Reima Group

Report of the Board of Directors,
consolidated financial statements
and parent company financial statements
as at and for the year ended
31 December 2025

Reima Group Holding Oy
c/o Reima Europe Oy
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Business ID: 2409044-2

Unofficial translation

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REPORT BY THE BOARD OF DIRECTORS

Reima is a globally leading brand in kids' activewear. It is known for its award-winning innovation and high-quality clothing. Reima offers a 'tip-to-toe', year-around collection for active kids aged 0 to 12 years. In addition to outdoor and innerwear clothing, the offering includes a wide range of accessories, footwear as well as solutions and services for kids. Reima's products are available in about 50 countries across the world. The most important markets are Nordic countries, Germany, China and North America. Direct-to-consumer business is the largest sales channel for Reima.

GROUP STRUCTURE AND ADMINISTRATION

The parent company of the Reima Group is Reima Group Holding Oy which owns all shares of Reima Group Oy. Reima Group Oy owns 100 % of the share capital of Reima Europe Oy.

At the end of the financial year, Reima Europe Oy owned 100 % of Bindley Ltd which is domiciled in Hong Kong, Reima Sweden AB which operates in Sweden, Reima Norway AS which operates in Norway, Reima GmbH which operates in Germany, Reima Inc. which operates in U.S., Reima Japan KK which operates in Japan and Reima Trading (Beijing) Co., Ltd. and Reima Trading (Shanghai) Co., Ltd both operating in China.

Reima Group Holding Oy does not have a managing director. The Group's operative CEO is Reima Group Oy's CEO Heikki Lempinen starting from January 1st, 2024. Fabio Pesiri acted as the Chair of the Board at Reima Group Holding Oy until April 15th, 2025. In addition, Jeroen Lenssen was a Deputy Board Member until February 25th, 2025 and Peter Parmentier April 15th, 2025. Starting from April 15th, 2025 Elina Björklund acts as the Chair of the Board and Anders Ullstrand and Jonas Meerits as Board Members. The Company's auditor is KPMG Oy Ab with Turo Koila acting as the main responsible authorized public accountant.

The majority owner of the Reima Group changed in April 2025. The new majority ownership group consists of Reima Group Holding Oy's Chair of the Board Elina Björklund as well of Anders Ullstrand and Jonas Meerits.

FINANCIAL POSITION AND RESULT

Reima Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force as on 31 December 2025. In the EU, IFRS are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council and report of board of directors is based on FIN-GAAP accounting principles.

Revenue

The Group's revenue was 86.0 MEUR (2024: 84.1 MEUR). Revenue increased by 2,2 % compared to 2024. Growth was impacted positively by the continued growth in North America and negatively by the operational challenges experienced by Reima's third party logistics partner in Europe in fall 2025 which led to late and cancelled deliveries, as well as warm weather at the end of the year and weak consumer confidence in Europe.

Reima sells its products and services through a number of wholesale partners and directly to consumers. Wholesale is an important sales channel for Reima and it includes third party retailers such as specialty stores, e-tailers and department stores. Direct-to-consumer business consists of Reima's own retail stores that at the end of 2025 were located in the Nordic countries and China, and e-commerce stores serving around 38 countries globally. Direct-to-consumer also includes marketplaces where Reima sells its products directly to consumers, solution sales such as the Reima Baby Box, and new businesses. Direct-to-consumer business contributed to about 50% of Reima's sales in 2025.

Developing digital operations in the most important markets was a key focus area during the financial year. Reima's own retail network declined with 10 stores during 2025, mainly in China. There was no change in the amount of franchise partner stores. At the end of 2025, Reima had 29 own stores and 37 franchise partners stores.

Operating result and result for the year

The Group's operating result was positive 2.8 MEUR (2024: -3.7 MEUR). The Group's operating result to revenue percentage was positive, 3.3 % (2024: -4.4%). The increase of the operating result was driven mainly by the organic growth in the North America, improved gross margin and after the change in Reima's ownership structure the previous main owner waived a management fee receivable which was EUR 5.3 million. The operational challenges experienced by Reima's third-party logistics partner in Europe impacted negatively on Reima's revenue and profitability, due to cancelled orders and limited availability of products, and created significant one-off costs.

The Group's net finance expenses were positive, amounting to 12.7 MEUR (2024: -11.8), (Refer to note 8, Finance income and expenses). The Group's profit for the financial year was 10.4 MEUR (loss 2024: - 15.6 MEUR).

FINANCING AND RELATED PARTY TRANSACTIONS

The key factors underlying the financing policy is to hedge with financial instruments against adverse changes occurring in financial markets and to reduce volatility in company's result and to secure sufficient liquidity for the company to continue its business. Company hedges expected currency denominated transactions with currency forwards, swaps and currency options and applies hedge accounting. The need of financing is driven by the seasonality of the company's business, investments in business operations.

In June 2025 Reima renewed its financing agreements, issued a 25 MEUR three-year bond and repaid the revolving credit facility as well as overdraft. The company's Board of Directors renegotiated the terms of the old PIK loan in June 2025. As a result of the negotiations, the old PIK loan of 90.3 MEUR was changed to interest-free and at the same time a new PIK loan of 2 MEUR was granted, which is interest-bearing. Due to the interest-free nature, the terms of the old PIK loan changed significantly, so the debt is treated as a new debt in the 2025 financial statements, which is recorded in the balance sheet at fair value. The fair value of the loan at the balance sheet date was 66.8 MEUR. The company has recorded the effect of the change in loan terms in the income statement in the item Other financial income, totaling 27.7 MEUR in the 2025 financial period. Under the terms of the bond and the PIK loan, Reima is subject to maintenance covenants regarding minimum cash and net leverage. Reima is in compliance with all covenants. (Refer to note 17, Financial liabilities.)

The Group's equity ratio % and return on equity % were negative (2024: negative). The equity ratio of the parent company was 21,2 % (2024: 52,4 %, at the end of financial year. The parent company's equity ratio was affected during the financial year by a EUR 50 million impairment loss recognized on the subsidiary shares value, in accordance with the company's valuation analysis. (Refer to note 3.1, parent company financial statements.)

The financial estimates of the Group for the four years following the financial period have been updated in October 2025, and based on the updated estimates, the company has assessed the amount of the remaining goodwill and other intangible assets. No impairment losses were necessary based on the assessment. The company has evaluated the possible impacts of the current economic climate to goodwill impairment testing and the values and assumptions used in it and has noted that there are no indications of impairment. (Refer to note 10.3, Impairment testing of goodwill.)

For related party transactions refer to note 23 and to parent company financial statements note 11.

SHARES AND EQUITY

The total number of shares is 101,156,180. Company has six series of shares: A -, B-, C-, D-, E- and F- shares.

To B-, C-, D-, E- and F- shares includes consent and redemption clauses as regulated in Finnish Companies Act.

The Annual General Meeting held on 27 September 2016 authorised the Board of Directors to decide on the issuance of shares. Based on the authorisation, the number of shares to be issued shall not exceed 200,000 shares. The Board of Directors may issue shares as follows: A: not exceeding 75,837 pieces; C: not exceeding 124,163 pieces.

At the end of year 2025, the Group’s parent company had a capital loan totalling 0.9 MEUR (2024: 0.9 MEUR). Loan terms are described in note 5, Liabilities of the parent company financial statements.

RESEARCH AND DEVELOPMENT

Reima’s R&D activities include development of new digital services and solutions as well as product and material development related to, for example, the durability, safety and sustainability of materials and the finishing process. The company engages in research for new fibres, new product functionalities, and their recycling opportunities. The Group recognizes research and development expenses in the income statement.

Research and development expenses during the financial year were 0.05 MEUR (2024: 0.1) which is approximately 0.1 % of revenue (2024: 0,1 %).

PERSONNEL

The average number of personnel, expressed as full-time equivalents, totalled 285 (2024: 310) during the financial year. Wages and salaries amounted to 15.1 MEUR (2024: 14.1 MEUR) which included in 2024 a net of 1.4 MEUR income related to synthetic share options on management compensation. All options expired with zero value at the transfer of the main ownership of the company in April 2025. (See note 5 Personnel expenses).

