

Reima Danmark ApS

c/o Harbour House

Sundkrogsgade 21

DK- 2100 Copenhagen

CVR no. 32892531

Annual report 2020

Chairman

A handwritten signature in black ink, appearing to be 'Elina', written over a horizontal line.

Elina Björklund

Approved at the Company's annual general meeting on 28 June 2021

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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 2020 – 31 December 2020.

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 2020 and of the results of the Company's operation for the financial year 1 January 2020 – 31 December 2020.

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, 28 June 2021

Management:



Jani Koskinen

Executive Board:



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 2020, comprising income statement, balance sheet, statement of changes in equity 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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.
- 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

Reima Danmark ApS

requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 June 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Christian Engelbrecht Friis

State Authorised

Public Accountant

mne44180

Reima Danmark ApS

## COMPANY INFORMATION

Company name	Reima Danmark ApS
CVR no.	32892531
Address	c/o Harbour House Sundkrogsgade 21 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	28 June 2021
Ownership control	Reima Oy Karhumäentie 3 FI-01530 Vantaa Finland

The Company's financial statements are recognised 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 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 2020 – 31 December 2020 and the balance sheet at 31 December 2020.

The results for the year show a profit of DKK 271,707 (2019: DKK 483,949). The Management considers the results satisfactory. In 2020 Reima Danmark ApS received DKK 251,015 as dividend income from Reima LLC. 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. Reima Oy is purchasing these services from Reima Danmark ApS. In 2020, Reima Danmark ApS has not sold anything directly to B2B or B2C.

### **Subsequent events**

In April 2021, the Group renegotiated the financial agreements with its lenders. As part of the refinancing, financial covenants were redefined. Based on the estimates the Group will comply with the financial covenants in 2021. However, the financial covenant for equity ratio as of 31 December 2021 will require measures to strengthen the equity. Reima Danmark ApS is dependent on funding from the Reima Group.

### **Future prospects**

The Company expects a profit for the coming year.

**INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

	2020	2019
	DKK	DKK
<b>Gross profit</b>	<b>868,299</b>	<b>1,355,990</b>
Staff costs (note 2)	(804,330)	(1,256,816)
<b>Profit before financial items</b>	<b>63,969</b>	<b>99,174</b>
Income from equity investments	251,015	469,929
Financial income	10,215	74
Financial expenses	(6,162)	(7,056)
<b>Profit before tax</b>	<b>319,037</b>	<b>562,121</b>
Tax on net profit for the year	(47,330)	(78,172)
<b>Net profit for the year</b>	<b>271,707</b>	<b>483,949</b>

**PROPOSED DISTRIBUTION OF PROFIT**

	2020	2019
	DKK	DKK
<b>Proposed distribution of profit</b>		
Retained earnings	271,707	483,949
Total distribution	<u>271,707</u>	<u>483,949</u>

**BALANCE 31 DECEMBER**

<b>ASSETS</b>	2020	2019
	DKK	DKK
Shares	9,436	1,867
Long-term financial asset	0	61,236
<b>Total financial assets</b>	<b>9,436</b>	<b>63,103</b>
<b>Total fixed assets</b>	<b>9,436</b>	<b>63,103</b>
Trade receivables, intercompany	2,289,687	1,945,768
Inventory	0	153,663
Deferred tax assets	0	2,842
Other receivables	38,478	29,335
Prepayments	27,228	29,420
<b>Total receivables</b>	<b>2,355,393</b>	<b>2,161,028</b>
Cash and cash equivalents	116,205	209,628
<b>Total cash and cash equivalents</b>	<b>116,205</b>	<b>209,628</b>
<b>Total current assets</b>	<b>2,471,598</b>	<b>2,370,656</b>
<b>Total assets</b>	<b>2,481,034</b>	<b>2,433,759</b>

<b>EQUITY AND LIABILITIES</b>	2020	2019
	DKK	DKK
Share capital	80,000	80,000
Retained earnings	<b>2,139,295</b>	1,867,588
<b>Total equity</b>	<b>2,219,295</b>	<b>1,947,588</b>
Trade payables, third party	541	126,220
Trade payables, intercompany	0	41,357
Income taxes	14,366	2,834
Other payables	246,832	315,760
<b>Total short-term liabilities</b>	<b>261,739</b>	<b>486,171</b>
<b>Total liabilities</b>	<b>261,739</b>	<b>486,171</b>
<b>Total liabilities and equity</b>	<b>2,481,034</b>	<b>2,433,759</b>

**Contractual obligations and contingencies, etc. (note 3)**

**Related Parties (note 4)**

**Events after the end of the financial year (note 5)**

# STATEMENT OF CHANGES IN EQUITY

	Share capital DKK	Retained earnings DKK	Total DKK
Balance at 1 January 2020	80,000	1,867,588	1,947,588
Result of the year (profit)	0	271,707	271,707
<b>Total equity</b>	<b>80,000</b>	<b>2,139,295</b>	<b>2,219,295</b>

## **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.

#### **Recognition and measurement**

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

Assets are recognised 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 recognised 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 recognised 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 recognising a constant effective interest over the term. Amortised cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortisation of the difference between cost and nominal value.

When recognising 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.

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.

**Inventory**

Inventories are measured at the lower of cost, in accordance with the FIFO method and net realisable value.



### **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**

	2020	2019
	DKK	DKK
Salaries and wages	796,791	1,244,008
Other staff costs	7,539	12,808
	<hr/>	<hr/>
	804,330	1,256,816
	<hr/>	<hr/>
Number of employees	1	2
	<hr/>	<hr/>

**NOTE 3: CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.**

The Company has lease obligation of cars and equipment of DKK 11 thousand (2019: DKK 129 thousand)

The Company does not have rental obligations (2019: DKK 71 thousand).

**NOTE 4: RELATED PARTIES**

Reima Danmark ApS is fully owned by Reima Oy.

**Control**

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

**NOTE 5: EVENTS AFTER THE END OF THE FINANCIAL YEAR**

In April 2021, the Group renegotiated the financial agreements with its lenders. As part of the refinancing, financial covenants were redefined. Based on the estimates the Group will comply with the financial covenants in 2021. However, the financial covenant for equity ratio as of 31 December 2021 will require measures to strengthen the equity. Reima Danmark ApS is dependent on funding from the Reima Group.