the company has observed and has an action plan to counter possible disturbances. The company may be affected by the demand for the housing market. Other significant risks are that key personnel choose to leave the company. In order to counteract this, we have identified key competencies and are constantly seeking recruitment of new staff who will possess these skills.

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

11.6 Transactions with related parties

In addition to remuneration to senior executives, there have been no significant transactions with related parties.

11.7 Accounting principles

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

11.8 Financial position

The Group's financial position is very precarious. Currently there are no secured funding for the company's next 12 months. This is the Board's main priority to resolve. Shareholders' equity is negative. However, a number of activities are under way to restore this, including the authorization to the Board at the Annual General Meeting 2017-06-30 to issue 40,000,000 new shares. The Board has called for an Extraordinary General Meeting in December to reduce the share capital to EUR 1 000 000.

11.9 Audit

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

12. The Boards of Directors certificate

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

Stockholm, 30th of November 2017

Bobby Mandl Chairman of the Board	Harry Rosenberg Member of the Board	Sven-Gunnar Bodell Member Board	Ingvar Rehbinder Member the Board/ Acting CEO

This information is the information that Reinhold Europe AB is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on Thursday, November 30, 2017 at. 16:00

13. The auditor’s report

INTRODUCTION

We have conducted a review of the financial interim information in brief for Reinhold Europe AB as of 30th of September 2017 and the nine-month period ending on this date. The Board and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

INSTRUCTION AND SCOPE OF THE OVERVIEW

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410. Review of financial interim information conducted by the company's chosen auditor. A review is made of making inquiries, primarily to persons responsible for financial matters and accounting issues, to conduct analytical review and to conduct other review procedures. A review has a different orientation and a significantly smaller extent than the focus and scope of an audit under International Standards on Auditing and generally accepted auditing practice. The review measures taken in a review do not allow us to obtain such a security that we become aware of all the important circumstances that could have been identified if an audit was carried out. Therefore, the stated conclusion based on a review does not have the assurance that a pronounced conclusion based on an audit has.

BASIS FOR EXCLUDED END WITH DEFINITIVE OPINION

As noted in the audit reports for 2015 and 2016, the previous year's significant shortcomings in the management of the company have resulted in significant restrictions on the ability to obtain audit evidence for significant items in both the income statement and the balance sheet. In 2017, the company was charged with costs of 394 KEUR for previously unknown commitments attributable to previous financial years. Our assessment is that there is still considerable uncertainty about the completeness of the company's reported provisions and liabilities.

During the year, the company was mainly financed through the acquisition of short-term loans. We have requested but have not received external balance sheets and documented terms regarding these loans, which are posted to 1,056 KEUR.

CONCLUDED WITH DEVIATING OPINION

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

POSSIBLE INSURANCE FACTORS RELATING TO THE CONTINUATION OF CONTINUED OPERATION

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

Stockholm, November 30, 2017

Mazars SET Audit firm AB

Michael Olsson
CPA

Reinhold

14. Financial reports

Amounts in KEUR

14.1 Summary Income statement for the group[1]*

The group was formed 2017-07-01.

		2017-09-30
Operating income, etc.	1,2,4	
Net sales		0
Other operating income		46
Operating expenses		
Other external expenses		-1 240
Operating profit		-1 194
Profit from financial items		-142
Financial posts		
Profit after financial items		
Profit before taxes		-1 336
Profit for the period / total profit for the period		-1 336
Average number of shares		117 026 724
Earnings per share		-0,01

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

14.2 Balance sheet in summary for the group

	1,2,4	**2017-09-30**
ASSETS		
Fixed assets		
Intangible assets	3	1 677
Tangible fixed assets		26
Total assets		1 703
Other long-term receivables		339
Total financial assets		339
Current assets		
Receivables		205
Cash and cash equivalents		10
Total current assets		215
TOTAL AASSETS		2 258
EQUITY AND LIABILITIES		
Equity		
Share capital		6 241
Other contributed capital		8 141
Balanced earnings incl. profit for the year		-15 357
Shareholders equity attributable to the parent company's shareholders		-974
Long-term liabilities		475
Current liabilities		2 757
TOTAL EQUITY AND LIABILITIES		2 258

14.3 Cash-flow report in summary for the group

Cash flow from current operations	**2017-01-01 2017-09-30**
Operating profit	-1 194
Adjustments for items not included in cash flow	1 175
Cash flow from operating activities before changes in working capital	-19
Changes in working capital	
Change in operating receivables	-55
Change in operating liabilities	76
Cash flow from current operations	21
Investment	19
Investments in property, plant and equipment	-11
Cash flow from investing activities	8
financing activities	
Loans raised and the like	0
Cash flow from financing activities	0
the year's cash flow	10
Cash and cash equivalents at the beginning of the year	0
Cash and cash equivalents at year-end	10

