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Chairman’s editorial

**Dear Reader,**

The past business year ended in the outbreak of the coronavirus crisis. This crisis is going to bring a great deal of change. Quite probably, it will lead to deeper awareness. Partnerships in which we support and reinforce each other without losing our balance and values may turn out to be a solution.

Cotton farming continues to be marked by huge imbalances. This is why we are particularly committed to our cause. It is beyond description how arbitrary things are in this sector, i.e. prices fixed by states way outside market reality, subsidies that remain unpaid, or tax demands that are justified theoretically but made inconsistently. This list is not exhaustive.

Take genetic modification of cotton seeds (GMOs): In India, a country overwhelmed by GMOs, it is virtually impossible to perform organic farming unless you can produce your own seeds for farming on GMO-free surfaces. And yet, there is contamination; no limit value has been defined. Nevertheless, we want to continue to farm the way we do in India against all odds. As a matter of fact, the year under review was to bring the first harvest produced by seeds developed by the bioRe Foundation. However, massive rainfall heavily hit the cotton crop, bioRe India Ltd. and us, setting us back one year. But next year, we will be able to supply most of our farmers with non-GMO seed. Owing to bioRe Tanzania Ltd., we are still in a position to supply non-GMO organic cotton only. Indian cotton contaminated by GMOs is sold in the conventional market, and the farmers get their premiums anyhow.

Some may say we are too harsh in enforcing non-GMO farming in India, thus causing conflict with human rights as we do not give our farmers a choice in this regard. However, we believe there is also a human right for sound agriculture that conserves the planet, does business

in a sustainable manner, maintains biodiversity and reinforces inner strength. After all, the Covid-19 crisis has demonstrated the importance of interconnectedness. Applying the principle of all-holder value, we are committed to enabling sustainable farming, taking on responsibility and caring for the safety of other human beings. Non-GMO farming is more than an attitude; it is a fundamental prerequisite for the future of our planet. And yet, it is for every individual to choose which community to contribute to and which rules to follow. As far as our farmers are concerned, we consider it our responsibility to provide good seed and, thus, crop certainty to them. This means we want to grow with them rather than changing course abruptly. We offer them our support, but it’s up to them to accept it. The difficult bit about our model is the fragility of balance. We can manage to hold the balance and provide room for everyone to develop towards the future only in co-operation with our partners in the value chain and the retail business. Of course, it is absolutely essential not to ignore the economic aspects. All-holder value is an all-encompassing path, a conscious approach throughout the textile chain in which improvements will certainly be required urgently for a long time to come. In this coronavirus crisis, it is our duty to do everything in our power to durably safeguard our values. This year, we are reporting hardly any profit as we have made provisions and impairments. Also we are not going to pay a dividend. To be on the safe side, we have taken out a Covid-19 loan because we cannot know how the situation is going to evolve, and we want to secure crop purchasing in the autumn.



## Remei bearing responsibility in a pioneering system

We made good headway with bioRe® Sustainable Textiles. We are negotiating with well-known businesses and hope they will join us on our path. We want to find demand where it exists spontaneously. We want to target responsible persons wishing to see respectful interaction with humans and nature throughout the entire textile chain. We have 30 years of experience in this field and apply the highest textile standards worldwide in our production processes.

With this last editorial of mine, I am saying goodbye to you in my capacity as Chairman of the Board. A new era has begun. I am handing over to Beat Bernet as the new Chairman. Beat Bernet has been a Remei board member for 21 years already. He will introduce a new generation to the board. My son Simon Hohmann, managing the company as Co-CEO with Marion Röttges, is proposed as candidate to fill the vacancy on the board. I wish both of them a good time, a great deal of success and deep fulfilment in their activity.

Dear shareholders, clients, suppliers and staff, I would like to thank you very cordially for your loyalty and support.

Yours truly,  
Patrick Hohmann  
Chairman of the Board

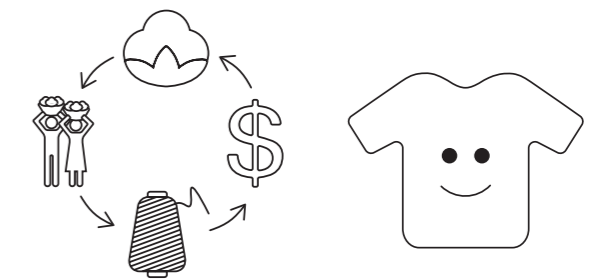
Whether for us or for anyone else, the past financial year ended in the Covid-19 pandemic. Remei switched over to work-from-home mode for several weeks on 16 March 2020.

In the past business year, we were very pleased and encouraged to witness rising awareness of the solutions Remei presents to the textile trade under the bioRe® brand. We offer specific answers to questions of increasing relevance to the retail trade and consumers.

Covid-19 not only stopped all of us abruptly in our personal and business routines; the virus has also put into focus the interconnections in global society and business that are not working smoothly anyhow. The frantic speed of short-term reactions prevailing in the fast-fashion industry exerts tremendous pressure on humankind, nature and merchandise. This was exposed relentlessly by the crisis in the spring of 2020 when various shortcomings in globalized trade were made visible by the virus demonstrating how many people making valuable contributions to the textile chain are completely at the mercy of a global system that takes far too little care of them. In many places, there is simply no sound culture of responsibility. While Europe is able to get by on state aid and social structures, people in the countries located at the origins of the textile chain are completely unprotected. Media, networks and NGOs rightly pointed to the severe implications of Covid-19 for international textile supply chains, calling for corporate responsibility among retail companies and brands. In the Western world, there were scant media reports about the situation of cotton farmers in the context of the textile industry, which is only

too common, unfortunately. But apart from the challenges to overcome, the crisis also made us aware of opportunities. Consumers are beginning to change their minds and companies are challenging business models. Once more, we have clearly been demonstrated the significance of sustainable supply chains and human rights. The only supply chains that enable companies to cope with distress are those based on reliability and relationships on an equal footing, and aimed at integrating all stakeholders and their needs, whether human beings or companies. Covid-19 has come with a major opportunity for adjusting controls worldwide. Now is the time to

prove that transparent textile supply chains of reasonable scope and based on strong relationships are resilient in nature, and that responsibility is required from companies and decision-makers in the textile industry.



## Working together across the entire textile chain

The most important thing about the entire textile chain is to work together and take on responsibility for raw materials and processes. Remei needs to cope with the impact of the pandemic across the entire textile chain, from fibre to fashion, from organic cotton fibre to finished pieces of textile. We have done this by trying to be close to our partners in the supply chain, the bioRe® companies in India and Tanzania and the bioRe® farmers. Together with our retail partners and the bioRe Foundation, we have been looking to find acceptable solutions for various issues in a spirit of solidarity.

Once more, we would like to thank our retail partners very cordially and express our appreciation of how responsibly they have been dealing with this extraordinary situation. The retailers and brands we have been supplying with bioRe® Sustainable Textiles product ranges and bioRe®

organic cotton are essential partners in an innovative business model aimed at making textiles with all-holder value. We will identify conflicts of interest and resolve them only if we work together. In this manner, we will make a positive contribution towards changing the global system.

Remei bears responsibility for an innovative ecosystem. Whether this different way of doing business is going to be effective clearly depends on solidarity, co-operation and unity with our partners. While our values and their meaning remain unchanged, their relevance to the global system is rising. We have to continue to communicate and convey our business model and the innovative aspects of our activities in order to win over more partners. It is a worthwhile cause, and Remei will be pleased to continue pursuing it in future.

## Financial result

# Positive response from the market

**It's in a crisis rather than in good years that the all-holder value approach proves its worth. The past financial year was one marked by a new beginning. With legacy issues cleared, we were inspired by positive thinking and hopeful prospects.**

We continued to focus on winning new garments customers and establishing new co-operation partnerships, and received positive response from the market. We achieved great sales growth and more visibility in the market with bioRe® Sustainable Textiles. Turnover of bioRe® cotton and bioRe® yarns was largely impacted by events in the global trade of raw materials and semi-finished goods.

In Tanzania, one of the farming regions of bioRe® organic cotton, unimaginable things happened in 2019 because the state-controlled minimum price for cotton was far beyond the world market price and retail businesses simply would not buy.