Change in the number of personnel at the end of the year was driven by closed stores in China and Europe.

RISKS AND BUSINESS UNCERTAINTIES

The Group’s management has assessed the Group’s ability to continue as a going concern for a period of at least twelve months from the financial statement date. Although the Group reported a loss during the financial year, management considers the Group’s liquidity position and financial resources to be adequate to meet its obligations as they fall due during this period. The assessment is based on the Group’s current business plan, planned measures to improve profitability, existing financing arrangements, and preorders received from wholesale partners. The Group’s management has assessed that the company is expected to comply with its financial covenants during this period. Based on this assessment, the financial statements have been prepared on a going concern basis, and management has concluded that there are no material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern.

The Reima Group is facing general risks, such as the overall economic climate, exchange rate development and risks related to financing. General uncertainties on the consumer market impacted the Group’s business in 2025. On the other hand, the previous turbulent years have shown that the demand for children wear is relatively stable.

As the purchases of the Group are mainly currency-denominated, currency risks will arise. The biggest currency flows consist of the Chinese yuan and US dollar.

The increased US tariffs did not have a significant negative impact on the profitability of Reima’s North American operations in 2025. Reima is following the situation closely, including the possibility to reclaim the paid tariffs. In addition, the Group actively monitors other geopolitical risks, including the situation in the Middle East, and takes geopolitical risks into account in its operational planning.

Changes in customers’ operations may also cause a credit loss risk to the Group. Credits and credit limits are being monitored according to internal guidelines.

Due to the seasonal nature of the business, the Group’s financing need is seasonal, which has been handled with external financing. The Group’s borrowings from financial institutions at nominal value amounted to 117.4 MEUR on 31 December 2025 (2024: 95 MEUR). 117.4 MEUR (2024: 92.5 MEUR) of these liabilities involve financial covenants that the Group must comply with on a quarterly basis. Balance sheet value of these liabilities was 93.3 MEUR on 31 December 2025 (92.5 MEUR).

The Group balance sheet includes a significant amount of goodwill as a result of business arrangements. Goodwill is subject to impairment risks if the performance is not developing as planned. Inventory values may also be subject to write-down risks if the realized sales materially deviate from estimated. The valuation of the parent company's subsidiary shares and internal receivables may include an impairment risk if the operating results of the group companies do not develop as expected.

EVENTS AFTER THE FINANCIAL YEAR

The parent company has capital loans in amount of 0.9 MEUR, part of which will mature during the financial year 2026. Under the terms of the company’s bond, the repayment of capital loans is not permitted during the bond period, and the company is currently renegotiating the terms of the capital loan agreements with the lenders. At the financial statement signing date, maturing capital loan agreements amounting to 260 kEUR remain subject to renegotiation. The Company expects that all capital loan agreements will be successfully renegotiated and, accordingly, the capital loans are presented as non-current liabilities.

The financing of the company and the Group is subject to compliance with the covenant terms. At the time of signing, based on the company’s forecasts, the Group is expected to comply with the covenants for at least the following 12-month period. In accordance with the terms of the bond loan, the company is required to list the bond on Nasdaq Stockholm, or another regulated market, by 10 June 2026.

The company informed about the initiation of change negotiations considering all office employees in Finland on 9 April 2026. The aim of these negotiations is to achieve cost savings and improve operational efficiency. According to preliminary estimates, the planned changes could lead to a permanent reduction of up to 15 positions.

FUTURE OUTLOOK

Due to Reima’s strong market position with focus on high-quality and sustainable products, the outlook of Reima business operations is positive. The uncertainties on the consumer markets and changes in currency exchange rates can, however, have a substantial impact on the Group’s revenue and profitability.

Pre-orders for autumn/winter season products represent a major part of the Group’s annual revenue. Developing direct-to-consumer distribution channels, especially for ecommerce, is in strong focus, and the revenue of DTC channels is estimated to grow.

THE BOARD’S PROPOSAL FOR DISPOSAL OF THE RESULT

The loss of the parent company for the financial year is 50.013.376,41 EUR. The Board proposes that the loss of the parent company for the financial year to be transferred to the retained earnings and that no dividend will be distributed.

Key IFRS figures for the Group

MEUR	2025	2024	2023
Revenue	86.0	84.1	90.7
Operating result	2,8	-3,7	-10,2
Operating result to revenue %	3,3	-4,4	-11,2
Net finance expenses	12.7	-11.8	-11.6
Net result	10.4	-15.6	-20.3
Personnel, average	285	310	321
Salaries and other compensations	15.1	14.1	14.6
Group equity ratio, %	-13.7	-25.6	-10.2

CONSOLIDATED INCOME STATEMENT

EUR thousands	Note	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
Revenue	2	86 011	84 127
Materials and services	3	(48 487)	(49 075)
Gross profit		**37 523**	**35 052**
Other operating income	4	5 293	177
Personnel expenses	5, 23	(15 145)	(14 068)
Other operating expenses	6	(18 998)	(20 035)
Depreciation, amortisation and impairment losses	7	(5 832)	(4 841)
Operating result		**2 842**	**(3 716)**
Finance income	8	28 357	1 617
Finance expenses	8	(15 667)	(13 395)
Net finance expenses		**12 689**	**(11 777)**
Profit (Loss) before tax		**15 532**	**(15 493)**
Tax expense	9	(5 162)	(123)
Profit (Loss) for the financial year		**10 370**	**(15 616)**
Profit (Loss) for the financial year attributable to			
Owners of the parent company		10 370	(15 616)

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

Profit (Loss) for the financial year		**10 370**	**(15 616)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation difference		1 333	(631)
Cash flow hedging[1]	18	(341)	158
Total other comprehensive income for the financial year		**992**	**(473)**
Total comprehensive income for the financial year		**11 362**	**(16 089)**
Total comprehensive income attributable to			
Owners of the parent company		11 362	(16 089)

[1]A prior period error was detected in the 2025 financial year, resulting in a correction of the 2024 comparative information. Please see note 16.3.

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

EUR thousands	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets		5 060	6 119
Goodwill		50 900	50 900
Intangible assets and goodwill	10	55 960	57 019
Tangible assets	11	759	915
Right-of-use assets	12	4 952	5 068
Deferred tax assets	9	2 137	2 113
Total non-current assets		**63 808**	**65 116**
Current assets			
Inventories[1]	13	19 320	18 974
Trade and other receivables[1]	14-15, 18-20, 23	16 839	16 389
Cash and cash equivalents	14	15 414	2 718
Total current assets		**51 573**	**38 080**
Total assets		**115 381**	**103 196**
EQUITY			
Share capital		5	5
Reserve for invested non-restricted equity		101 346	101 346
Translation differences[1]		1 107	(228)
Cash flow hedge reserve	19	(364)	(23)
Retained earnings[1]		(117 915)	(128 285)
Total equity	16	**(15 820)**	**(27 184)**
LIABILITIES			
Non-current liabilities			
Capital loan	17-18, 20	911	911
Bond	17-18, 20	24 381	0
Borrowings from financial institutions, PIK-loan	17-18, 20, 22	68 915	0
Lease liabilities	12, 17	3 505	3 508
Other financial and other non-current liabilities	17-18, 20	3 376	3 164
Deferred tax liabilities	9	7 195	2 369
Total non-current liabilities		**108 283**	**9 953**
Current liabilities			
Borrowings from financial institutions	17-20	130	92 550
Lease liabilities	12, 17	1 527	1 415
Trade and other payables	17-21	21 260	26 462
Total current liabilities		**22 917**	**120 426**
Total liabilities		**131 201**	**130 379**
Total equity and liabilities		**115 381**	**103 196**

[1]A prior period error was detected in the 2025 financial year, resulting in a correction of the 2024 comparative information. Please see note 16.3.