14.4 Report over changes in own capital for the group

	Share Capital	Other contributed capital	Other equity	Total equity
IB	5 817	6 904	-11 900	-3 419
Usage of last years result	0	0	-2 121	2 121
New issue	424	1 237	0	1 661
Valuation difference of subsidiary	0	0	0	0
Net result of the year	0	0	0	-1 336
Closing Balance	6 241	8 141	-14 020	-974

14.5 Income statement for the parent company

	Not	2017-01-01	2016-01-01	2017-07-01	2016-07-01
	1,2,4	2017-09-30	2016-09-30	2017-09-30	2016-09-30
Operating income etc					
Net sales		0	15	0	0
Oter operating income		46	0	3	15
Operating expenses					
Other external expenses		-1 227	-207	-653	-13
Personnel costs		0	19	0	0
Other operating expenses					
Operating Profit		**-1 181**	**-173**	**-651**	**3**
Financial Items		-142	-25	-136	0
Result after financial items		-1 323	-198	-786	3
Result before taxtes		-1 323	-198	-786	3
Net Result of the period		-1 323	-198	-786	3

14.6 Balance sheet in summary for the parent company

	2017-09-30	2016-09-30	2017-06-30
ASSETS			
Fixed assets			
Financial assets	1 761		
Total assets	1 761		
Current assets			
Receivables	168	192	146
Cash and bank balances	0	1	0
Total current assets	168	193	147
TOTAL OPTIONS	**1 928**	**193**	**147**
EQUITY AND			
Equity			
Bound equity			
Share capital	6 241	5 817	5 817
Premium fund	8 141	6 904	6 904
Retained earnings	-14 020	-16 141	-14 020
Profit for the year	-1 095	-197	-537
Total equity	-733	-3 617	-1 836
Tax accrual fund	0	1 559	0
Long-term liabilities and	475	951	550
Current liabilities	2 186	1 300	1 433
TOTAL EQUITY AND LIABILITIES	**1 928**	**193**	**147**

15. Notes

15.1 Not 1 Accounting and valuation principles

Reinhold Europe's quarterly report has been prepared in accordance with IAS 34, Interim Financial Reporting. The consolidated accounts have been prepared in accordance with IFRS as adopted by the EU and the following reference to 9 chapters in the Annual Accounts Act. The parent company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities and the Annual Accounts Act. It is Reinhold Europe AB's first fiscal year since 2014, where consolidated accounts are submitted, after the exception of 2015 and 2016 when the company had no subsidiaries. The parent company applied earlier BFNAR 2012: 1 (K3 regulations). The transition to IFRS has, in addition to expanded disclosure requirements, for the Parent Company not entailed any change in accounting and valuation principles. The parent company and the group's accounting policies in accordance with IFRS are attached, Appendix 4.

15.2 Not 2 Financial assets and liabilities

The Reinhold Europe Group holds financial assets classified as "Loans and receivables" which are reported at accrued acquisition value. All liabilities are reported at accrued acquisition value. Financial assets and liabilities that are reported at accrued acquisition value in all cases have short maturities. The fair value of these is therefore deemed to be in accordance with the book value. No financial assets or liabilities have been moved between the valuation categories.

The financial assets consist of a leasehold amounting to 339 KEUR.

15.1 Not 3 Intangible fixed assets

	2017-09-30
Accumulated cost	1 677
Opening balance	0
Acquisition of business	1 677
Closing balance	1 677

The acquisition relates to goodwill attributable to the subsidiary Waxy International AB

15.2 Not 4 Acquisition of business

294/5000

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

Net sales are included in the Group with EUR 0 and a result of - 11 KEUR. If the subsidiary had entered into the entire consolidated period, the company had entered a net turnover of EUR 0 and a result of EUR -40.

Reported values at the acquisition
Amount in KEUR:

Goodwill	1 676
Rental Deposit	339
Ongoing INVESTMENT	16
Receivables	31
Cash and bank balances	19
Long-term liabilities	-
Current liabilities	- 420
Purchase price	1 661
Issue in kind	1 661

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

Goodwill represents expected future cash flow from Waxy. The acquisition analysis is preliminary.

The shares in Waxy International AB are pledged until all the financing terms of the Acquisition Contract have been meet.

15.3 Not 5 Financial fixed assets

The Group's financial assets refer to a total of 334 rental deposition for the Waxy premises rental. The parent company's financial assets refer to shares in Waxy International AB, 1 761 KEUR.

15.4 Not 6 Pledged Collateral

The shares in Waxy International AB are pledged until all the financing terms of the Acquisition Contract have been meet.

16. Appendix 1 - Background and history

Modern real estate-related products in a company based on tradition and innovation.

In the late 1950s, Reinhold Gustafsson decided to implement the idea of building traditional Swedish functionalism and combining high quality and reasonable rents. A focus that made Reinhold one of Sweden's most legendary builder. Beaten by faith in creating win-win solutions in all business, Reinhold Gustafsson often stated that "it's better to have a part in a larger number of projects, each providing reasonable profitability, than having a few projects with the highest profitability ".

Today, this story and the new Reinhold Europe are not owned or managed by real estate, but the legacy lives on in the company's visions and daily business activities now with a new focus on real estate-related products and services with high returns.