Conventional farmers were stuck with their cotton, i.e. their most significant source of income,

while bioRe® farmers were able to continue to rely on Remei purchasing their cotton crop in agreement with contracts and deadlines even in this extreme situation. Remei paid the market price plus the premium, bearing the selling risk and coping with market-price fluctuations.

The end of the financial year was marked by Covid-19. Remei cautiously made provisions for the coming business year in its financial statements and adjusted impairments on advance payments to the current crisis. Remei's liquidity is excellent, and yet we have taken out a Covid-19 loan to hedge against the risks related to further development of the situation. This is how we make sure we can purchase our bioRe® farmers' crop beginning in the autumn of 2020 in agreement with contracts.

	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
Sales (CHF)	18'348'809	18'044'186	20'232'599	18'572'678	<b>17'856'571</b>	-4%
Profit (CHF)	547'138	426'850	298'643	23'700	<b>25'136</b>	6%

### Product breakdown of total sales (CHF)

	%	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
bioRe® cotton	%	3'730'870	3'766'715	4'458'910	5'212'434	<b>4'229'589</b>	-19%
bioRe® yarn	%	4'179'213	4'564'408	4'193'144	3'835'820	<b>3'623'238</b>	-6%
bioRe® garments	%	10'438'726	9'713'063	11'580'545	9'524'424	<b>10'003'744</b>	5%

### Total sales by country

	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
Switzerland	10'945	8'973	10'721	9'482	<b>8'974</b>	-5%
Portugal	191	341	206	517	<b>1'928</b>	273%
Germany	1'339	2'052	2'875	2'088	<b>1'719</b>	-18%
Austria	503	351	384	280	<b>492</b>	76%
Various	5'371	6'327	6'047	6'206	<b>4'744</b>	-24%
<b>Total (TCHF)</b>	<b>18'349</b>	<b>18'044</b>	<b>20'233</b>	<b>18'573</b>	<b>17'857</b>	<b>-4%</b>

## Staff

# Teamwork

Direct exchange and agile co-operation are the basis of sustainable activity within the scope of Remei's business model. Managing the production network, from fibre to finished pieces of textile, the Remei team based at Rotkreuz, Switzerland, play a key role. The team co-operate with B2B retail partners in the market, partners in industrial production, the network partners of

the bioRe Foundation and the organic-farming businesses in India and Tanzania.

Our team are implementing Unique Sustainable Solutions under the bioRe® brand in order to secure the best possible offer of organic-cotton textiles with all-holder value to our retail partners.



The Remei team testing face masks for daily use bearing the bioRe® Sustainable Textiles quality label.

	2015/16	2016/17	2017/18	2018/19	2019/20
Number of staff	22	22	19	17	<b>17</b>
Full-time equivalent	19.9	19.8	16.6	14.6	<b>14.6</b>
Number of women	18	16	15	14	<b>14</b>
Number of men	4	6	4	3	<b>3</b>
Average age	36.2	39.5	40.2	40.6	<b>41.8</b>
Average years of service	5.5	5.9	6.7	8.4	<b>9.2</b>
Ratio between lowest and highest pay	3.8	3.5	3.4	3.2	<b>2.6</b>
Cost of further training CHF	21'346	21'050	11'625	14'752	<b>10'947</b>
Internal training courses on SA8000	2	2	2	2	<b>2</b>

Remei, an innovative business model based on all-holder value

## Textiles that create good values

Remei, headquartered at Rotkreuz (Switzerland), is the exclusive licensee of the bioRe® brand. The company has been one of the pioneers in the field of organic-cotton textiles since 1991. This Swiss enterprise has specialized in managing a sustainable value chain from fibre to finished pieces of textile, developing an innovative business model enabling it to meet economic, ecological and human-rights requirements in textile production.

As early as 1997, Patrick Hohmann, the founder of Remei and the bioRe Foundation, began to face up to the centrifugal forces of an entire industry, working against the trend to lay the foundation for an alternative business model based

on trust and reliability, and focusing on farmers as human beings and entrepreneurs.

Patrick Hohmann has initiated, implemented and expanded a visionary network that has proven, in the meantime, that it is possible to make textiles that create good values for everyone.

The bioRe® Standards demand cotton grown by non-GMO farming. Organic cotton is retraceable back to the farmers with whom Remei has entered into a relationship based on accountability, a purchase guarantee and a premium agreed on with the farmers. Textiles are produced ecologically, without the use of toxic substances and in a CO<sub>2</sub>-neutral manner.

## Resolving conflicts of interest

**As the network manager in the entire chain of textile production, from raw material, i.e. bioRe® organic cotton, to finished textiles, Remei plays a key role connecting all partners interacting with each other.**

In order to create a balance between ecological, social and economic aspects in the production and selling of organic-cotton textiles, conflicts of interest need to be resolved, both in substance and financially. This is a simple truth that sometimes takes a lot of courage to face.

Trust and mutual understanding help to resolve conflicts of interest. Trust in the partners working on solutions jointly, and trust in the process of weighing the pros and cons. Mutual understanding means promoting organic farming, building up fair trading principles and establishing humane and ecological production of textiles for consumers.



Redefining textile production. Unique Sustainable Solutions with all-holder value, from fibre to fashion.

Remei, an innovative business model based on all-holder value

## Remei's co-operation with bioRe India Ltd. and bioRe Tanzania Ltd.

**The organic-farming businesses are at the origin of the integrated bioRe® textile chain that interconnects farmers, industrial production and the retail trade as partners. The bioRe® companies in India and Tanzania are the exclusive sources of raw material and know-how for the farming of bioRe® cotton.**

Remei has been using bioRe® organic cotton exclusively for no less than twelve years. It grants bioRe® farmers a unique purchase guarantee and provides room for development to smallholders by means of a reliable trading partnership. Remei takes charge of building up market access for the bioRe® farmers and their organic cotton. Thus Remei shares the burden of market risk and the risk of price fluctuations. This is a systemically relevant factor as smallholders in India and Tanzania do not have market access of their own to the anonymous and speculative global commodities trade.

Pre-financing the bioRe® organic cotton and stocks, Remei ensures availability in the value chain and for the benefit of B2B customers.

In the retail business, this approach requires co-operation with B2B partners wishing to embed bioRe® as a long-term strategic solution. This is the only way for Remei to meet its responsibility.

Remei compensates for raw materials when purchasing organic cotton, paying a premium on the market price, which is an essential prerequisite for trading on fair terms. Taking on responsibility from fibre to finished pieces of textile, Remei creates transparency and retraceability of bioRe® Sustainable Textiles, from end products back to the origins.

Farming	2015/16	2016/17	2017/18	2018/19	2019/20
Farmers' premium (CHF)	446'105	338'482	376'060	499'372	<b>417'876</b>

	2015/16	2016/17	2017/18	2018/19	2019/20
<b>bioRe® India</b>					
Farmers enrolled (incl. satellite project)	3'907	4'986	4'573	2994	<b>3'300</b>
Output of seed cotton (t)	2'293	974	952	967	<b>338</b>
<b>bioRe® Tanzania</b>					
Farmers enrolled (incl. satellite project)	2'017	2'146	2'054	1'906	<b>1'792</b>
Output of seed cotton (t)	4'986	4'373	5'291	6'418	<b>5'375</b>
<b>Total number</b>					
Farmers enrolled (incl. satellite project)	5'924	7'132	6'627	4'900	<b>5'092</b>
Output of seed cotton (t)	7'279	5'347	6'243	7'385	<b>5'713</b>

Remei, an innovative business model based on all-holder value

## Remei's co-operation with the bioRe Foundation

**Remei is co-founder and a significant supporter of the bioRe Foundation. The bioRe Foundation was established by Patrick Hohmann in 1997. Its purpose is to promote the farming of organic cotton and to support disadvantaged groups of farmers.**

Patrick Hohmann always wanted to create a "sphere of production", both in essence and in spirit, where business would be governed by co-operation rather than competition. Alongside Remei, the bioRe Foundation developed into a network partner helping to balance interaction between a community and its individuals. Patrick Hohmann was primarily driven by his realisation that the farmers had too little to live on and that organic cotton might change that. This realisation continues to apply until this day.