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR thousands	Note	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
Cash flows from operating activities			
Profit (Loss) before tax for the financial year		15 532	(15 493)
Adjustments:			
Depreciation, amortisation and impairment losses	7	5 832	4 841
Finance income and finance expenses	8	-12 689	11 777
Other adjustments[1]		595	-2 355
Cash flows before change in net working capital		9 269	(1 230)
Change in net working capital:			
Change in trade and other receivables (increase (-) / decrease (+))		(45)	(2 896)
Change in inventories (increase (-) / decrease (+))		(369)	5 841
Change in trade and other payables (increase (+) / decrease (-))		(5 405)	(1 017)
Cash flows before finance items		3 450	699
Interest paid and other financial items		(2 525)	(1 483)
Interest received		3	-
Income taxes paid		(363)	212
Net cash from operating activities (A)		**565**	**(573)**
Cash flows from investing activities			
Investments in intangible and tangible assets		(2 325)	(4 907)
Proceeds from sale of property, plant and equipment		-	14
Net cash used in investing activities (B)		**(2 325)**	**(4 893)**
Cash flows from financing activities[2]			
Proceeds from current loans and borrowings	17	-	12 774
Repayment of current loans and borrowings	17	(10 041)	(5 079)
Proceeds from non-current loans and borrowings	17	27 000	1 143
Repayment of lease liabilities	12	(2 507)	(2 617)
Net cash from financing activities (C)		**14 452**	**6 222**
Net cash from (used in) operating, investing and financing activities (A+B+C)		**12 692**	**756**
Net increase (decrease) in cash and cash equivalents		**12 692**	**756**
Cash and cash equivalents at 1 January		2 718	1 942
Effect of fluctuations in exchange rate on cash held		5	20
Cash and cash equivalents at 31 December	14	**15 414**	**2 718**

1 Includes exchange rate differences and non-cash items, among others.

2 Financing activities include recourse factoring credit liabilities

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousands	Note	Share capital	Reserve for invested non-restricted equity	Translation differences	Cash flow hedge reserve	Retained earnings	Total
		Equity attributable to owners of the parent company					
Balance at 1 January 2025		**5**	**101 346**	**(227)**	**(23)**	**(128 285)**	**(27 184)**
Comprehensive income							
Profit (Loss) for the financial year		-	-	-	-	10 370	10 370
Other comprehensive income		-		1 333	(341)	-	992
Total comprehensive income for the financial year		**-**	**-**	**1 333**	**(341)**	**10 370**	**11 362**
Balance at 31 December 2025		**5**	**101 346**	**1 106**	**(363)**	**(117 915)**	**(15 820)**

EUR thousands	Note	Share capital	Reserve for invested non-restricted equity	Translation differences	Cash flow hedge reserve	Retained earnings	Total
		Equity attributable to owners of the parent company					
Balance at 1 January 2024		**5**	**101 346**	**1 930**	**(180)**	**(113 587)**	**(10 486)**
Correction of previous year		**-**	**-**	**(1 526)**	**-**	**917**	**(609)**
Restated balance at 1 January 2024		**5**	**101 346**	**404**	**(180)**	**(112 669)**	**(11 094)**
Comprehensive income							
Profit (Loss) for the financial year		-	-	-	-	(15 616)	(15 616)
Other comprehensive income[1]		-	-	(631)	158	-	(473)
Total comprehensive income for the financial year		**-**	**-**	**(631)**	**158**	**(15 616)**	**(16 089)**
Balance at 31 December 2024		**5**	**101 346**	**(227)**	**(23)**	**(128 285)**	**(27 184)**

[1]A prior period error was detected in the 2025 financial year, resulting in a correction of the 2024 comparative information. Please see note 16.3.

The notes are an integral part of these consolidated financial statements.

1 Basis of preparation

1.1 Company information

Reima Group (hereafter ‘Reima’ or ‘Group’) is a clothing company, established in 1944. The Group’s parent company, Reima Group Holding Oy (or 'the Company’), is a Finnish limited liability company established under the laws of Finland, and its business ID is 2409044-2. It is domiciled in Helsinki, Finland and the company’s registered address is Elimäenkatu 9 A, 00510 Helsinki, Finland.

Reima is a globally leading brand in kids’ activewear. It is known for its award-winning innovation and high-quality clothing. Reima offers a ‘tip-to-toe’, year-around collection for active kids aged 0 to 12 years. In addition to outdoor and innerwear clothing, the offering includes a wide range of accessories, footwear as well as solutions and services for kids. Reima’s products are available in more about 50 countries across the world. The most important markets are Nordic countries, Germany, China and North America. Reima employs around 300 people.

The Board of Directors of Reima Group Holding Oy approved these consolidated financial statements for issue in its meeting on April 22, 2026. According to the Finnish Limited Liability Companies’ Act, the shareholders have the right to approve or reject the financial statements in the Annual General Meeting held after the publication of the financial statements. Furthermore, the Annual General Meeting can decide on modifications to be made to the financial statements.

1.2 Basis of accounting and going concern

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards -> later IFRS) as adopted by the European Union and in force as at 31 December 2025. In the EU, IFRS are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The amended standards effective for the financial year 2025 had no significant impact on the result or the financial position of the Group, nor on the presentation of the financial statements.

The Group’s management has assessed the Group’s ability to continue as a going concern for a period of at least twelve months from the financial statement date. Although the Group reported a loss during the financial year, management considers the Group’s liquidity position and financial resources to be adequate to meet its obligations as they fall due during this period. The assessment is based on the Group’s current business plan, planned measures to improve profitability, existing financing arrangements, and preorders received from wholesale partners. The Group’s management has assessed that the company is expected to comply with its financial covenants during this period. Based on this assessment, the financial statements have been prepared on a going concern basis, and management has concluded that there are no material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern.

The Group must comply with the financial covenant terms on a quarterly basis. No covenants were breached at year end 2025. The company signed an updated financing agreement, issued a 25 MEUR bond, as well as paid credit limit and revolver in June 2025. However in 2024, Reima did not meet its ebitda covenant and all borrowings from financial institutions were classified as short-term liabilities. For events after the period end date refer to Note 24 Events after the end of the financial year.

This section 1.2 addresses the general policies applied that relate to the consolidated financial statements as a whole. Accounting policies that are specific to a component of the financial statements, together with descriptions of management judgements, related estimates and assumptions, are incorporated into the relevant note to the consolidated financial statements. Accounting policies are presented highlighted with a grey background, and management judgements, related estimates and assumptions with a yellow background.

The consolidated financial statements are drawn up on the historical cost basis of accounting, except for the following that are measured at fair value: share appreciation rights (SARs, synthetic options), derivative financial instruments and anti-dilution options (liability). Refer to Note 1.7 Measurement of fair values and Note 18 Fair values of financial assets.

The financial year of Reima is the calendar year. The figures in the consolidated financial statements are presented in thousands of euro, except when otherwise indicated. All figures presented have been rounded, and consequently the sum of individual figures may deviate from the presented aggregate figure. Key ratios are computed using exact figures.

1.3 Implications of geopolitical risks on the Group

The increased US tariffs did not have a significant negative impact on the profitability of Reima's North American operations in 2025. Reima is following the situation closely, including the possibility to reclaim the paid tariffs. In addition, the Group actively monitors other geopolitical risks, including the situation in the Middle East, and takes geopolitical risks into account in its operational planning.

During spring 2022 Reima suspended its operations in Russia and Ukraine due to Russia's invasion of Ukraine and company decided to find a buyer to the Russian business. The sale of Reima LLC was closed on February 15th, 2023. During financial year 2023 company continued its business in Ukraine and continues it further via retailer during financial year 2025.

1.4 Consolidation

The consolidated financial statements incorporate the financial statements of the parent company, Reima Group Holding Oy, and of all those subsidiaries over which the parent company has control at the period-end. Control is achieved when Reima is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Consolidation of a subsidiary begins when Reima obtains control over the subsidiary and ceases when Reima loses control of the subsidiary. Refer to Note 23 Related party transactions for disclosures on the Group structure.

