

REINHOLD EUROPE AB

HALF YEAR REPORT

January 1 – June 30, 2015

January – June 2015, Group

- Gross operating income amounted to 4,227,088 (27,515) Euro
- Net Loss amounted to 614,345 (404,093) Euro
- Earnings per share amounted to - 0,01 (-0.06) Euro
- Cash flow for the period amounted to - 139,297 (16,520) Euro

CEO COMMENT

It has been some very hard last months 2015.

When I entered into the CEO role the goal was to restore the company. My team and me did not fully realize the negative history and reputation of the company.

Integration of the Bilfinger scaffolding activities' investor meetings has taken more than a regular working week.

“I'm investigating the possibility to find new capital to the company and I have reason to believe that we are going to be successful”

A handwritten signature in blue ink, appearing to read 'K. Liberg', with a large, stylized flourish at the end.

Kenneth Liberg
CEO

SIGNIFICANT EVENTS

During the second quarter

Acquisition of the Swedish scaffolding Bilfinger operation by Libergs Sweden AB

The subsidiary Libergs Sweden AB acquired the scaffolding operation from Bilfinger Industrial Services AB in May 2015. The purchase was done with financing backed up by the main shareholder Mr Kenneth Liberg.

Business status

Libergs Sweden AB is struggling on a competitive market, trying to hold on to the forecasted margin. The Swedish construction market is booming, but margins are shrinking. The scaffolding activities need to be more efficient in the utilization of the material. Kooperativa Utvecklingsbolaget Sverige AB is currently running six projects in the southern part of Sweden. Two of the projects are planned to start during the third quarter 2015.

New Board of Directors and Auditor

New Board members after Waldemar Tevnell and Katarina Lif Burren are Bengt Eklund and Bengt Idinge. New auditor after Eric Lindahl is Arne Engwall (PWC).

FINANCIAL COMMENTS

Project portfolio

There are only projects in Libergs Sweden AB's operations focused on scaffolding in southern Sweden..

Gross operating income

The sales for the period are mainly attributable to the operations of Libergs Sweden AB.

Net loss

The net loss is mainly related to the parent company activities.

Equity

The group has an equity ratio of 22 %.

CONSOLIDATED INCOME STATEMENT

| Amounts in Euro | APRIL- JUNE 2015 | APRIL- JUNE 2014 | JAN-JUNE 2015 | JAN-JUNE 2014 | JAN-DEC 2014 |
|--|------------------------|------------------------|------------------|------------------|-------------------|
| Net sales | | | | | |
| Net sales | 2 328 424 | 0 | 3 474 430 | 0 | 960 695 |
| Other operating income | 559 107 | -2 129 | 752 659 | 27 515 | 510 521 |
| Gross operating income | 2 887 531 | -2 129 | 4 227 088 | 27 515 | 1 471 216 |
| Other external expenses | -2 018 804 | -206 597 | -2 326 233 | -278 248 | 5 799 554 |
| Personnel expenses | -1 266 449 | -53 195 | -1 936 584 | -53 195 | -989 515 |
| Depreciation, amortization | -193 473 | 0 | -255 139 | 0 | -51 567 |
| Operating profit/loss | -591 195 | -261 921 | -290 867 | -303 928 | 6 229 688 |
| Financial items, net | -254 184 | -50 992 | -309 365 | -100 165 | 3 920 714 |
| Profit/loss after financial items | -845 379 | -312 913 | -600 232 | -404 093 | 10 150 402 |
| Tax | 215 670 | 0 | -14 113 | 0 | -373 731 |
| Net profit/loss for the period | -629 709 | -312 913 | -614 345 | -404 093 | 9 776 671 |
| Other comprehensive income | 43 829 | 0 | 168 768 | 0 | -178 813 |
| Total comprehensive income | -585 880 | -312 913 | -445 577 | -404 093 | 9 597 858 |
| Average number of shares | 106 846 232 | 7 000 000 | 104 610 726 | 7 000 000 | 37 807 700 |
| Earnings per share | -0,01 | -0,04 | -0,01 | -0,06 | 0,26 |