Promoting organic farming and operating social projects, the bioRe Foundation contributes to addressing the social issues in the farmer communities, the villages and the families, and to working on solutions together with the farmers.

Remei considers the farmers to be entrepreneurs and important players in Remei's business model, which is why Remei gives them a purchase guarantee for bioRe® organic cotton and pays the bioRe® farmers a premium.

These two components are essential to the principles of fairness and reliability that constitute the basis of social activity giving the smallholders, the farmers and their families in India and Tanzania a right to development.

Remei provides long-term support, both financially and in spirit, to specific Foundation projects and to the fundamental project work performed by the bioRe Foundation. This is how funds are channeled through Remei to promote organic farming in India and Tanzania and to safeguard non-GMO cotton seeds in India. By means of a CO<sub>2</sub> fund compensating for CO<sub>2</sub> emissions in the value chain through construction by the bioRe Foundation of efficient stoves and biogas plants in Tanzania and India respectively, all textiles, yarns and fibres sold under the bioRe® brand have been produced CO<sub>2</sub>-neutrally since 2013. These projects help to save resources on site and create significant value for bioRe® Sustainable Textiles product ranges.

Co-operation with the bioRe Foundation	2015/16	2016/17	2017/18	2018/19	2019/20
Royalty fee to the bioRe Foundation (CHF)	-	-	49'292	99'626	<b>100'000</b>
Donations to the bioRe Foundation (CHF)*	140'010	100'000	58'290	-	<b>32'447</b>
CO <sub>2</sub> contribution to the bioRe Foundation (CHF)	45'697	52'485	42'767	47'721	<b>46'481</b>

\* New from 2018: royalty fee to the bioRe Foundation

Remei, an innovative business model based on all-holder value

## A head start for retail partners owing to participation in an innovative business model

Remei offers retail partners and decision-makers access to participation in an innovative business model that contributes to a change of system in the textile industry that we are all hoping for. We supply organic-cotton textiles that present solutions for the corporate sustainability goals of our B2B partners.

We develop and produce private-label collections for retailers and capsules for brands on the basis of the highest sustainability standards, without compromising on quality or design. At the same time, we secure supply of raw material from trustworthy sources and trading on fair terms, and control the entire production in a fully transparent chain, right through to styles ready for sale.

Co-operation with B2B partners also includes the possibility of a separate and individual involvement in the bioRe Foundation, reconciling the bioRe® retail offer with the socially relevant commitment of a trading company.



Remei textiles are produced in an entirely transparent supply chain, from seeds to finished pieces. This is how we approach problems that may arise in the supply chain due to fragmentation.

Remei, an innovative business model based on all-holder value

## Supply-chain management: from fibre to fashion, hand in hand with production partners

**Social standards, fully transparent supply chains and a network of partners: this is Remei's evidence to prove that textiles can be produced in a fair and transparent manner. In other words: non-GMO farming, trading on fair terms, including a purchase guarantee and a premium, ecological production without toxic substances, CO<sub>2</sub>-neutrality and retraceability back to farmers.**

### Long-term partnerships

In the past year, we co-operated with 36 production partners from farming to finished pieces of textile. The unvarying number of suppliers in the bioRe® network in recent years is evidence of the stability of our supply chain based on long-term partnerships.

### Demanding social and labour standards

To keep chains of production short and retain value creation at the sites of production, we decided in the 2019/20 financial year to continue to co-operate with Sunflag, the Tanzanian spinning mill. We agreed to conduct an amfori/BSCI audit as social standard, which turned out to be impossible as the auditors were unable to enter the country from Egypt due to Covid-19. The audit is now scheduled for the 2020/21 financial year. Due to this situation, turnover in SA8000-certified spinning mills dropped to 72% down from 91%. For sewing works, turnover in SA8000-certified businesses amounted to 100%. For dye-works and knitting mills, we managed to slightly raise turnover in SA8000-certified operations compared to the prior year.

### CO<sub>2</sub>-neutral production

In the 2019/20 financial year, all bioRe® Sustainable Cotton and Textiles yarns were made from bioRe® Sustainable Textiles and all Coop Naturaline textiles were produced CO<sub>2</sub>-neutrally. A total of approximately 8,547 tonnes of CO<sub>2</sub> were emitted. 92% of this amount of CO<sub>2</sub> in the 2019/20 financial year was set off by 1,362 bio-gas plants and 1,426 efficient cooking stoves, i.e. the projects run by the bioRe Foundation. The balance of 8% was compensated by advance contributions from the previous years. The

compensation surplus from advance contributions from the previous years amounts to 11,828 tonnes of CO<sub>2</sub>.

### CO<sub>2</sub> compensation

Owing to government subsidies of LPG (low-pressure gas) connections and increasing mechanisation of agriculture, CO<sub>2</sub> compensation by means of biogas plants is decreasing in India.

In Tanzania, demand for efficient cooking stoves is still there among farmer families. In the 2019/20 financial year, the bioRe Foundation built 1,005 new stoves on site. Remei's CO<sub>2</sub> contribution money to this project will ensure sufficient CO<sub>2</sub> compensation in future.



Woman farmer in Tanzania cooking on an efficient stove

Remei, an innovative business model based on all-holder value

### Purchase of bioRe® garments

	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
Utenos LT	2'658	3'000	4'001	3'001	<b>2'444</b>	-19%
Kaytee IN	265	300	373	342	<b>1'247</b>	265%
Century IN	1'259	1'689	1'064	1'164	<b>1'291</b>	11%
Wellknit IN	1'922	1'449	1'544	1'164	<b>1'065</b>	-9%
Beyond Textiles IN	0	0	0	25	<b>43</b>	72%
Various	212	48	26	620	<b>211</b>	-66%
<b>Total purchase (TCHF)</b>	<b>6'316</b>	<b>6'486</b>	<b>7'008</b>	6'316	<b>6'301</b>	<b>0%</b>

### Purchase by country (pieces)

	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
India	697'314	727'889	571'938	614'215	<b>701'919</b>	14%
Lithuania	343'345	380'795	467'686	365'760	<b>291'232</b>	-20%
Tanzania	0	650	0	0	<b>0</b>	-
Various	52	0	0	600	<b>0</b>	-100%

### SA8000

	2015/16	2016/17	2017/18	2018/19	2019/20
Number of production sites in the bioRe® control system*	31	35	34	38	<b>36</b>
Production in SA8000-certified sewing works (% of sales)	94%	87%	82%	100%	<b>100%</b>
Production in BSCI-audited sewing works (% of sales)	6%	13%	18%	0%	<b>0%</b>
Production in SA8000-certified dyeworks (% of sales)	75%	75%	81%	53%	<b>56%</b>
Production in BSCI-audited dyeworks (% of sales)	25%	25%	19%	21%	<b>35%</b>
Production in SA8000-certified knitting/weaving mills (% of sales)	70%	70%	76%	59%	<b>65%</b>
Production in BSCI-audited knitting/weaving mills (% of sales)	30%	30%	24%	21%	<b>35%</b>
Spinning mills with SA8000 certificate (% of production)	88%	87%	86%	91%	<b>72%</b>
Spinning mills with BSCI audit (% of production)	12%	13%	14%	9%	<b>8%</b>
Ginning with SA8000 certificate (% of production)	30%	17%	14%	11%	<b>6%</b>
Ginning with BSCI audit (% of production)	0%	0%	0%	0%	<b>0%</b>
Quality-assurance expenditure (lab, inspection, audits, cost of local farming inspection) (CHF)	68'138	55'380	67'522	78'379	<b>59'705</b>
Total quality-assurance expenditure as a percentage of total sales	0.37%	0.31%	0.33%	0.42%	<b>0.33%</b>

\*All production sites are GOTS (Global Organic Textiles Standard)-certified and subject to the bioRe® control system with regard to input management and mass-flow control.

