

Reima Danmark ApS

c/o Harbour House

Sundkrogsgade 21

DK- 2100 Copenhagen

CVR no. 32892531

Annual report 2022

Chairman 

Elina Björklund

Approved at the Company's annual general meeting on 30 June 2023

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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 2022 – 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

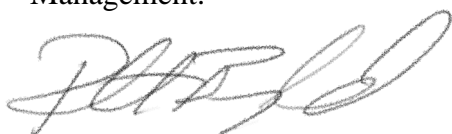
It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operation for the financial year 1 January 2022 – 31 December 2022.

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.

Copenhagen, 30 June 2023

Management:

A handwritten signature in dark ink, appearing to read 'R. Berglund', written over a light grey background.

Robert Berglund

Executive Board:

A handwritten signature in dark ink, appearing to read 'Elina Björklund', written over a light grey background.

Elina Björklund

INDEPENDENT AUDITOR'S 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 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Uncertainty regarding recognition and measurement

We draw attention to Note 5 “Uncertainty regarding recognition and measurement” of the financial statements, where it is stated that Reima Group Holding Oy is in breach of covenants. Reima Denmark ApS has receivables from group entities of DKK 2,368,900, which may be impaired as a consequence.

Our opinion is not modified in respect of this matter.

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.

- 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.

Reima Danmark ApS

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.

Aarhus, 30 June 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Mikkel Trabjerg Knudsen

State Authorised

Public Accountant

Reima Danmark ApS

COMPANY INFORMATION

Company name Reima Danmark ApS

CVR no. 32892531

Address c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

Management Robert Berglund

Executive Board Elina Björklund

Auditors KPMG P/S
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR: 25578198

Annual general meeting 30 June 2023

Ownership control Reima Europe Oy
Karhumäentie 3
FI-01530 Vantaa
Finland

The Company's financial statements are recognised in the consolidated financial statements for Reima Group Holding 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 parent 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 2022 – 31 December 2022 and the balance sheet at 31 December 2022.

The results for the year show a profit of DKK 7,911 (2021: DKK 444,176). The Management considers the results satisfactory. The Company has no employees and business activity is small at the end of 2022. No other significant changes have occurred in Company's activity from previous year. Reima Danmark ApS has only administrative activity and it is a sales organisation providing sales services. The parent company Reima Europe Oy is purchasing these services from Reima Danmark ApS. In 2022, Reima Danmark ApS has not sold anything directly to B2B nor B2C.

In May 2023, Reima Group signed the updated financial agreement. With this, also the financial covenants were redefined. The updated financial agreement matures on March 30th, 2024 but the lender has one sided option to extend the contract with 6 months.

In May 2023, Reima Group carried out a directed share issue to strengthen its equity and issued total of 8,898,465 new class F-shares. The equity increased by 8.9 MEUR of which 5.0 MEUR was converted from shareholder loan. The equity increase was fully recorded in reserve for non-restricted equity.

Uncertainty regarding recognition and measurement

In the ultimate parent company Reima Group Holding Oy's financial statements is stated the following:

"Going concern of the company and Group is dependent on that financial covenants of the borrowings are met. This indicates such uncertainty which may cast doubt on the company's and the Group's ability to continue as a going concern. The going concern has been applied in preparing the financial statements. In this case, it is assumed that Reima has adequate resources to remain in operation, and that management intends to do so, for at least one year from the date the financial statements are signed. Our opinion is not modified in respect of this matter."

The situation could affect the parents, Reima Europe Oy's, ability to repay its debts to Reima Denmark ApS of DKK 2,368,900 which could indicate that the receivable might be impaired

Subsequent events

In 2023 the management is planning a solvent liquidation of the company.

In February 2023, Reima Group has sold shares of Reima LLC and thus exited the Russian market. At the same time, Reima Group has relinquished Lassie-trademark. Reima Danmark ApS owned 1% of Reima LLC and thus booked a gain of 1,479,648 DKK from the sale. After the sale of Reima LLC, Reima Danmark ApS has no subsidiary shares.

INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER

	2022	2021
	DKK	DKK
Gross profit	12,273	3,342
Staff costs (note 2)	(481)	11,342
Profit before financial items	11,792	14,684
Income from other equity investments and securities	0	491,677
Other financial income from group entities	0	2,778
Other financial expenses	(405)	(1,298)
Profit before tax	11,387	507,841
Tax on profit for the year	(3,476)	(63,665)
Profit for the year	7,911	444,176

PROPOSED DISTRIBUTION OF PROFIT

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	7,911	444,176
Total distribution	7,911	444,176

BALANCE 31 DECEMBER

ASSETS	2022	2021
	DKK	DKK
Investments		
Other securities and equity investments	9,436	9,436
Total fixed assets	9,436	9,436
Receivables from group entities	2,368,900	2,115,541
Income taxes	6,524	3,336
Other receivables	26,245	13,715
Prepayments	494	27,616
Total receivables	2,402,163	2,160,208
Cash and cash equivalents	259,783	494,325
Total cash and cash equivalents	259,783	494,325
Total current assets	2,661,946	2,654,533
Total assets	2,671,382	2,663,969

Reima Danmark ApS

EQUITY AND LIABILITIES	2022	2021
	DKK	DKK
Share capital	80,000	80,000
Retained earnings	2,591,382	2,583,471
Total equity	2,671,382	2,663,471
Trade payables	0	498
Total short-term liabilities	0	498
Total liabilities	0	498
Total liabilities and equity	2,671,382	2,663,969

STATEMENT OF CHANGES IN EQUITY

	Share capital DKK	Retained earnings DKK	Total DKK
Balance at 1 January 2022	80,000	2,583,471	2,663,471
Result of the year (profit)	0	7,911	7,911
Total equity at 31 December 2022	80,000	2,591,382	2,671,382

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING PRINCIPLES APPLIED

The annual report of the Company has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statement Act with opt-in from higher reporting classes.

The most significant elements of the accounting principles are described below. The accounting principles were applied consistently with those of last year except the effect of the planned liquidation why assets and liabilities are stated at realization value.

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.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, and other operating income less external expenses.

Revenue

Income comprises services rendered to the parent company.

Other external expenses

Other external expenses comprise expenses for distribution, sales, marketing, administration, premises, etc.

Staff costs

Staff costs include wages and salaries, including holiday allowance 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 recognised in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense, realised and unrealised exchange rate gains, and losses on foreign currency transactions.

Tax on profit

Tax for the year comprises of current tax for the year and deferred tax for the year. The tax relating to the profit for the year is recognised 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 amortised cost.

Corporation tax and deferred tax

Current tax liabilities and outstanding current tax are recognised 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 carryforwards, are recognised at expected realisable value, either by payment of tax on future earnings or set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. On the basis of the assessment made by the management in regard to realisation of the Company's assets, a tax rate of 22% has been applied when 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 amortised cost equal to nominal value.

NOTE 2: STAFF COSTS

	2022	2021
	DKK	DKK
Salaries and wages	481	(13,568)
Other staff costs	0	2,226
	<hr/> 481	<hr/> (11,342)
Number of employees	<hr/> 0	<hr/> 0

NOTE 3: RELATED PARTIES

Reima Danmark ApS is fully owned by Reima Europe Oy.

Control

Reima Danmark ApS is part of the consolidated financial statements of Reima Group Holding Oy, registered office, which is the smallest group in which the Company is included as a subsidiary.

NOTE 4: EVENTS AFTER THE END OF THE FINANCIAL YEAR

In 2023 the management is planning a solvent liquidation of the company.

In February 2023, Reima Group has sold shares of Reima LLC and thus exited the Russian market. At the same time, Reima Group has relinquished Lassie-trademark. Reima Danmark ApS owned 1% of Reima LLC and thus booked a gain of 1 479 648 DKK from the sale. After the sale of Reima LLC, Reima Danmark ApS has no subsidiary shares.

NOTE 5: Uncertainty regarding recognition and measurement

In the ultimate parent company Reima Group Holding Oy's financial statements is stated the following:

"Going concern of the company and Group is dependent on that financial covenants of the borrowings are met. This indicates such uncertainty which may cast doubt on the company's and the Group's ability to continue as a going concern. The going concern has been applied in preparing the financial statements. In this case, it is assumed that Reima has adequate resources to remain in operation, and that management intends to do so, for at least one year from the date the financial statements are signed. Our opinion is not modified in respect of this matter."

The situation could affect the parents, Reima Europe Oy's, ability to repay its debts to Reima Denmark ApS of DKK 2,368,900 which could indicate that the receivable might be impaired