In preparation of consolidated financial statements intra-group transactions, balances and unrealised gains, as well as distribution of profits within the Group, are eliminated. The Group has no non-controlling interests.

Acquired or established subsidiaries are accounted for by using the acquisition method. The consideration transferred and the identifiable assets acquired and liabilities assumed in the acquired company are measured at the acquisition-date fair values. The consideration transferred includes any assets transferred by Reima, liabilities incurred by Reima to former owners of the acquiree and any equity interests issued by the Group.

Any contingent consideration (additional purchase price) is measured at fair value at the acquisition date. It is classified as either liability or equity. A contingent consideration liability is remeasured at fair value at the end of each reporting period and the fair value changes are recognized in profit or loss.

All acquisition-related costs, such as professional fees, are expensed in the periods in which the costs are incurred and the services rendered (except for costs to issue debt or equity securities).

1.5 Foreign currency transactions and balances

Items included in the financial statements of each subsidiary are measured using the functional currency, which is the currency of the primary economic environment in which the company operates. The consolidated financial statements are presented in Euro, which is the functional and presentation currency of the parent company.

Subsidiaries' foreign currency transactions are translated into local functional currencies using the exchange rates prevailing at the dates of the transactions. Receivables and liabilities denominated in foreign currencies in the balance sheet are translated into functional currencies using the exchange rate quoted on that date.

For those subsidiaries with non-Euro functional currency, the income and expenses for the income statement and comprehensive income statement, and the items for cash flow statement, are translated into Euro using the average exchange rates of the reporting period. The closing rates prevailing at the reporting date are used for translating the assets and liabilities for each balance sheet. The translation differences arising from the use of different exchange rates explained above are recognized in other comprehensive income.

Any goodwill arising on the acquisition of foreign operations and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of those foreign operations are treated as assets and liabilities of those foreign operations. They are translated into Euro using the exchange rates prevailing at the reporting date. When a foreign operation is sold, or is otherwise partially or completely disposed of, the associated translation differences accumulated in equity are reclassified to profit or loss, as part of the gain or loss on the transaction. As at 31 December 2025, all goodwill of the Group is denominated in Euro.

1.6 Critical management judgments and key sources of estimation uncertainty

The preparation of IFRS financial statements requires management to make judgments, estimates and assumptions. These affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the period-end as well as the reported amounts of income and expenses during the reporting period. The estimates and assumptions are based on historical experience and other justified assumptions, such as future expectations, that Reima management believes are reasonable under the circumstances at the end of the reporting period and the time when they were made.

Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Reima reviews the estimates and underlying assumptions on an on-going basis and when preparing financial statements. Changes in accounting estimates may be necessary as a result of new information or more experience, or if the underlying circumstances evolve. Consequently, the estimates made as at 31 December 2025 may subsequently be changed. Reima recognizes such changes in the period in which the estimate or the assumption is revised.

<u>Management judgments, and estimates and assumptions</u>

Judgements that Reima management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements, relate to the following areas (refer to Note 12 Leases and Note 9 Taxes):
- Scope of lease accounting: determining whether certain rental contracts are to be accounted for as leases or service contracts
- Lease term: determining the lease term for non-fixed-term leases

In recognition of deferred tax assets companies management have used to judgment to determine availability of future taxable profit against which deductible temporary differences, tax losses carried forward and deductions related to the Finnish interest deduction limitation rules can be utilised (Note 9 Income taxes)."

Return accrual and is based on judgment of management (refer to note 2.1 sales).

In Reima the management assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year comprise the following:
- Goodwill impairment testing: key assumptions underlying recoverable amounts (Note 10 Intangible assets and goodwill).
- Inventory valuation: calculation of obsolescence provision (Note 13 Inventories).

1.7 Measurement of fair values

A number of Reima's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorised into hierarchy levels that are representative of the inputs used in the valuation techniques as follows:

- Level 1: fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that Reima can access at the measurement date.
- Level 2: fair value is calculated on the basis of inputs other than quoted prices included in Level 1 that are observable for the asset or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value is calculated on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

1.8 Gross profit and operating result

Reima considers gross profit and operating result to be relevant subtotals in understanding the Group's financial performance. Since those concepts are not defined under IFRS, the Group has defined them as follows:

1. Gross profit is calculated by subtracting the cost of goods sold (COGS) (line item Material and services) from revenues, and it reflects the core profitability of the Group before overhead expenses.

2. Operating result is the net amount attained when revenues are added by other operating income, less:
- purchase expenses, adjusted with change in inventories
- personnel expenses
- depreciation, amortisation and any impairment losses, and
- other operating expenses.

Reima recognises exchange rate differences as follows: realised exchange differences in business operations are included in gross profit, unrealised exchange differences and realised exchange differences on financial items are recognised in finance items and for derivatives under cash flow hedge accounting exchange rate differences are recorded in other comprehensive income (OCI). All other items are presented below operating result in the income statement.

1.9 Adoption of new and amended standards in future financial years

The Group has not yet adopted the amended standards and interpretations already issued by the IASB, with the effective dates 1 January 2026 and thereafter. Reima will adopt these pronouncements as of the effective date of each of the pronouncements, or if the effective date is not the first day of the financial year, as of the beginning of the next financial year following the effective date, provided they have been endorsed for use in the EU. Currently Reima believes that the adoption of these pronouncements will not have a significant effect on the future consolidated financial statements expect IFRS 18.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for financial years beginning on or after 1 January 2027). IFRS 18 will replace IAS 1 Presentation of Financial Statements.
The pivotal requirements are as follows:

Classification of income and expenses
- Income and expenses in the income statement to be classified into three categories, operating, investing and financing

New subtotals
- In P/L will be new subtotals including “Operating profit or loss” and “Profit or loss before financing and income tax”.

Disclosures about management-defined performance measures (MPMs)
- Company must present in note information how these additional measures of financial performance has been counted

Totaling of figures and separate presentation
- The standard requires some specific requirements to disaggregate certain expenses in the notes depending on the way how they have been presented in P/L.

2 Revenue and segment information

2.1 Accounting policy

Reima sells its products and services through a number of wholesale partners and directly to consumers. Wholesale has historically been Reima’s largest sales channel, and it includes third party retailers such as specialty stores, e-tailers, department stores and franchise partners. Direct-to-consumer business consists of Reima’s own retail stores in the Nordic countries and China, and e-commerce stores serving around 40 countries globally. Direct-to-consumer also includes marketplaces where Reima sells its products directly to consumers, solution sales such as the Reima Baby Box, and new businesses. Stores operated by the franchise partners are calculated as part of Direct-to-consumer business, too.

Performance obligation

Performance obligations identified under wholesale contracts include sale of goods and value-added services (VAS). The value-added services (such as relabeling, translation and adding hangers) are a separate performance obligation. In the retail and E-commerce business, Reima sells one or more products (which are all separate performance obligations) and collects the payment from customers simultaneously. Delivery services in wholesale and e-commerce business are a part of fulfilment of the promise to the customer and hence not considered as a separate performance obligation.

Transaction price

Transaction price is determined based on the global price list or based on stated prices in the contract with large customers and other terms of the contract. Reima allocates the transaction price to each performance obligation on the basis of the relative standalone selling prices stated in the contract in respect of wholesale business. Reima’s payment terms vary to some extent geographically and in different business areas, but the term of payment provided is nonetheless always clearly less than a year and hence, no significant financing components are identified.

In retail and e-commerce business, the goods are sold separately or as a bundle of products, but transaction price is eventually what the customer pays to Reima. The amounts relating to gift cards and customer loyalty programs do not have a material impact on the consolidated financial statements.

Discounts and rebates

Reima’s discounts and rebates (variable components) are typically percentage discounts from all purchases, such as volume discount. These discounts are accrued and treated as an adjustment to revenue. Reima adjusts revenue for currently existing discounts and rebates using the most likely method. Discounts in retail and e-commerce business are deducted directly from the invoice and the net sales are recorded in this respect.