### CO<sub>2</sub>-neutrality

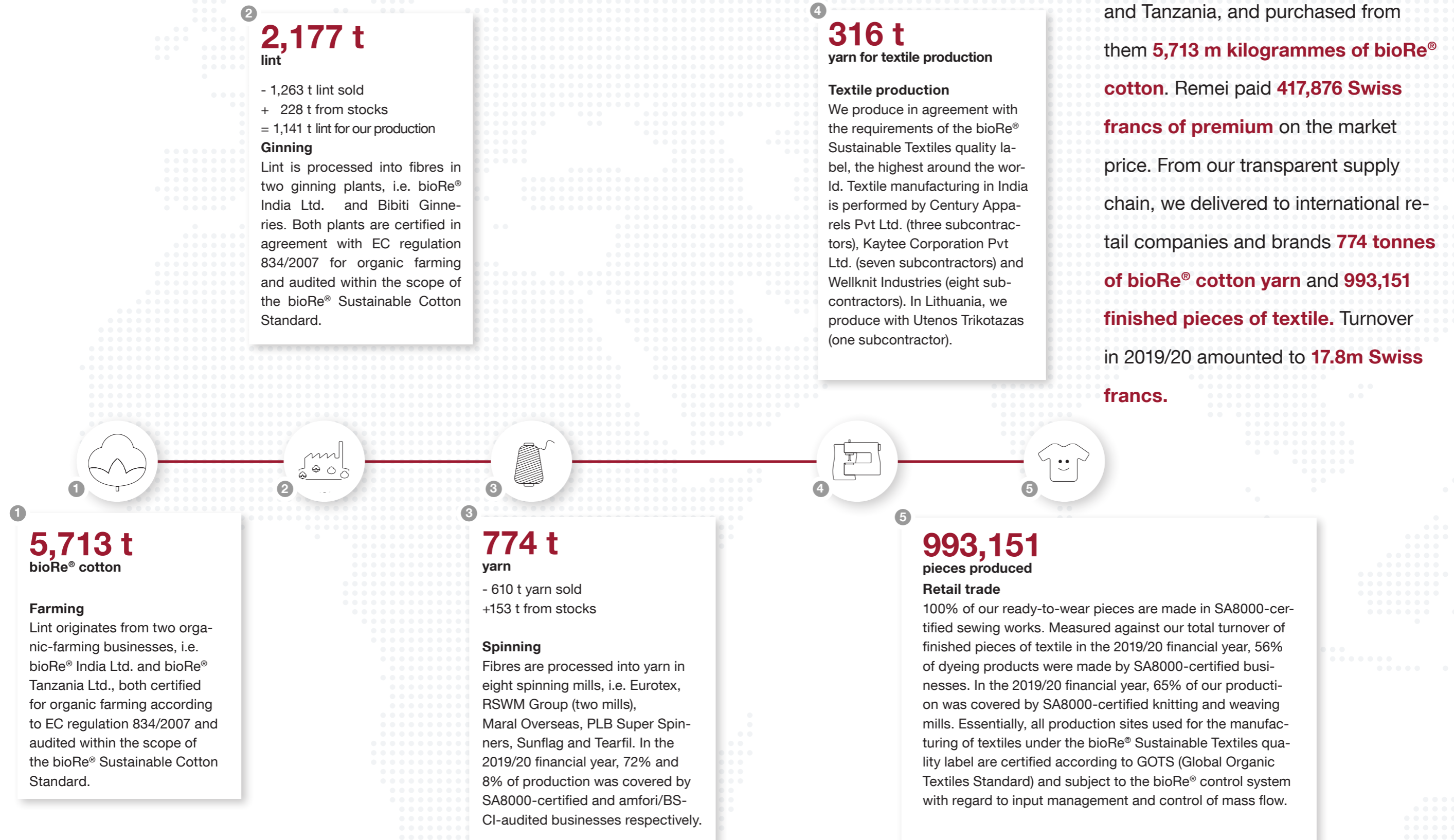
	2015/16	2016/17	2017/18	2018/19	2019/20
CO <sub>2</sub> emissions entire supply chain Remei AG 1	5'615	6'116	5'131	5'209	4'942
CO <sub>2</sub> emissions Naturaline (without suppliers of Remei AG)	2'781	3'113	2'629	2'087.5	3'364
CO <sub>2</sub> emissions production of bioRe® Cotton Inside	198	201	201.4	203.9	242
<b>Total CO<sub>2</sub> emissions (t CO<sub>2</sub>)</b>	<b>8'594</b>	<b>9'430</b>	<b>7'961</b>	<b>7'501</b>	<b>8'547</b>
<b>Total CO<sub>2</sub> compensation (t CO<sub>2</sub>)<sup>2</sup></b>	<b>8'811</b>	<b>8'599</b>	<b>6'975</b>	<b>5'443</b>	<b>7'899</b>
<b>Goal achievement for carbon neutrality</b>	<b>102.52%</b>	<b>91%</b>	<b>88%</b>	<b>73%</b>	<b>92%</b>

<sup>1</sup> CO<sub>2</sub> emissions entire supply chain Remei AG (Detailed calculation)

<sup>2</sup> Total CO<sub>2</sub>-compensation

Remei, an innovative business model based on all-holder value

## Mass flow in the 2019/20 financial year



In the 2019/20 financial year, Remei agreed on a purchase guarantee with **5,092 bioRe® smallholders** in India and Tanzania, and purchased from them **5,713 m kilogrammes of bioRe® cotton**. Remei paid **417,876 Swiss francs of premium** on the market price. From our transparent supply chain, we delivered to international retail companies and brands **774 tonnes of bioRe® cotton yarn** and **993,151 finished pieces of textile**. Turnover in 2019/20 amounted to **17.8m Swiss francs**.



Remei, an innovative business model based on all-holder value

## Co-operation with retail partners

Co-operation with retail partners is an important component of Remei's business model as it drives the model's innovative culture.

Remei plays a key role in the bioRe® network and interaction among the partners involved, enabling business with all-holder value in the field of organic cotton. The objective is to co-operate along the entire textile chain, to take charge of raw materials and processes, and to build up reliable relationships. As far as retail is concerned, this approach calls for co-operation

with B2B partners wishing to establish bioRe® as a long-term strategic solution. Co-operation with strong partners is the only way for Remei to take on responsibility in the long run. This long-term approach is shared by retail partners who understand the efficacy of our innovative business model. To a major extent, Remei's success is due to our partners.

### Sales bioRe® garments

	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
Coop Schweiz CH	8'062	6'164	7'964	6'403	<b>7'529</b>	18%
Mammut CH	1'259	1'280	915	987	<b>881</b>	-11%
Grüne Erde AT	453	300	365	269	<b>403</b>	50%
Greenpeace Media DE	0	22	0	0	<b>267</b>	100%
ZRCL CH	39	63	113	172	<b>236</b>	37%
Maloja DE	69	104	196	160	<b>114</b>	-29%
Various	557	1'520	2'028	1'533	<b>574</b>	-63%
<b>Total sales (TCHF)</b>	<b>10'439</b>	<b>9'453</b>	<b>11'581</b>	<b>9'524</b>	<b>10'004</b>	<b>5%</b>

### Sales by country (TCHF)

	2015/16	2016/17	2017/18	2018/19	2019/20	Diff. to prior year (%)
Switzerland	9'460	7'831	9'044	7'668	<b>8'783</b>	15%
Germany	297	1'000	1'492	903	<b>669</b>	-26%
Austria	453	300	365	269	<b>403</b>	50%
Various	229	322	57	193	<b>149</b>	-23%



Left: Your purchase of a limited-edition message shirt from Grüne Erde is a contribution enabling children in the organic-cotton farming regions to enjoy normal school routine. Photo: Grüne Erde

Right: Maloja T-shirt from current production



Partnerships, innovation and achievements with B2B

## 25 years of Naturaline. Congratulations to Coop, from the bottom of our hearts!

Coop's brand Naturaline is 25 years old by now. Right from the beginning, Naturaline has been based on the bioRe® brand. We would like to thank Coop for the many years of good and successful co-operation!

Naturaline, the brand for sustainable textiles launched by Coop in 1995, has changed the lives of almost 5,000 suppliers of raw materials, i.e. organic-cotton farmers in India and Tanzania, so far. Jointly, Coop and Remei have performed true pioneering work that got them the environmental award for sustainable partnerships at the UN World Summit in 2002.

To this day, the large volume of finished pieces of textile testifies to the success of the Naturaline brand. Remei ensures availability of yarns from bioRe® cotton traded on fair terms under the bioRe® Sustainable Cotton quality label. Furthermore, Remei develops for Naturaline finished garment textiles produced in a fully transparent chain and in agreement with the highest social and ecological standards required under the bioRe® Sustainable Textiles quality

label. As figures show, textiles made from sustainable cotton traded on fair terms are a true customer need: for years, Coop has been the world's number one in this field.