CONSOLIDATED BALANCE SHEET

| Amounts in Euro | 2015-06-30 | 2014-06-30 | 2014-12-31 |
|--------------------------------------|-------------------|--------------------|-------------------|
| Intangible assets | 10 892 722 | 165 964 | 10 852 943 |
| Material assets | 13 037 897 | 0 | 1 921 563 |
| Financial assets | 7 824 942 | 0 | 8 169 054 |
| Advances new projects | 195 800 | 0 | 150 668 |
| Deferred tax receivable | 6 693 | 0 | 2 160 |
| Total fixed assets | 31 958 054 | 165 964 | 21 096 388 |
| Current receivables | 5 246 447 | 53 817 | 814 612 |
| Cash and bank balances | 116 117 | 16 570 | 255 414 |
| Total current assets | 5 362 564 | 70 387 | 1 070 026 |
| TOTAL ASSETS | 37 320 618 | 236 351 | 22 166 414 |
| EQUITY | | | |
| Share capital | 5 817 275 | 370 437 | 5 416 339 |
| Retained earnings and other reserves | 2 622 346 | -13 838 398 | 2 559 697 |
| Total equity | 8 439 620 | -13 467 961 | 7 976 036 |
| Longterm liabilities | 18 576 239 | 7 701 750 | 12 126 553 |
| Accounts payables | 2 349 145 | 739 466 | 255 657 |
| Interest-bearing liabilities | 2 594 177 | 4 026 431 | 280 144 |
| Other current liabilities | 365 984 | 833 431 | 1 004 977 |
| Accrued expenses and deferred income | 4 995 456 | 403 234 | 523 047 |
| Total current liabilities | 10 304 761 | 6 002 562 | 2 063 825 |
| TOTAL EQUITY AND LIABILITIES | 37 320 618 | 236 351 | 22 166 414 |

Change in equity, Group

| Amounts in Euro | 2015-01-01 2015-06-30 | 2014-01-01 2014-06-30 | 2014-01-01 2014-12-31 |
|---|--------------------------|--------------------------|--------------------------|
| Opening balance | 7 976 036 | -13 063 868 | -13 063 868 |
| Total comprehensive income for the period | -445 577 | -404 093 | 9 597 858 |
| Issue of new shares August 28, 2014 | - | - | 10 500 000 |
| Issue of new shares December 3, 2014 | - | - | 942 046 |
| Issue of new shares May 8, 2015 | 909 161 | - | 0 |
| Closing balance | 8 439 620 | -13 467 961 | 7 976 036 |

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

| Amounts in Euro | APRIL-JUNE 2015 | APRIL-JUNE 2014 | JAN-JUNE 2015 | JAN- JUNE 2014 | JAN-DEC 2014 |
|---|--------------------|--------------------|------------------|----------------------|-----------------|
| Cash flow operating activities | 1 725 275 | -34 942 | 1 707 793 | -35 190 | -536 214 |
| Cash flow from investing activities | -10 529 414 | -165 964 | -11 163 976 | -165 964 | -150 667 |
| Cash flow from financing activities | 8 693 195 | 217 474 | 9 316 886 | 217 474 | 942 045 |
| Cash flow for the period | -110 944 | 16 568 | -139 297 | 16 320 | 255 164 |
| Cash and cash equivalent at the beginning of the period | 227 061 | 2 | 255 414 | 250 | 250 |
| Cash and cash equivalents at the end of the period | 116 117 | 16 570 | 116 117 | 16 570 | 255 414 |

KEY FIGURES, GROUP

| Amounts in Euro | APRIL-JUNE 2015 | APRIL-JUNE 2014 | JAN-JUNE 2015 | JAN- JUNE 2014 | JAN-DEC 2014 |
|--------------------------------|--------------------|--------------------|------------------|----------------------|-----------------|
| Gross operating income | 2 887 531 | 0 | 4 227 088 | 0 | 1 471 216 |
| Operating profit/loss | -591 195 | -261 921 | -290 867 | -303 928 | 6 229 688 |
| Net profit/loss for the period | -629 709 | -312 913 | -614 345 | -404 093 | 9 776 671 |
| Equity | 8 439 621 | -13 467 961 | 8 439 620 | -13 467 961 | 7 976 036 |
| Total assets | 37 320 618 | 236 351 | 37 320 618 | 236 351 | 22 166 414 |
| Equity/Assets ratio (%) | 22,61% | Neg | 22,61% | Neg | 35,98% |
| Debt/Equity ratio (%) | 342,21% | Neg | 342,21% | Neg | 177,91% |
| Equity per share | 0,08 | -1,92 | 0,08 | -1,92 | 0,08 |
| Net profit/loss per share | -0,01 | -0,04 | -0,01 | -0,06 | 0,26 |