Right to return

Under certain conditions, Reima’s wholesale contracts may include return rights. A return liability and a return asset is recognised with corresponding adjustment to cost of sales for goods expected to be returned. The amounts for estimated returns related to revenues are accrued based on past experience. Returns in retail business include returns for cash or exchange for another product. In some countries, gift cards are issued when customer returns the products and doesn't find another product to replace the original one. Return policies are also affected by the rules and legislations on return rights that exist in the country where the goods are sold. A liability is recorded for goods expected to be returned based on materiality. Reima sells products in e-commerce business with a right to return. Generally, for goods expected to be returned, the liability is recognised based on historical data analysis and revenue is adjusted accordingly.

Principal versus agent considerations

Reima has sales arrangements where other parties are involved, such as marketplaces, goods sold through agents or distributors and consignment sales. For these arrangements, Reima determines whether it provides the specified goods itself, or to arrange for them to be provided by another party - i.e. whether it is a principal or an agent to the transaction with the end customer. When Reima is acting as a principal, revenue is recognised on a gross basis and the amount paid to the agent is accounted for as a commission on sales.

Marketing support, performance-based incentives, advertising and promotional expenditure

Reima's contracts include considerations payable to the customer which generally are for marketing support. These are mostly in the form of agreed fixed amounts. Marketing discounts based on sales are recognised as adjustment of revenue as they are not payments for distinct good or service. Fixed marketing support are accounted for as an expense if it is a payment for a distinct product or service and it does not bear the characteristic of a discount. Amount spent on promotional activities and media campaigns are expensed out.

Under certain conditions and in accordance with contractual agreements, Reima grants its customers different types of performance-based incentives and commissions (for example, bonuses given to agents on achievement of sales targets). When it is appears that the agents fulfills the requirements of being granted the commission, the amount is accrued as commission expenses.

2.2 Disaggregation of revenue

In the following tables, consolidated revenue is disaggregated by geographical market[1] and sales channel[2].

EUR thousands	2025		2024	
Finland	15 886	18 %	15 583	19 %
Nordics	16 719	19 %	18 021	21 %
Central Europe	29 106	34 %	27 998	33 %
Asia	9 175	11 %	10 284	12 %
North America	15 125	18 %	12 241	15 %
Total	**86 011**	**100 %**	**84 127**	**100 %**

[1] Based on the geographic location of customers.

EUR thousands	2025		2024	
Wholesale	42 925	50 %	41 466	49 %
Direct-to-consumer	43 085	50 %	42 661	51 %
Total	**86 011**	**100 %**	**84 127**	**100 %**

[2] Direct-to-consumer sales includes own stores and own digital stores.

Accounting for trade receivables and related credit losses is explained in Note 14 Financial assets and Note 20.4 Credit and counterparty risk.

2.3 Segment information

The Group's reportable segment is the Reima Group. The segment disclosures presented by the Group is based on internal reporting to the chief operational decision-maker. The President and CEO of the company acts as the chief operational decision-maker.

Non-current assets located in Finland totalled 61 412 kEUR (61 748 kEUR) and in other countries 2 395 kEUR (3 366 kEUR).

3 Materials and services

3.1 Accounting policy

Cost of goods sold is determined on the basis of the cost of purchase, adjusted for the variation of inventories. Realised exchange differences are included in gross profit, refer to Note 1.8 Gross profit and operating result for more information on accounting for exchange rate differences.

3.2 Breakdown of expenses for materials and services

EUR thousands	2025	2024
Purchase expenses	(34 845)	(29 397)
Changes in inventories	(1 515)	(6 616)
External services	(12 127)	(13 062)
Total	**(48 487)**	**(49 075)**

4 Other operating income

4.1 Accounting policy

Other operating income comprises income from activities outside the ordinary business of Reima, such as government grants, rental income and gains from disposals of tangible and intangible assets.

4.2 Breakdown of other operating income

EUR thousands	2025	2024
Insurance compensation	4	5
Management fee	5 220	-
Others	70	173
Total	**5 293**	**177**

2025
Most significant individual item under other operating income in financial year 2025 was management fee for previous owner that was forgiven among the main ownership change.

2024
Most significant individual item under other operating income in financial year 2024 related to Business Finland subsidy.

5 Personnel expenses

5.1 Accounting policy

The line item Personnel expenses in the income statement comprises the following: short-term employee benefits and post-employment benefits (pensions). Previously as well from share-based payments (refer to Note 5.3 Share appreciation rights below).

a) Short-term employee benefits comprise wages, salaries, fringe benefits, annual leave and bonuses. They are recognised in the period in which employees perform the work.

b) Post-employment benefits are payable to employees after the completion of employment. In Reima these benefits relate to pensions. Pension coverage of the Group is arranged through external pension insurance companies. Pension plans are classified as either defined benefit plans or defined contribution plans. Reima only has defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity, and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the related benefits. All other plans are classified as defined benefit plans. The Group's contributions are charged to profit or loss in the period during which the services are rendered. Reima records prepaid contributions as an asset to the extent that a cash refund or a reduction in the future payments is available.

c) Other long-term employee benefits are all employee benefits other than short-term employee benefits (a)), post-employment benefits (b)) and termination benefits (d)).

d) Termination benefits are not based on work performance but on the termination of employment. These benefits consist of severance payments. Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

5.2 Expenses recognised in profit or loss

EUR thousands	**2025**	**2024**
Wages and salaries	(12 571)	(11 450)
Contributions to defined contribution post-employment plans	(1 658)	(1 622)
Other social security expenses	(916)	(996)
Total	**(15 145)**	**(14 068)**
The total average number of employees for the financial year	285	310

Change in the number of personnel at the end of the year was driven by closed stores in China and Europe. Comparability of personnel expenses is impacted also by fair value changes in share-based payment plans in 2024. Disclosures on the remuneration of the key management personnel are provided in Note 23 Related party transactions.

5.3 Share appreciation rights

All options expired with zero value at the transfer of the main ownership of the company in April 2025 and were written down during financial year 2024. The effect on P/L was 1,4 milj. Eur positive.

	2025	**2024**
Executive Management Options (2020)		
Total number of outstanding SARs (thousand pcs)	-	4 500
Fair value per SAR, EUR	-	-
Total carrying amount of liability for SARs , EUR thousand	-	-
Incentive options (2012-2018)		
Total number of outstanding original SARs (thousand pcs)	-	547
Total number of outstanding amended SARs (thousand pcs)		1 742
Fair value per original SAR, EUR	-	-
Fair value per amended SAR, EUR	-	-
Total carrying amount of liability for amended SARs, EUR thousand	-	-

6 Other operating expenses

6.1 Accounting policy

Reimas's other operating expenses include expenses other than the cost of goods sold, such as:
- sales and marketing, travel and IT expenses
- changes in expected credit losses and realised credit losses (for credit loss accounting see Note 20.4 Credit risk and counterparty risk), and
- any losses on the disposal of tangible and intangible assets.

6.2 Breakdown of other operating expenses

EUR thousands	2025	2024
Sales and marketing expenses	(11 299)	(11 722)
Administrative expenses	(3 320)	(3 471)
IT expenses	(2 576)	(2 541)
Other expenses	(1 803)	(2 301)
Total	**(18 998)**	**(20 035)**

6.3 Auditor's fees

EUR thousands	2025	2024
Audit fees	(226)	(216)
Tax advisory services	(325)	(44)
Other services	-	(72)
Total	**(551)**	**(332)**

7 Depreciation, amortisation and impairment losses

7.1 Depreciation, amortisation and impairment losses by asset categories

EUR thousands	2025	2024
Depreciation and amortisation		
Intangible rights	(7)	(21)
Other intangible assets	(2 921)	(2 253)
Machinery and equipment	(78)	(44)
Other tangible assets	(311)	(246)
Right-of-use assets (leased assets)[1]	(2 485)	(2 277)
Total	(5 802)	(4 841)
Impairment losses		
Other tangible assets	(30)	0
Total	(30)	**0**
Total depreciation, amortisation and impairment losses in the income statement	(5 832)	(4 841)

[1] Refer to Note 12.3 Amounts recognised in profit or loss for the related analysis by class of right-of-use asset.