While Remei is in charge of trading cotton, manufacturing textiles and buying raw material from farmers for a fair price plus a premium, subject to a purchase guarantee, the bioRe Foundation, jointly established by Remei and Coop, is responsible for building up infrastructure in the farming countries and dealing with social matters such as education, health services or nutrition. As a long-standing supporter of the bioRe Foundation, Coop is committed to a variety of social and ecological projects, making a significant contribution to the development of non-GMO seeds in India.

## Remei style cases: Maloja

Remei offers retail partners willing to join in the business model based on all-holder value an opportunity to present themselves as partners: Maloja is a case in point.

"To be responsible for what you do, or fail to do for that matter, is not a new trend for us. It goes without saying. Ever since Maloja was established, we have focused on ethics, sustainability, respect for humankind and nature, and fairness in interaction with our partners. To work with Remei as our production partner sharing the-

se values fills us with great pleasure. It simply feels good to be sure that all bioRe® T-shirts in our collection have been produced on fair terms and with ecological responsibility, from seeds to finished pieces," say Peter Räuber and Klaus Haas, Maloja's managing directors.

## A clean record: Detox fashion by Remei and Greenpeace

**At the end of 2019, Remei of Switzerland achieved what the textile industry had been trying to implement in vain for eight years, i.e. industrial production according to Detox criteria. As a result, Remei started to deliver its new Detox collection to Greenpeace Media in Germany beginning this year. Clean, organic and on fair terms. This is what Remei is now offering to retailers and brands wishing to meet the Detox criteria by means of textiles bearing the bioRe® Sustainable Textiles quality label.**

On behalf of Greenpeace Media, a subsidiary of Greenpeace Germany, Remei has proven that it is possible to implement the Detox criteria on an industrial scale across the entire value chain. With its Greenpeace collection, Remei is demonstrating for the first time how to put into practice detoxified production at industrial level.

“To work on effective solutions for a sustainable textile chain together with our production partners is what we consider our mission. The Greenpeace collection is the best possible example you can think of. It is our aim to constantly improve on conditions and processes, from organic cotton to finished pieces of textile. We are very proud and highly pleased that the textiles we have developed and produced for Greenpeace Media under the bioRe® Sustainable Textiles quality label are now available to consumers,” says Marion Röttges, Co-CEO of Remei AG.

### Strong partners; new standards

Since September 2017, Remei has supported realisation of the Greenpeace collection. Greenpeace developed Greenpeace Global Textile Procurement Trial Standard, an industrial-procurement standard for sustainable textile production in line with Detox, with Remei contributing its specialist know-how in the field of sustainable value chains. For the purpose of Greenpeace Media’s collection, Remei heads product development, ensures availability of bioRe® organic cotton purchased on fair terms from smallholders in Tanzania, and controls production along the entire textile chain. 100% of textiles of the Detox collection are made from bioRe® organic cotton. The collection is produced by Utenos

Trikotazas, a textile factory in Lithuania. In 2017, Remei persuaded its long-standing production partner to sign up to the Detox commitment and to optimize all the factory processes.



Up-to-date style from Detox collection for Greenpeace Media

Now, the textiles for the Detox collection are knitted, dyed, printed and sewn there. Detox textiles by Greenpeace Media bear the bioRe® Sustainable Textiles quality label and are traceable individually in Remei’s Traceability Tool by means of a code.

### Our offer

Remei offers brands and retail businesses the possibility of developing and producing organic-cotton textiles and collections in agreement with the Greenpeace Global Textile Procurement Trial Standard. This is how Detox fashion finds its way to retail shops through committed brands and retailers.

## For Mammut, Remei turns fabric leftovers into T-shirts

**In the case of production on behalf of Mammut, Remei processes bioRe® fabric leftovers into new T-shirts for the first time ever. These T-shirts get a very special place in Mammut’s product range as unavoidable leftovers from the main collection are turned into high-quality organic-cotton styles available in various colours and shapes.**

Presenting the unique «O» T-shirt collection made from fabric leftovers, Remei and Mammut are showing it is possible to put an end to waste of resources and to make reasonable use of leftovers.

As a Swiss pioneer in the field of innovative manufacturing solutions for organic-cotton tex-

tiles produced in a fully transparent chain, Remei puts production from leftover fabrics into practice for Mammut. This is how Remei supports Mammut’s WE CARE strategy, enabling the company to minimize the ecological footprint of its production processes and products.



Styles from Mammut’s «O» T-shirts collection made from bioRe® organic-cotton leftovers. Photo: Mammut

## Financial statements

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## Balance sheet

in CHF	No.	reporting year 31.03.2020	previous year 31.03.2019
Cash and cash equivalents		956'288.00	944'261.55
Trade accounts receivable	1	3'716'731.72	2'977'537.79
Advance payments to suppliers	2	2'573'521.89	3'095'991.81
Other short-term receivables		60'235.35	29'898.98
Inventories	3	1'435'232.82	2'216'141.16
Prepaid expenses		132'735.92	111'861.58
<b>Current assets</b>		<b>8'874'745.70</b>	<b>9'375'692.87</b>
Property, plant and equipment	5	1'720'165.00	1'816'717.00
Financial assets	4	240'056.56	243'356.56
Intangible assets	6	40'268.00	80'535.00
<b>Non-Current assets</b>		<b>2'000'489.56</b>	<b>2'140'608.56</b>
<b>Total Assets</b>		<b>10'875'235.26</b>	<b>11'516'301.43</b>
Short-term financial liabilities		2'281'790.00	2'348'550.00
Trade accounts payable		128'434.58	644'709.98
Other short-term liabilities		314'038.19	299'944.30
Short-term provisions	7	12'000.00	0.00
Accrued expenses		242'410.41	207'671.24
<b>Short-term liabilities</b>		<b>2'978'673.18</b>	<b>3'500'875.52</b>
Long-term financial liabilities	8	1'000'000.00	1'000'000.00
<b>Long-term liabilities</b>		<b>1'000'000.00</b>	<b>1'000'000.00</b>
Share capital		1'800'000.00	1'800'000.00
Retained earnings		5'096'562.08	5'215'425.91
<b>Shareholders' equity</b>		<b>6'896'562.08</b>	<b>7'015'425.91</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>10'875'235.26</b>	<b>11'516'301.43</b>

## Income statement

in CHF	No.	reporting year 2019/20	previous year 2018/19
Net sales	9	17'674'707.98	18'203'440.47
Other operating income	10	4'921.08	4'921.08
<b>Income</b>		<b>17'679'629.06</b>	<b>18'208'361.55</b>
Cost of goods sold	11	-14'280'989.01	-14'480'224.62
CO2 contribution to the bioRe Foundation		-46'481.31	-47'720.66
Farmers' premium	12	-417'876.06	-499'372.05
<b>Gross profit 1</b>		<b>2'934'282.68</b>	<b>3'181'044.22</b>
Personnel expenses	13	-2'109'909.38	-2'198'211.78
<b>Gross profit 2</b>		<b>824'373.30</b>	<b>982'832.44</b>
Depreciation on property, plant and equipment	14	-124'841.97	-159'816.95
Amortisation on intangible assets	14	-40'267.00	-109'700.00
Value adjustment on investments	14	0.00	-85'000.00
Other operating expenses	15	-489'087.46	-496'989.61
<b>Operating profit</b>		<b>170'176.87</b>	<b>131'325.88</b>
Financial expenses		-209'833.85	-193'568.59
Financial income	16	109'999.35	92'947.25
<b>Ordinary profit</b>		<b>70'342.37</b>	<b>30'704.54</b>
Extraordinary profit	17	-44'447.00	0.00
<b>Net profit before taxes</b>		<b>25'895.37</b>	<b>30'704.54</b>
Taxes		-759.20	-7'004.60
<b>Net Profit for the year</b>		<b>25'136.17</b>	<b>23'699.94</b>