PARENT COMPANY INCOME STATEMENT

| Amounts in Euro | APRIL- JUNE 2015 | APRIL- JUNE 2014 | JAN- JUNE 2015 | JAN-JUNE 2014 | JAN-DEC 2014 |
|--|------------------------|------------------------|----------------------|------------------|------------------|
| Net sales | | | | | |
| Net sales | 0 | 0 | 0 | 0 | 26 573 |
| Other operating income | 0 | -2 129 | 0 | 27 515 | 19 298 |
| Gross operating income | 0 | -2 129 | 0 | 27 515 | 45 871 |
| Other external expenses | -5 794 | -206 597 | -407 432 | -278 248 | 6 417 275 |
| Personnel expenses | -176 327 | -53 195 | -353 939 | -53 195 | -408 634 |
| Operating profit/loss | -182 121 | -261 921 | -761 371 | -303 928 | 6 054 512 |
| Financial items, net | -27 248 | -50 992 | -53 711 | -100 165 | -4 949 |
| Profit/loss after financial items | -209 369 | -312 913 | -815 082 | -404 093 | 6 049 563 |
| Dispositions | 0 | | 0 | | -1 559 169 |
| Tax | 0 | 0 | 0 | 0 | 0 |
| Net profit/loss for the period | -209 369 | -312 913 | -815 082 | -404 093 | 4 490 394 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive income | -209 369 | -312 913 | -815 082 | -404 093 | 4 490 394 |

PARENT COMPANY BALANCE SHEET

| Amounts in Euro | 2015-06-30 | 2014-06-30 | 2014-12-31 |
|--------------------------------------|-------------------|--------------------|-------------------|
| Intangible assets | 0 | 165 964 | 0 |
| Financial assets | 18 663 671 | 0 | 12 628 632 |
| Total fixed assets | 18 663 671 | 165 964 | 12 628 632 |
| Current receivables | 731 513 | 53 817 | 810 218 |
| Cash and bank balances | 111 842 | 16 570 | 105 223 |
| Total current assets | 843 355 | 70 387 | 915 441 |
| TOTAL ASSETS | 19 507 026 | 236 351 | 13 544 073 |
| EQUITY | | | |
| Share capital | 5 817 275 | 370 437 | 5 416 339 |
| Retained earnings and other reserves | -2 854 625 | -13 838 398 | -2 547 768 |
| Total equity | 2 962 650 | -13 467 961 | 2 868 571 |
| Untaxed reserves | 1 609 612 | 0 | 1 559 169 |
| Provisions | 6 464 314 | 7 701 750 | 6 340 010 |
| Longterm Liabilities | 5 967 040 | 0 | 2 101 834 |
| Accounts payable | 109 843 | 739 466 | 60 466 |
| Interest-bearing liabilities | 2 169 833 | 4 026 431 | 0 |
| Other current liabilities | 33 223 | 833 431 | 507 327 |
| Accrued expenses and deferred income | 190 511 | 403 234 | 106 696 |
| Total current liabilities | 2 503 410 | 6 002 562 | 674 489 |
| TOTAL EQUITY AND LIABILITIES | 19 507 026 | 236 351 | 13 544 073 |

Parent Company Change in equity

| Amounts in Euro | 2015-01-01 | 2014-01-01 | 2014-01-01 |
|--|-------------------|--------------------|--------------------|
| | 2015-06-30 | 2014-06-30 | 2014-12-31 |
| Opening balance | 2 868 571 | -13 063 868 | -13 063 868 |
| Total comprehensive income for the period | -815 082 | -404 093 | 4 490 394 |
| Issue of new shares August 28, 2014 | - | - | 10 500 000 |
| Issue of new shares December 3, 2014 | - | - | 942 045 |
| Issue of new shares May 8, 2015 | 909 161 | - | 0 |
| Closing balance | 2 962 650 | -13 467 961 | 2 868 571 |

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

| Amounts in Euro | APRIL-JUNE | APRIL-JUNE | JAN-JUNE | JAN-JUNE | JAN-DEC |
|---|-------------------|-------------------|-----------------|-----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 | 2014 |
| Cash flow operating activities | -886 255 | -34 942 | -902 542 | -35 190 | -837 072 |
| Cash flow from investing activities | 0 | -165 964 | 0 | -165 964 | 0 |
| Cash flow from financing activities | 909 161 | 217 474 | 909 161 | 217 474 | 942 045 |
| Cash flow for the period | 22 906 | 16 568 | 6 619 | 16 320 | 104 973 |
| Cash and cash equivalent at the beginning of the period | 88 936 | 2 | 105 223 | 250 | 250 |
| Cash and cash equivalents at the end of the period | 111 842 | 16 570 | 111 842 | 16 570 | 105 223 |

ACCOUNTING PRINCIPLES

This report has been prepared in accordance with the Annual Accounts Act (1995:1554).

The report has been prepared in accordance with the same accounting principles and methods of calculations as the 2014 Annual Report for the parent company.

Stockholm, 28 August 2015

THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER

Kenneth Liberg
Chief Executive Officer

Lars Malmgren
Director

Bengt Eklund
Director

Bengt Idinge
Director

Lars Wikström
Chairman

If you have any questions, please contact:

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