8 Finance income and expenses

8.1 Accounting policy

Reima recognises interest income and interest expenses using the effective interest method. The Group expenses all interest costs. Reima recognises exchange rate differences as follows: realised exchange differences in business operations are included in gross profit, unrealised exchange differences and realised exchange differences on financial items are recognised in finance items and for derivatives under cash flow hedge accounting exchange rate differences are recorded in other comprehensive income (OCI).

The accounting policies applied to financial assets and financial liabilities are provided in Notes 14 Financial assets, 17 Financial liabilities and 20 Financial risk management (foreign exchange risk). For derivative instruments and cash flow hedge accounting refer to Note 19 Derivative instruments and cash flow hedge accounting.

8.2 Amounts recognised through profit or loss

EUR thousands	**2025**	**2024**
Finance income		
Foreign exchange gains[1]	600	1 592
Interest income	3	6
Other finance income	27 753	19
Total	**28 357**	**1 617**
Finance expenses		
Foreign exchange losses[1]	(2 953)	(741)
Interest expenses — financial liabilities measured at amortised cost[2]	(12 623)	(12 178)
Other financial expenses	(91)	(475)
Total	**(15 667)**	**(13 395)**
Net finance expenses	**12 689**	**(11 777)**

[1] Net realized foreign exchange losses amounted to 161 kEUR in 2025 (2024: 159 kEUR).

[2] Includes financial expenses on loans and borrowings and lease liabilities.

Net foreign exchange differences are due principally to fluctuations in the currencies with which the Group operates between the time when income, expenses and asset acquisitions or disposals are recognised and when the corresponding assets or liabilities are realised or settled or translated. Foreign exchange hedges impacted foreign exchange losses by 694 kEUR (2024: 34 kEUR) and were recognized in variable costs according the Group's cash flow hedging policy.

The company's Board of Directors renegotiated the terms of the old PIK loan in June 2025. As a result of the negotiations, the old PIK loan of 90.3 MEUR was changed to interest-free and at the same time a new PIK loan of 2 MEUR was granted, which is interest-bearing. Due to the interest-free nature, the terms of the old PIK loan changed significantly, so the debt is treated as a new debt in the 2025 financial statements, which is recorded in the balance sheet at fair value. The fair value of the loan at the balance sheet date was 66.8 MEUR. The company has recorded the effect of the change in loan terms in the income statement in the item Other financial income, totaling 27.7 MEUR in the 2025 financial period.

9 Income taxes

9.1 Accounting policy

The income tax expense for the period comprises current tax, and change in deferred tax assets and deferred tax liabilities. Income tax is recognised in profit or loss, except when they relate to items charged or credited directly in other comprehensive income (OCI) or equity. In this instance the income taxes are also charged or credited to OCI or equity.

The current income tax charge is calculated on the basis of the taxable income. It is determined in accordance with the tax rates and laws enacted (or substantively enacted) in the countries where the Group operates and generates taxable income. Income taxes are adjusted with any taxes relating to previous financial years. Any other taxes not based on income are included within other operating expenses.

Taxable profit may differ from the profit reported in the consolidated income statement, since some income or expense items may be taxable or deductible in other years, and/or certain income items are not taxable or certain expense items are non-deductible for taxation purposes.

Generally deferred tax is provided using the liability method on:
- temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and
- unused tax losses or unused tax credits.

Deferred tax liabilities are usually recognized in full. However, deferred tax liability is not accounted for, if it arises from:
- the initial recognition of goodwill, or
- the initial recognition of an asset or a liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for investments in subsidiaries, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, for subsidiaries which are fully consolidated, a deferred tax liability is only recognized in the amount of the taxes payable on planned dividend distributions by Reima.

Deferred tax assets are recognized for deductible temporary differences only to the extent that it is probable that future taxable profits will be available, against which Reima can utilise deductible temporary differences.
- Recognized deferred tax assets: the amount and the probability of the utilization of such assets are reviewed at each period-end. If the utilization of the related tax benefit is no more considered probable, the Group recognizes a write-off against the deferred tax asset.
- Unrecognized deferred tax assets: these items are re-assessed at each period-end and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are determined using tax rates (and laws) that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The applied tax rate is the rate enacted or substantively enacted by the balance sheet date in the respective countries.

Where the amount of tax payable or recoverable is uncertain, Reima considers such instances in recording current or deferred taxes, based on the Group’s interpretation of tax law and judgment of the liability or recovery.

9.2 Assumptions and estimation uncertainties

At 31 December 2025, the Group had taxable losses and interest expenses not deducted for tax purposes, for which no deferred tax asset is recognised. Management has made judgements in measuring of the recoverable value of deferred tax assets. This requires an assessment as to when the tax entities in question will revert to profitability and considering when the tax legislation limits the use of tax loss carryforward. The changes in the Group structure or the amendments to tax legislation, such as changes in tax rates or expiry dates of tax losses carryforward, can also affect the management estimate of deferred tax assets and liabilities. Refer to Note 9.7 Group's tax losses carried forward and effect of Finnish interest deduction limitation rules.

9.3 *Amounts recognised through profit or loss*

EUR thousands	2025	2024
Current tax for the reporting year	(72)	(298)
Current tax adjustments for prior years	(285)	(61)
Change in deferred taxes	(4 805)	235
Total	**(5 162)**	**(123)**

9.4 *Reconciliation between income tax expense in profit or loss and tax expense calculated using the Finnish corporate tax rate*

EUR thousands		2025	2024
Profit (Loss) before income tax		15 532	(15 493)
Tax using the Finnish corporate tax rate (20 %)		(3 106)	3 099
Effect of tax rate in foreign jurisdictions		58	52
Income tax for prior years	-	(285)	235
Unrecognised deferred tax assets on tax losses		(2 838)	(4 062)
Non-deductible expenses		3 932	(654)
Use of previously unrecognised tax losses for previous years		498	438
Other		(3 420)	769
Taxes in the income statement		**(5 162)**	**(123)**

There were no changes in the corporate tax rates of the Group companies in 2025 or 2024. The income taxes mainly result from the result made by Chinese subsidiary and tax increase from a error on tax statement filing. The tax increase has been disputed and is under consideration of Finnish tax board.

9.5 *Movements in deferred tax asset and deferred tax liability balances*

2025 EUR thousands	At 1 Jan 2025	Recognised through profit or loss	Recognised in OCI	Exchange differences and other changes	At 31 Dec 2025
Deferred tax assets					
Lease contracts[3]	34	30	-	-	63
Tax losses	2 000	-	-	-	2 000
Hedging	-	-	2	-	2
Other and adjustments	78	(7)	-	-	71
Total	**2 113**	**23**	**2**	**-**	**2 137**
Deferred tax liabilities					
Goodwill	2 330	64	-	-	2 394
Hedging	2	-	(2)	-	-
Lease contracts[3]	5	5	-	-	10
Other	32	4 760	-	-	4 792
Total	**2 369**	**4 828**	**(2)**	**-**	**7 195**

2024 EUR thousands	At 1 Jan 2024	Recognised through profit or loss	Recognised in OCI	Exchange differences and other changes	At 31 Dec 2024
Deferred tax assets					
Lease contracts[3]	21	13	-	-	34
Tax losses	2 000	-	-	-	2 000
Hedging	4	-	(4)	-	-
Other and adjustments	71	7	-	-	78
Total	**2 096**	**20**	**(4)**	**-**	**2 113**
Deferred tax liabilities					
Goodwill[2]	2 266	64	-	-	2 330
Hedging	-	-	2	-	2
Lease contracts[3]	-	5	-	-	5
Other	14	18	-	-	32
Total	**2 280**	**87**	**2**	**-**	**2 369**

[1] See note 9.7 management estimates

[2] A deferred tax liability is recognised in respect of goodwill amortisation recorded in the subsidiary's local statutory accounts.