## Cash-flow statement

in CHF	No.	reporting year 2019/20	previous year 2018/19
Net Profit		25'136.17	23'699.94
Depreciation and amortisation	14	165'108.97	269'516.95
Value adjustment of financial assets	4	3'300.00	75'914.00
Increase/decrease in trade accounts receivable	1	-739'193.93	683'786.54
Increase/decrease in advance payments to suppliers	2	522'469.92	-547'081.07
Increase/decrease in other short-term receivables		-30'336.37	81'749.42
Increase/decrease in inventories	3	780'908.34	150'927.14
Increase/decrease in prepaid expenses		-20'874.34	-2'245.60
Increase/decrease in trade accounts payable		-516'275.40	380'406.68
Increase/decrease in other short-term liabilities		14'093.89	223'074.98
Increase/decrease in accrued expenses		34'739.17	-200'423.71
Increase/decrease in short-term provisions	7	12'000.00	0.00
<b>Cash flow from operating activities</b>		<b>251'076.42</b>	<b>1'139'325.27</b>
Investment in property, plant and equipment	5	-28'289.97	0.00
Divestment of property, plant and equipment	5	0.00	11'285.05
Divestment of financial assets	4	0.00	119'652.00
Investment in intangible assets	6	0.00	-120'800.00
<b>Cash flow from investing activities</b>		<b>-28'289.97</b>	<b>10'137.05</b>
Dividend payments		-144'000.00	-216'000.00
Increase/Repayment of short-term financial liabilities		-66'760.00	-773'680.00
<b>Cash flow from financing activities</b>		<b>-210'760.00</b>	<b>-989'680.00</b>
<b>Change in cash and cash equivalents</b>		<b>12'026.45</b>	<b>159'782.32</b>
<b>Statement of cash and cash equivalents</b>			
Cash and cash equivalents as of April 1st		944'261.55	784'479.23
Cash and cash equivalents as of March 31st		956'288.00	944'261.55
<b>Change in Cash and cash equivalents</b>		<b>12'026.45</b>	<b>159'782.32</b>

# Statement of change in equity

in CHF	Share capital	Capital reserves	Treasury shares	Retained earnings	SHAREHOLDERS' TOTAL EQUITY
<b>Equity as of April 1st 2018</b>	<b>1'800'000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5'407'725.97</b>	<b>7'207'725.97</b>
Disposal of treasury shares			-54'400.00		-54'400.00
Sale of treasury shares			54'400.00		54'400.00
Profit for the year 2018/19				23'699.94	23'699.94
Dividends for the year 2017/18				-216'000.00	-216'000.00
<b>Equity as of March 31st 2019</b>	<b>1'800'000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5'215'425.91</b>	<b>7'015'425.91</b>
Disposal of treasury shares					0.00
Sale of treasury shares					0.00
Profit for the year 2019/20				25'136.17	25'136.17
Dividends for the year 2018/19				-144'000.00	-144'000.00
<b>Equity as of March 31st 2020</b>	<b>1'800'000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5'096'562.08</b>	<b>6'896'562.08</b>

Remei AG's share capital is composed of 180,000 registered shares with restricted transferability, each with a par value of CHF 10.00 (prior year: 180,000 registered shares with restricted transferability, each with a par value of CHF 10.00). Remei AG has neither contingent nor authorised capital. Its non-distributable statutory retained earnings amount to CHF 477'000 (previous year: CHF 471'600).

# Notes to the financial statements

## Accounting principles according to SWISS GAAP FER

### Background

Remei AG considers it important that its financial statements provide to investors, staff and any interested party a comprehensive true and fair view of the company's assets, finances and earnings. Accounting at Remei AG is performed in agreement with the guidelines specified by FER, the Swiss accounting and reporting recommendations (entire set of Swiss GAAP FER rules). The financial statements established in agreement with Swiss GAAP FER also constitute the statutory financial statements required by commercial law, which is why they do not include any deferred tax liabilities. Compliance with the accounting principles is checked upon by Remei AG's external auditors. The annual accounts were approved by Remei AG's board of directors on June 12<sup>th</sup> 2020.

### Basics and principles of valuation

#### FOREIGN-CURRENCY TRANSLATION

Foreign currencies are converted by means of the reporting-date method. This means that current market prices on the reporting date are applied to convert assets. Translation differences are recognised in the income statement.

#### CASH AND CASH EQUIVALENT

Cash and cash equivalents are recognised on the basis of nominal value.

#### TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are recognised on the basis of nominal value (market prices on the reporting date). Value adjustments are made on the basis of historical rates, i.e. 1%, 5%, 50% and 100% for receivables older than 60, 90, 180 and 360 days respectively.

#### ADVANCE PAYMENTS TO SUPPLIERS

Advance payments to suppliers are recognised on the basis of nominal value, i.e. the face value of the means of payment.

#### INVENTORIES

Inventories are recognised according to the principle of lower of cost or market, i.e. purchasing or manufacturing cost vs. net market value. Purchasing or manufacturing costs includes all expenditure incurred to forward inventories to their current location and achieve their current state. The net market value is established by subtracting any selling expenses from the current price in the market. Discounts are considered as reductions of the purchasing price. Single-item value adjustments are performed on inventory items of no value while the following general value adjustment applies to marketable merchandise currently in stock: 0% up to 2 years; 20% 3-5 years; and 50% in excess of 5 years. Due to their low risk, cotton inventories are not subject to value adjustment.

#### PROPERTY, PLANT AND EQUIPMENT

The value of property, plant and equipment is established by subtracting necessary amortisation from purchasing or manufacturing cost. Assets are subject to linear write-off over their useful life.

Co-owned property with construction rights	50 years
Office extension	15 - 25 years
Furniture and fittings	8 years
Office and IT equipment	3 years
Passenger cars	5 years

#### FINANCIAL ASSETS

The value of financial assets is established by subtracting any impairment from the purchasing cost. This means that securities held over the long term are recognised at purchasing cost or at current value if the latter is lower.

#### INTANGIBLE ASSETS

Acquired intangible assets are recognised if they produce a measurable benefit to the company for several years. Intangible assets generated in-house are recognised to the extent to which conditions for recognition are met. Acquired intangible assets and those generate in-house are recognised at purchasing cost and at manufacturing cost respectively. Intangible assets are subject to linear write-off. Software is written off linearly over a period of three years. As a general rule, write-off over a period of five years applies in case of impossibility to clearly determine useful life.

#### IMPAIRMENTS

On each reporting date, all assets must be checked for the presence of any indication of impairment. In case of sustained impairment, the book value is reduced to the recoverable value. Impairments are recognised in the income statement.

#### LIABILITIES

Liabilities must be recognised on the basis of nominal value of the means of payment. Foreign-currency items by means of the reporting-date method. This means that prices on the reporting date are applied to convert differences are recognised in the income statement.

#### PROVISIONS FOR WARRANTY CLAIMS AND RISKS

Any probable liabilities from past events whose amounts, probability of occurrence and due dates cannot be determined with certainty, are recognised as provisions, irrespective of whether those liabilities may be legal or factual in nature. On each reporting date, the value of such provisions is established on the basis probable outflow of and cash equivalent.

#### CONTINGENT LIABILITIES

Guarantees, warranty liabilities and any pledging for the benefit of third parties are reported in the notes as contingent liabilities recognised at net market value.

#### DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are categorised according to their purpose: hedging transactions are recognised on the same basis as the underlying business; trading transactions are recognised on the basis of market prices on the reporting date; transactions for other purposes are recognised on the basis of market prices on the reporting date or according to the principle of lower of cost or market. Uniform valuation criteria apply.

#### PENSION SCHEME

Remei AG staffs are insured with CoOpera Sammelstiftung PUK, a group pension scheme subject to Swiss law. Pension liabilities covering retirement, death and disability are funded by contributions from Remei AG and its staff.

#### TAXES

Given that the financial statements established in agreement with Swiss GAAP FER also constitute the statutory financial statements required by commercial law, there are no deferred tax liabilities resulting from valuation differences.

