

Reima Danmark ApS

Aldersrogade 8

DK-2100 Copenhagen

CVR no. 32892531

Annual Report 2017

Chairman



ELINA BJÖRKLUND, CEO

Approved at the Company's Annual General Meeting on March 1, 2018

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Reima Danmark ApS

MANAGEMENT'S REPORT

The Executive Board and Management have today discussed and approved the Annual Report of Reima Danmark ApS for the financial year 1 January 2017 – 31 December 2017.

The Annual report has been prepared in accordance with the Danish Financial Statement Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operation for the financial year 1 January 2017 – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the Annual Report is approved at the Annual General Meeting.

Vantaa, March 1, 2018

Management



Jani Koskinen

Executive Board



Elina Björklund

INDEPENDENT AUDITORS' REPORT

To the shareholders of Reima Danmark ApS

Opinion

We have audited the financial statements of Reima Danmark ApS for the financial year 1 January – 31 December 2017, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Reima Danmark ApS

Copenhagen, March 1, 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Klaus Rytz

State Authorised

Public Accountant

MNE no. 33205

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COMPANY INFORMATION

Company name	Reima Danmark ApS
CVR no.	32892531
Address	Aldersrogade 8 DK-2100 Copenhagen
Management	Jani Koskinen
Executive board	Elina Björklund
Auditors	KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfaergevej 28 DK-2100 Copenhagen CVR: 25578198
Annual General Meeting	March 1, 2018
Ownership control	Reima Oy Karhumäentie 3 FI-01530 Vantaa Finland

The company's financial statements are recognized in the consolidated financial statements for Reima Oy (largest group). The consolidated financial statements can be obtained by request to the group.

MANAGEMENT'S REVIEW

Principal activities of the Company

The principal activity of the company is seeking sales opportunities and selling products for the parents company.

Development in activities and financial matters

The Company's financial position and the result of the year will be shown in the following income statement of the financial year 1 January 2017 – 31 December 2017 and the balance sheet as per 31 December 2017.

The result for the year shows a profit of DKK 872. The Management considers the result satisfactory. The Company's activity decreased significantly on financial year compare to previous year. Decreasing derive from action taken in financial year. Processes have been transferred from Reima Danmark ApS to Reima Oy. Reima Danmark ApS has only administrative activity and it is a sales organization providing sales services. Reima Oy is purchasing these services from Reima Danmark ApS. In 2017, Reima Danmark ApS has not sold anything directly to B2B or B2C.

Subsequent events

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the Annual Report.

Future prospects

The company expects a profit for the coming year.

INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER

	2017	2016
	DKK	DKK
Gross profit	1.308.826	2.444.987
Staff costs	(1.294.532)	(2.111.173)
Profit before financial items	14.294	333.814
Financial expenses	(6.062)	(83.014)
Profit before tax	8.232	250.800
Tax on net profit for the year	(7.360)	(56.430)
Net profit for the year	872	194.370

PROPOSED DISTRIBUTION OF PROFIT

	2017	2016
	DKK	DKK
Proposed distribution of profit		
Retained earnings	872	194.370
Total distribution	872	194.370

BALANCE 31 DECEMBER

ASSETS	2017	2016
	DKK	DKK
Shares	1.867	1.867
Long-term financial asset	61.236	61.236
Total financial assets	63.103	63.103
Total fixed assets	63.103	63.103
Trade receivables, intercompany	1.413.015	1.708.165
Income taxes	32.325	0
Deferred tax assets	5.053	6.738
Other receivables	21.932	179.256
Prepayments	43.831	0
Total receivables	1.516.156	1.894.159
Cash and cash equivalents	189.766	445.572
Total cash and cash equivalents	189.766	445.572
Total current assets	1.705.922	2.339.731
Total assets	1.769.025	2.402.834

EQUITY AND LIABILITIES	2017	2016
	DKK	DKK
Share capital	80.000	80.000
Retained earnings (note 3)	1.308.535	1.307.662
Total shareholders' equity	1.388.535	1.387.662
Trade payables, intercompany	0	432.736
Trade payables, 3 rd party	171.297	157.605
Other payables	209.193	419.239
Income taxes	0	5.592
Total short-term liabilities	380.490	1.015.172
Total liabilities	380.490	1.015.172
Total liabilities and shareholders's equity	1.769.025	2.402.834

Contractual obligations and contingencies, etc. (note 4)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING PRINCIPLES APPLIED

The Annual Report of the Company has been prepared in accordance with the provisions of the Danish Financial Statement Act for Class B companies.

The most significant elements of the accounting principles are described below. The accounting principles were applied consistently with the principles of prior year's financial reporting.

Recognitions and measurement

Revenue is recognized in the income statement as it is earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, write downs and provisions.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that the future economic benefits will flow from the Company and the value of the liability can be measured reliably.

Shares are recognized at cost.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at cost, thus recognizing a constant effective interest over the term. Amortized cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortization of the difference between cost and nominal value.

When recognizing and measuring assets and liabilities, any gains, losses and risks occurred prior to the presentation of the Annual Report will be considered and evidence of such conditions existing at the balance sheet date will be taken into account.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realized and unrealized exchange rate adjustments are included in the income statement as financial income/expenses.

Income statement

Revenue

Income comprises services rendered to the parent company.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, incl. vacation pay and pensions and other social security costs, etc. of its employees. The staff costs are deducted from payments received from public authorities.

Financial items

Financial income and expense and similar items are recognized in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense, realized and unrealized exchange rate gains, and losses on foreign currency transactions.

Tax on profit

Tax for the year consists of current tax for the year and deferred tax for the year. The tax relating to the profit for the year is recognized in the income statement.

Balance sheet

Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortized cost.

Corporation tax and deferred tax

Current tax liabilities and outstanding current tax are recognized in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding share where computation of the tax values can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

Deferred tax assets, including the tax value of the tax loss carry forwards, are measured at expected realizable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realizable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax

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because of changes in tax rates are recognized in the income statement. On the basis of the assessment made by the management in regards to realization of the Company's assets a tax rate of 22% has been applied then calculating deferred tax. When calculating tax on a net profit for the year the current tax rate of 22% has been applied.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Liabilities

Liabilities are measured at amortized cost equal to nominal value.

NOTE 2: NUMBER OF EMPLOYEES

Number of employees 2017: 2. Number of employees 2016: 4.

NOTE 3: SHAREHOLDERS' EQUITY

	Share capital DKK	Retained earnings DKK	Total DKK
Balance 1 January 2017	80.000	1.307.663	1.387.663
Result of the year (loss)	0	872	872
Shareholders' equity total	80.000	1.308.535	1.388.535

NOTE 4: CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.

The company has an obligation regarding lease of cars and equipment of TDKK 101 (2016: TDKK 216)

The company has a rent obligation of TDKK 122 (2016: TDKK 306).