[3] Deferred tax liabilities and assets are calculated based on the net change in lease receivable and lease liability balances measured in accordance with IFRS 16.

9.6 *Unrecognized deferred tax liabilities*

At 31 December 2025, the aggregate amount of temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized, totalled 3 461 kEUR (6 229 kEUR). This relates to intra-group dividend distributions by Reima. The Group has not recorded deferred tax liability on future dividend distributions since Reima has not made any related decisions.

The current year change of deferred tax liabilities comes from revaluation of renegotiated PIK loan. Please see note 8.2.

9.7 *Group's tax losses carried forward and effect of Finnish interest deduction limitation rules*

	At 31 December 2025		At 31 December 2024	
EUR thousands	**Gross amount**	**Tax effect**	**Gross amount**	**Tax effect**
Tax losses carried-forward	58 702	12 266	68 115	14 314
Interest expenses not allowed to be deducted for tax purposes	75 732	15 146	72 700	14 540

Tax losses relate to the Finnish companies and subsidiaries in China, USA, Norway, Sweden, Germany and Japan. Reima has recognised deferred tax assets amounting to 2 MEUR in respect of confirmed tax losses, as at the date of preparation of the financial statements it is considered probable, taking into account the Group's future forecasts made by Group's management, that the results of the loss-making individual entities will turn profitable and that the tax losses can be utilised. No deferred tax asset has been recognised for interest expenses that were non-deductible for tax purposes. Under the current Finnish tax legislation non-deducted interest expenses do not expire. The tax losses will expire as follows:

Expiration year for losses	EUR thousands
2026 - 2030	36 290
2031 - 2035	10 224
No expiry date	12 188
Total	**58 702**

The Finnish parent entities, Reima Group Holding Oy, Reima Group Oy and Reima Europe Oy, are subject to the Finnish interest deduction limitation rules in taxation.

10 Intangible assets and goodwill

10.1 Accounting policy

Goodwill

Goodwill represents the excess of the
- consideration transferred, and
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired. Major part of the goodwill originates from the formation of the current Group in 2011, when Reima was acquired by Riverside. Goodwill reflects for example expected future synergies resulting from acquisitions. Goodwill is carried at historical cost less accumulated impairment losses. Goodwill is not subject to amortisation but is tested at least annually for impairment, refer to Note 10.3 Impairment testing of goodwill below. Impairment losses on goodwill are recorded in the income statement and may not be subsequently reversed.

Intangible assets

Reima's intangible assets primarily comprise trademarks, software, licenses and capitalised development costs. Reima recognises an intangible asset only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Reima capitalises development costs only if specific criteria are met. Reima's R&D activities include product and material development for example related to durability, safety and sustainability of new fibres and the finishing process. The company engages in research for new fibres, new product functionalities, and their recycling opportunities. Also development related to new digital services and solutions are included. The Group capitalises development costs when all the following criteria are met:

- Reima can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Reima intends to complete the intangible asset and use or sell it.
- Reima is able to use or sell the intangible asset.
- Reima is able to demonstrate how the intangible asset will generate probable future economic benefits.
- The Group has adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset
- Reima is able to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development costs comprise all directly attributable costs necessary to prepare the asset to be capable of operating in the manner intended. Development expenditure that was initially expensed is not capitalised at a later date. Research costs are expensed as incurred.

The accounting for cloud computing arrangements depends on whether the cloud-based software classifies as a software intangible asset or a service contract. Those arrangements where Reima does not have control over the underlying software are accounted for as service contracts providing Reima with the right to access the cloud provider's application software over the contract period. The ongoing fees to obtain access to the application software, together with related configuration or customisation costs incurred, are recognised under Other operating expenses when the Group receives the services.

The estimated amortisation periods applied are as follows: development cost 3 years, ERP software 3-5 years and trademarks 10 years.

Reima reviews the amortisation periods applied at least at each financial year-end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period are changed accordingly. The changes of useful lives may arise from restructuring actions, competition or changes in demand, for example. Generally Reima applies the straight-line method. Recognition of amortisation is discontinued when an intangible asset is classified as held for sale.

At each reporting date Reima assesses whether there is an indication that an intangible asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the difference, i.e. an impairment loss, is recognised in the income statement.

10.2 Reconciliation of carrying amounts

At 31 December 2025 **EUR thousands**	**Goodwill**	**Intangible rights**	**Other intangible assets**	**Assets under deve-lopment**	**Total**
Cost					
Balance at 1 January	51 725	8 560	20 429	0	80 713
Additions[1]	-	50	1 761	90	1 901
Balance at 31 December	51 725	8 610	22 190	90	82 614
Accumulated amortisation and impairment losses					
Balance at 1 January	(825)	(8 557)	(14 311)	-	(23 693)
Amortisation	-	(7)	(2 921)	-	(2 928)
Impairment losses	-	-	(30)	-	(30)
Exchange differences	-	1	(5)	-	(4)
Balance at 31 December	(825)	(8 563)	(17 267)	-	(26 655)
Carrying amount at 1 January	**50 900**	**2**	**6 118**	**0**	**57 020**
Carrying amount at 31 December	**50 900**	**46**	**4 923**	**90**	**55 960**

At 31 December 2024 **EUR thousands**	**Goodwill**	**Intangible rights**	**Other intangible assets**	**Assets under deve-lopment**	**Total**
Cost					
Balance at 1 January	51 725	8 560	16 292	41	76 618
Additions[1]	-	-	4 096	-	4 096
Transfers between classes	-	-	41	(41)	-
Balance at 31 December	51 725	8 560	20 429	0	80 713
Accumulated amortisation and impairment losses					
Balance at 1 January	(825)	(8 537)	(12 064)	-	(21 426)
Amortisation	-	(21)	(2 253)	-	(2 274)
Exchange differences	-	1	6	-	7
Balance at 31 December	(825)	(8 557)	(14 311)	-	(23 693)
Carrying amount at 1 January	**50 900**	**22**	**4 228**	**41**	**55 191**
Carrying amount at 31 December	**50 900**	**2**	**6 118**	**0**	**57 020**

The Group continuously develops materials and new products. The research and development costs expensed amounted to 48 kEUR (2024: EUR 82 kEUR).

[1]Contains mainly ERP implementation costs and technology costs of digital channels.

10.3 Impairment testing of goodwill

10.3.1 Accounting policy

For the purposes of impairment testing goodwill is allocated to the cash-generating units (CGUs) that are expected to benefit from the business combination in which the goodwill arose. A cash-generating unit is the smallest identifiable group of assets in Reima that generates inflows that are largely independent from the cash inflows from other assets or groups of assets. A cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. In Reima goodwill is allocated to the Group, which still constituted a single cash-generating unit.

Reima determines recoverable amounts based on value-in-use calculations prepared using discounted future net cash flows. Value in use refers to the continuing use of the asset in its current condition by the owner of the asset. The calculations use cash flow projections based on the most recent long-term forecast approved by management and the Board of Directors, covering a five-year period. The cash flow projections exclude expansion investments. The Group defines the discount rate as WACC (weighted average cost of capital), which reflects the total cost of equity and debt while considering the asset-specific risks.

Reima performs impairment testing annually in the fourth quarter of the financial year when the most recent long-term forecast is available. The testing is excecuted also if there are indications of impairment of goodwill (or other intangible or tangible assets).

10.3.2 Assumptions and estimation uncertainties

At each period-end Reima management assesses if there is any indication of impairment of goodwill (or intangible, tangible asset or right-of-use asset). The Group regularly monitors indicators such as Group's management reporting, changes in economic environment and market developments. Such indications may include, among others:
- unexpected changes in factors underlying impairment tests (revenues and profitability levels)
- changes in market conditions, such as exchange rates (Chinese Yuan and US Dollar)
- geopolitical risks, such as custom tariffs, wars, conflicts and environmental disasters
- errors detected in forecasting processes and deterioration in forecasta accuracy

The recoverable amount determined is based on assumptions and estimates made by management on, among others, future sales, production costs, sales growth rate and discount rate.
As a result of the business combinations, the consolidated balance sheet includes significant goodwill.
Intangible assets and goodwill may be subject to impairment if the business results do not develop as expected.