## Notes

	reporting year	previous year
in CHF	31.03.2020	2018/19
No.		
<b>1 Trade accounts receivable</b>		
from third parties	3'761'823.20	3'022'359.45
Provision for contingent losses	-45'091.48	-44'821.66
<b>Total</b>	<b>3'716'731.72</b>	<b>2'977'537.79</b>
<b>2 Advance payments to suppliers</b>		
Advance payment to RSWM India	166'087.29	48'426.84
Advance payment to bioRe® Tanzania Ltd.	823'907.14	877'866.55
Advance payment to Eurotex India	1'379'595.26	2'169'698.42
Advance payment to bioRe India® Ltd.	311'065.90	0.00
Advance payment to Sunflag (Tanzania) Ltd.	137'866.30	0.00
Valuation adjustment for impending losses from advance payments	-245'000.00	0.00
<b>Total</b>	<b>2'573'521.89</b>	<b>3'095'991.81</b>
<b>3 Inventories</b>		
Cotton	416'466.93	1'303'642.73
Yarns	697'812.01	854'736.23
Garments	386'633.26	104'497.35
Value adjustment	-65'679.38	-46'735.15
<b>Total</b>	<b>1'435'232.82</b>	<b>2'216'141.16</b>
<b>4 Financial assets</b>		
<u>Securities:</u>		
CoOpera AG	77'900.00	77'900.00
Various certificates / shares	746.56	746.56
<u>Loan:</u>		
BIBITI Ginneries Ltd.	96'410.00	99'710.00
<u>Investment</u>		
bioRe® India Ltd.	65'000.00	65'000.00
<b>Total CHF</b>	<b>240'056.56</b>	<b>243'356.56</b>

CoOpera AG securities are held over the long term.

The investment include our participation in bioRe® India Limited based in Kasrawad, India. The share capital of bioRe India Limited amounts to Indian rupees 32,093,130. Remei AG holds 787,376 shares of a par value of INR 10.00, which accounts for a participation of 24.53%.

in CHF					Total CHF
No.	Furniture and fittings	Office and IT equipment, communications	Vehicles	Office and administrative buildings	
<b>5 Property, plant and equipment</b>					
<b>Net book value as of April 1st 2018</b>	<b>19'218.00</b>	<b>29'455.00</b>	<b>51'072.00</b>	<b>1'888'074.00</b>	<b>1'987'819.00</b>
<b>Purchasing cost</b>					
Status on April 1st 2018	257'885.21	315'176.66	109'194.44	3'281'876.15	3'964'132.46
Additions	-	-	-	-	0.00
Disposals	-	-	-70'833.33	-	-70'833.33
<b>Status on March 31st 2019</b>	<b>257'885.21</b>	<b>315'176.66</b>	<b>38'361.11</b>	<b>3'281'876.15</b>	<b>3'893'299.13</b>
<b>Total impairment</b>					
Status on April 1st 2018	-238'667.21	-285'721.66	-58'122.44	-1'393'802.15	-1'976'313.46
Ordinary depreciation	-3'990.00	-27'929.00	-24'441.95	-103'456.00	-159'816.95
Disposals	-	-	59'548.28	-	59'548.28
<b>Status on March 31st 2019</b>	<b>-242'657.21</b>	<b>-313'650.66</b>	<b>-23'016.11</b>	<b>-1'497'258.15</b>	<b>-2'076'582.13</b>
<b>Net book value as of March 31st 2019</b>	<b>15'228.00</b>	<b>1'526.00</b>	<b>15'345.00</b>	<b>1'784'618.00</b>	<b>1'816'717.00</b>
<b>Property, plant and equipment</b>					
<b>Net book value as of April 1st 2019</b>	<b>15'228.00</b>	<b>1'526.00</b>	<b>15'345.00</b>	<b>1'784'618.00</b>	<b>1'816'717.00</b>
<b>Purchasing cost</b>					
Status on April 1st 2019	257'885.21	315'176.66	38'361.11	3'281'876.15	3'893'299.13
Additions	5'920.24	22'369.73	-	-	28'289.97
Disposals	-	-	-	-	0.00
<b>Status on March 31st 2020</b>	<b>263'805.45</b>	<b>337'546.39</b>	<b>38'361.11</b>	<b>3'281'876.15</b>	<b>3'921'589.10</b>
<b>Total impairment</b>					
Status on April 1st 2019	-242'657.21	-313'650.66	-23'016.11	-1'497'258.15	-2'076'582.13
Ordinary depreciation	-4'730.24	-8'982.73	-7'672.00	-103'457.00	-124'841.97
Disposals	-	-	-	-	0.00
<b>Status on March 31st 2020</b>	<b>-247'387.45</b>	<b>-322'633.39</b>	<b>-30'688.11</b>	<b>-1'600'715.15</b>	<b>-2'201'424.10</b>
<b>Net book value as of March 31st 2020</b>	<b>16'418.00</b>	<b>14'913.00</b>	<b>7'673.00</b>	<b>1'681'161.00</b>	<b>1'720'165.00</b>

in CHF

No.

6 Intangible assets	Brands / Licences	Development costs	Other intangible assets	Software	Total CHF
<b>Net book value as of April 1st 2018</b>	<b>1.00</b>	<b>39'253.00</b>	<b>8'255.00</b>	<b>21'926.00</b>	<b>69'435.00</b>
<b>Purchasing cost</b>					
Status on April 1st 2018	22'437.00	117'760.00	24'763.10	123'800.21	288'760.31
Additions	-	120'800.00	-	-	120'800.00
Disposals	-	-	-	-	0.00
<b>Status on March 31st 2019</b>	<b>22'437.00</b>	<b>238'560.00</b>	<b>24'763.10</b>	<b>123'800.21</b>	<b>409'560.31</b>
<b>Total impairment</b>					
Status on April 1st 2018	-22'436.00	-78'507.00	-16'508.10	-101'874.21	-219'325.31
Ordinary depreciation	-	-79'520.00	-8'255.00	-21'925.00	-109'700.00
Disposals	-	-	-	-	0.00
<b>Status on March 31st 2019</b>	<b>-22'436.00</b>	<b>-158'027.00</b>	<b>-24'763.10</b>	<b>-123'799.21</b>	<b>-329'025.31</b>
<b>Net book value as of March 31st 2019</b>	<b>1.00</b>	<b>80'533.00</b>	<b>0.00</b>	<b>1.00</b>	<b>80'535.00</b>

Intangible assets	Brands / Licences	Development costs	Other intangible assets	Software	Total CHF
<b>Net book value as of April 1st 2019</b>	<b>1.00</b>	<b>80'533.00</b>	<b>0.00</b>	<b>1.00</b>	<b>80'535.00</b>
<b>Purchasing cost</b>					
Status on April 1st 2019	22'437.00	238'560.00	24'763.10	123'800.21	409'560.31
Additions	-	-	-	-	0.00
Disposals	-	-	-	-	0.00
<b>Status on March 31st 2020</b>	<b>22'437.00</b>	<b>238'560.00</b>	<b>24'763.10</b>	<b>123'800.21</b>	<b>409'560.31</b>
<b>Total impairment</b>					
Status on April 1st 2019	-22'436.00	-158'027.00	-24'763.10	-123'799.21	-329'025.31
Ordinary depreciation	-	-40'267.00	-	-	-40'267.00
Disposals	-	-	-	-	0.00
<b>Status on March 31st 2020</b>	<b>-22'436.00</b>	<b>-198'294.00</b>	<b>-24'763.10</b>	<b>-123'799.21</b>	<b>-369'292.31</b>
<b>Net book value as of March 31st 2020</b>	<b>1.00</b>	<b>40'266.00</b>	<b>0.00</b>	<b>1.00</b>	<b>40'268.00</b>

in CHF

No.

7 Short-term provisions	restructuring provisions	Total CHF
formation of provisions	-12'000.00	-12'000.00
<b>Status on March 31st 2020</b>	<b>-12'000.00</b>	<b>-12'000.00</b>

On 31 January 2020, the World Health Organisation (WHO) identified the spread of COVID-19 (the so-called "coronavirus") as an international health emergency. The Board of Directors and the Executive Board of Remei AG followed the events and took the necessary measures to secure liquidity and reduce personnel and fixed costs. At the time of approval of these financial statements, the financial consequences of the direct and indirect effects of this disease cannot yet be reliably assessed. The extent of the impact on the company may change depending on the course of the pandemic.