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

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

We do this by collaborating with experienced entrepreneurs and committed municipalities, and we do this by providing quality assured and flexible apartment modules that are quickly and easily built into full-fledged homes and houses, where the majority of steel structures are made from recycled steel. This gives us another opportunity to build purposeful and affordable housing for young people and students.

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

17. Appendix 2 Accounting principles

17.1 Summary of important accounting principles

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

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

Reason for the preparation of reports

It is Reinhold Europe AB's first year in which consolidated accounts are prepared and handed over. The Parent Company discontinued all its subsidiaries in 2015, leaving no consolidated accounts for 2015 and 2016. The subsidiary was acquired in 2017-07-01.

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

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

IFRS is applied for the first time

During the financial year, Reinhold Europe AB (publ) acquired a subsidiary and, for this reason, for the first time presented consolidated financial statements. As stated above, the consolidated accounts are prepared in accordance with IFRS. As it is the first year that consolidated accounts arise, IFRS is fully applied and there are no transitional rules available to deal with.

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

With the exception of IFRS 15 Revenues from agreements with customers (beginning January 1, 2018) and IFRS 16 Leases (replacing IAS 17 Lease Agreement and effective 1 January 2019, but not yet adopted by the EU), have neither IFRS nor IFRIC interpretations as has not yet come into force, is expected to have a significant impact on the Group. Given that the Group has not yet begun to generate revenue, IFRS 15 has not yet been evaluated. The Group holds leases and is deemed to be affected by IFRS 16. IFRS 16 implies that, for the lessee, almost all leases are to be reported in the balance sheet; as asset and liability. The income statement reports depreciation and interest expenses on the liability.

17.2 Principles for 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 acquire is reported at fair value or on the proportionate share of the holding in the carrying amount of the acquirer'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 in accordance with IAS 39 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.

17.3 Principles for transactions in foreign currency

Functional currency and report currency

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

Transactions and balance sheet items

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

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

17.4 Group Companies

Waxy International AB reports in SEK.

Income and financial position of all Group companies that have a different functional currency than the reporting currency are translated into the Group's reporting currency as follows:

• assets and liabilities for each of the balance sheets are translated at the closing date rate;

• Income and expenses for each of the income statements are translated at the average exchange rate, and

• All exchange rate differences that arise are reported in other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of this business and translated at the closing date. Exchange rate differences are reported in other comprehensive income.

17.5 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.

17.6 Intangible assets

Goodwill

Reported goodwill is related to the acquisition of Waxy International AB, and is valued at acquisition value.

Goodwill arises from acquisition of subsidiaries and refers to the amount by which the purchase price exceeds the fair value of identifiable acquired net assets.

Goodwill impairment is tested annually or more often if events or changes in conditions indicate a possible depreciation. The carrying amount of the cash-generating unit to which goodwill is attributable is compared to the recoverable amount, which is the higher of value in use and fair value minus selling expenses. Any write-downs are recognized immediately as a cost and are not reversed

17.7 Tangible fixed asset

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

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 reported net in other operating income and other operating expenses

17.8 Ongoing investments

Ongoing new plant and advance relates to the establishment of a laundry facility in the Kungens Kurva area. The plant is expected to be completed i

17.9 Impairment of non-financial assets

Assets are assessed for impairment whenever events or changes in circumstances indicate that the reported value may not be recoverable. For assets that are not yet ready for use (eg unfinished balance sheet development costs), impairment losses are required at least once a year.

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

17.10 Financial assets

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

Classification

Loans and receivables

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

Accounting and valuation

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

Offsetting

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

Impairment of financial assets

Assets recognized at amortized cost

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.

17.11 Cash and cash equivalents

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

17.12 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.

17.13 Trade payables

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

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

17.14 Liabilities valued at accrued acquisition value

Here, the Group reports all of its long and current liabilities. Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently reported at accrued acquisition value and any difference between the amount received (net after transaction costs) and the repayment amount are recognized in the income statement over the loan period, using the effective interest rate method.

17.15 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.

17.16 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.

Reinhold

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

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

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

17.17 Revenue recognition

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

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

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

17.18 Leasing

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

The Group has no financial leases.

17.19 The parent company's accounting principles

The parent company will establish, starting with the current financial year 2017-01-01-2017-12-31, prepare its annual report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Recommendation RFR2, Accounting for Legal Entities and the Emergency Group's statement. The rules of RFR2 imply that the parent company in the annual report of the legal entity shall apply all of the EU-approved IFRS / IAS rules and statements as far as possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies which exceptions should be made from IFRS / IAS. The provisions of IFRS / IAS are set out in the consolidated accounts note 1Reading principles.

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

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

The parent company will establish, starting with the current financial year 2017-01-01-2017-12-31, prepare its annual report in accordance with the Annual Accounts Act and the Swedish Financial

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

The parent company applied earlier BFNAR 2012: 1. In addition to expanded disclosures, the transition to IFRS has not included 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

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.

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. 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.

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18. Contact

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