As the coronavirus reached epidemic or pandemic proportions before the balance sheet date, the event will be reflected in the 2019/20 financial statements in accordance with statutory accounting principles. Under short-term provisions, the amount of CHF 12,000 was recorded as extraordinary expense, corresponding to 50% of the annual profit for 2019/20, in accordance with the tax law of the Canton of Zug.

## 8 Long-term liabilities

Long-term liabilities are in the form of an unsecured support loan from Alternative Bank Schweiz AG in the amount of CHF 1,000,000.00. This loan is perpetual and may be terminated subject to six weeks' notice.

	reporting year 31.03.2020	previous year 2018/19
<b>9 Net sales</b>		
Gross sales	17'856'570.68	18'572'677.83
packaging costs	0.00	3'768.34
Client complaints	-42'373.13	-46'213.01
Commissions	-49.04	-1'409.30
Sales deductions	-139'440.53	-325'383.39
<b>Total</b>	<b>17'674'707.98</b>	<b>18'203'440.47</b>
Remei AG reports sales based on Incoterms agreed upon with its customers. Remei AG generates its sales by trading bioRe® cotton, bioRe® yarn and bioRe® garments. The five segments account for the following shares of gross sales:		
cotton	4'229'589.27	5'212'434.10
yarn	3'623'238.18	3'835'819.93
garments	10'003'743.23	9'032'587.56
Naturaline International	0.00	229'903.61
OC - Outfitters of Change	0.00	261'932.63
<b>Total</b>	<b>17'856'570.68</b>	<b>18'572'677.83</b>

## 10 Other operating income

Wage and administration income from bioRe® Foundation	4'921.08	4'921.08
<b>Total</b>	<b>4'921.08</b>	<b>4'921.08</b>

## 11 Cost of goods sold and farmers' premium

Cost of goods sold	13'433'466.84	13'638'822.96
Third-party services	158'788.20	261'261.57
Direct purchasing expenses	785'782.40	690'431.78
Cost of complaints charged to suppliers	-33'519.80	-33'657.68
Reduction of purchase price	-63'528.63	-76'634.01
<b>Total</b>	<b>14'280'989.01</b>	<b>14'480'224.62</b>

in CHF

No.

## 12 Farmers' premium

Sustainability is fundamental to Remei AG's mission statement. The cotton premium paid to local farmers is reported as a separate item in the income statement. Amounts paid as a premium depend on crop volumes.

	reporting year	previous year
in CHF	31.03.2020	2018/19

## 13 Personnel expenses

Salaries	1'726'144.48	1'792'043.34
Employee profit sharing	0.00	0.00
Social-security contributions	257'587.08	272'469.26
Other personnel expenses	126'177.82	133'699.18

<b>Total</b>	<b>2'109'909.38</b>	<b>2'198'211.78</b>
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## 14 Depreciation and amortisation

Ordinary depreciation on property, plant and equipment	124'841.97	159'816.95
Ordinary amortisation on intangible assets	40'267.00	109'700.00
Value adjustment on investments	-	85'000.00

<b>Total</b>	<b>165'108.97</b>	<b>269'516.95</b>
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## 15 Other operating expenses

Rent	38'560.60	37'281.55
Maintenance, repair	18'856.54	20'458.33
Vehicles	6'518.57	9'092.63
Property insurance	9'380.72	9'726.29
Charges, levies, permits	6'290.59	12'796.12
Licencing fees to the bioRe® Foundation	100'000.00	99'626.40
Energy and disposal	11'054.33	14'100.46
Administration	115'480.42	106'256.93
IT	25'643.11	24'570.20
Advertisement	155'241.58	158'492.63
Donations and contributions	2'061.00	4'588.07

<b>Total</b>	<b>489'087.46</b>	<b>496'989.61</b>
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## 16 Extraordinary profit

Income from financial investments	109'999.35	92'947.25
<b>Total</b>	<b>109'999.35</b>	<b>92'947.25</b>

## 17 Extraordinary profit

Donations to the bioRe® Foundation	32'447.00	0.00
formation of provision for COVID-19	12'000.00	0.00
<b>Total</b>	<b>44'447.00</b>	<b>0.00</b>

in CHF

No.

## 18 Pension Benefit Obligations

Surplus and pension benefit expenses	Surplus cover according to FER 26		Economic part of the corporation		Contributions accrued for the period	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Pension scheme with surplus	14'534'000.00	19'213'000.00	0.00	0.00	107'418.55	110'595.90
<b>Total</b>	<b>14'534'000.00</b>	<b>19'213'000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>107'418.55</b>	<b>110'595.90</b>

## 19 Derivative financial instruments

No ongoing forward transactions on reporting date (prior year: 0).

## 20 Declaration of employees

In the 2019/20 business year, a total of 14.5 full-time equivalents were occupied at Remei AG, compared to 14.6 full-time equivalents in 2018/19.

## 21 Transactions with related parties and organisations

The term 'related parties' applies to all members of the board of directors and the executive management.

In the 2019/20 financial year, the chairman of the board granted a loan subject to 3% interest and repaid on 31st March 2020. In the 2018/19 financial year, Remei AG bought shares in the amount of CHF 54,400 from the chairman of the board. There are no credit balances or debts in relation to related parties.

Information on transactions involving treasury shares:	Number of shares		Share price on reporting date		Average transaction price	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Status on March 31 <sup>st</sup>	0	0	-	34.00	-	34.00
Purchase of treasury shares	0	1'600	-	34.00	-	34.00
Disposal of treasury shares	0	-1'600	-	34.00	-	34.00
<b>Status on March 31<sup>st</sup></b>	<b>0</b>	<b>0</b>				

The average transaction price corresponds to the net market value. There are no contingent liabilities resulting from treasury shares acquired or sold. The company holds no treasury shares (previous year: CHF 0) as equity instruments of the company.

in CHF

	reporting year	previous year
	2019/20	2018/19

## 22 Assets pledged as collateral for own liabilities

Cash and cash equivalents	956'288.00	944'261.55
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<b>Total CHF</b>	<b>956'288.00</b>	<b>944'261.55</b>
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Of the book value of the jointly-owned property in the amount of CHF 1'681'161 (prior year: CHF 1'784'618), only CHF 51,155 is subject to a first-rank mortgage note for the benefit of the building-lease creditor.

## 23 Contingent receivables and liabilities

On the balance-sheet date, material contingent liabilities with regard to open letters of credit amounted to CHF 1'060'510 (prior year CHF 1'246'375) and no warranties vis-à-vis third parties (prior year CHF 0).

## 24 Events after the balance-sheet date

No such events were known when the annual accounts were closed.



## Proposed appropriation of available earnings

in CHF	reporting year 2019/20	previous year 2018/19
<b>Available earnings before distribution at the disposal of the Annual General Meeting:</b>		
Profit carried forward from prior year	232'378.59	358'078.65
Profit for the year	25'136.17	23'699.94
<b>Total</b>	<b>257'514.76</b>	<b>381'778.59</b>
<b>The board of directors proposes for the Annual General Meeting to appropriate available earnings as follows:</b>		
Allocation to statutory retained earnings	0.00	-5'400.00
Allocation to voluntary retained earnings	0.00	0.00
Dividend paid out 0% (PY 8%) of the eligible capital of CHF 1'800'000.00	0.00	-144'000.00
<b>Amount carried forward</b>	<b>257'514.76</b>	<b>232'378.59</b>
<b>Statement of retained earnings</b>		
Statutory retained earnings	477'000.00	471'600.00
Voluntary retained earnings	4'220'000.00	4'220'000.00
Revaluation reserves	142'047.32	142'047.32
Available earnings	257'514.76	381'778.59
<b>Retained earnings</b>	<b>5'096'562.08</b>	<b>5'215'425.91</b>

## Statutory auditor's report

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Report of the statutory auditor  
to the general meeting of  
Remei AG  
6343 Rotkreuz

**Mattig-Suter und** Treuhand- und  
**Partner Schwyz** Revisionsgesellschaft

### Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Remei AG, which comprise the balance sheet as at March 31, 2020, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the financial statements (pages 19 to 29) for the year then ended.

#### Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Director's Report

Mitglied vom EXPERTForum



SWISS  
EXCELLENCE  
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GGI  
INDEPENDENT MEMBER

Opinion

In our opinion, the financial statements for the year ended March 31, 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Schwyz, June 29, 2020 lle

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