Key data on impairment test, value-in-use

	2025	**2024**
Carrying amount of the assets tested, kEUR	85 462	79 310
of which goodwill, kEUR	50 900	50 900
Terminal growth rate used to extrapolate cash flows beyond the five-year period (estimated steady growth rate), %	2.0	2.0
Terminal period Ebitda rate, %	17.9	20.4
Discount rate (pre-tax WACC), %	12.4	15.4
Post-tax WACC, %	11.0	11.8

Sensitivity analysis, value-in-use

The sensitivity analysis is prepared in respect of WACC, EBITDA percentage (profitability) and terminal growth rate. In respect of the terminal growth rate the headroom is significant, therefore presentation of related sensitivity analysis is not meaningful. The change in the amount by which the recoverable amount exceeds the carrying amount is mainly due to updated business forecasts.

The amount by which the recoverable amount exceeds its carrying amount, EUR thousands	**2025**	**2024**
	114 011	151 061
The percentage point changes in these key assumptions - holding other assumptions constant - would result in the recoverable amount of the tested assets to equal their carrying amount		
WACC, post-tax	6.7	16.1
EBITDA percentage	(4.6)	(8.9)

Reima has evaluated the possible impacts of the current economic climate on the goodwill impairment testing and the related values and assumptions, and has noted that there are no indications of impairment. Based on the impairment tests carried out, the goodwill for the remaining Reima business was not impaired as at 31 December 2025.

11 Tangible assets

11.1 Accounting policy

Tangible assets of the Group mainly comprise machinery, equipment and capitalised refurbishment costs related to leased premises, for example Reima retail stores and offices. The cost comprises directly attributable incremental costs incurred in acquisition and installation, as applicable. Subsequently tangible assets are carried at cost, less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated by charging equal annual instalments to the income statement, over the estimated useful lives of the assets (three to five years). Recognition of depreciation is discontinued when a tangible asset is classified as held for sale.

Reima reviews expected useful lives and residual values at least at each financial year-end. If they differ significantly from previous estimates, the useful lives are adjusted prospectively. At each reporting date the Group assesses whether there is an indication that a tangible asset may be impaired. If any indication exists, the Group estimates the asset’s recoverable amount. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

11.2 Reconciliation of carrying amounts

EUR thousands	Machinery and equipment		Other tangible assets		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Cost						
Balance at 1 January	1 894	1 765	4 168	3 541	6 062	5 306
Additions	49	129	238	627	287	756
Exchange differences	-	-	(20)	-	(20)	-
Balance at 31 December	1 943	1 894	4 386	4 168	6 329	6 062
Accumulated depreciation and impairment losses						
Balance at 1 January	(1 709)	(1 670)	(3 437)	(3 207)	(5 147)	(4 877)
Depreciation	(78)	(44)	(311)	(246)	(389)	(290)
Exchange differences	(5)	5	(29)	15	(34)	20
Balance at 31 December	(1 793)	(1 709)	(3 777)	(3 437)	(5 570)	(5 147)
Carrying amount at 1 January	**184**	**95**	**730**	**334**	**915**	**429**
Carrying amount at 31 December	**150**	**184**	**608**	**730**	**759**	**915**

Refer to Note 12 Leases for disclosures on Group's tangible assets acquired under lease contracts.

12 Leases

12.1 Accounting policy

Reima acts as a lessee leasing mainly offices, business premises (retail stores), warehouses and cars. Generally the Group recognises a leased asset (right-of-use asset) and a lease liability for all leases, except for short-term leases and leases of low-value items. Reima assesses at contract inception whether a contract is, or contains, a lease at inception of a contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Reima does not separate non-lease-components, such as maintenance rents in retail store leases, from lease components, but instead accounts for these together as a single lease component. The Group applies this practical expedient for all classes of underlying assets.

Right-of-use assets

Reima recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:
- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives
- any initial direct costs incurred by Reima, and
- an estimate of restoration costs, if any, to be incurred by Reima.

Subsequently the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for certain remeasurements of the lease liability. Reima depreciates right-of-use assets on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Right-of-use assets are tested for impairment if there is an indicator for impairment, as for owned assets. Any impairment loss identified is recorded in the income statement.

Lease liabilities

Initially the lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The discount rate used by the Group is Reima’s incremental borrowing rate, which is the interest rate the Group would have to pay to borrow the amount necessary to obtain an asset of similar value, in a similar economic environment with similar terms and conditions. To arrive at the incremental borrowing rate Reima applies the respective country’s (economic environment) risk-free rate for the term corresponding to the lease term, adjusted for own credit risk.

Lease payments included in the measurement of the lease liability comprise:
- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, such as consumer price index, initially measured using the index or rate as at the commencement date of the contract
- amounts expected to be payable under a residual value guarantee, and
- the exercise price under a purchase option that the Group is reasonably certain to exercise.

Subsequently the lease liability is measured at amortised cost using the effective interest method. It is remeasured when
- there is a change in future lease payments arising from change in an index or rate
- if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or
- if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Reima has a few leases which involve variable payments (for example a lease charge determined as a percentage of the sales obtained by the Group in the leased premises). Variable lease payments that do not depend on an index or a rate are generally recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

Reima does not recognise right-of-use assets and lease liabilities for:
- short-term leases (that have a lease term of 12 months or less). Reima applies the practical expedient for all classes of underlying assets.
- leases of low-value assets (each asset with a value of approximately EUR 5,000 or less when new). Such assets mainly include machinery and equipment and premises used for pop-up retail stores.

The Group recognises the lease payments associated with above-mentioned leases as an expense on a straight-line basis over the lease term.

12.2 Assumptions and estimation uncertainties

Reima management has applied judgement in the following areas:
- Determining whether a contract is or contains a lease: the Group has a number of rental contracts with service providers (for inventory services, among others), for which Reima had to assess the scope of lease accounting, i.e. if those contracts are to be accounted for as leases or service contracts. Reima concluded that most such contracts are to be accounted for as service contracts, since there are no separately identified assets.
- Determining the lease term for non-fixed-term leases: the Group has determined the non-cancellable lease term for non-fixed term contracts to be based on the Reima's internal business planning cycle.

12.3 Amounts recognised in profit or loss

EUR thousands		2025	2024
Expense relating to leases of low-value assets[1] (that are not short-term leases)		(32)	(11)
Expense relating to short-term leases[1]		(25)	(31)
Depreciation charge for right-of-use assets by class of underlying asset[2]	Offices	(709)	(682)
	Retail stores	(1 609)	(1 451)
	Other assets	(168)	(145)
	Total	(2 485)	(2 277)
Expense relating to variable lease payments[1] (excluded from lease liabilities)		(210)	(272)
Interest expense[3] on lease liabilities		(237)	(207)

[1] Those expenses are included in the line item Other operating expenses in the income statement.

[2] Included in the line item Depreciation, amortisation and impairment losses in the income statement.

[3] Included in the line item Finance expenses in the income statement.

12.4 Amounts presented in cash flow statement

EUR thousands	2025	2024
Total cash outflow for leases	(2 507)	(2 617)

12.5 Leased tangible assets

At 31 December 2025

EUR thousands	Offices	Retail stores	Ware-houses	Other assets	Total
Carrying amount at 1 January	**854**	**3 896**	**0**	**317**	**5 069**
Exchange differences	(20)	(81)	-	4	(97)
Depreciation charge for the year	(706)	(1 599)	-	(168)	(2 472)
Additions	1 466	1 218	-	89	2 773
Disposals	-	(574)	-	-	(574)
Other	73	191	-	(10)	255
Carrying amount at 31 December	**1 668**	**3 051**	**0**	**232**	**4 953**

At 31 December 2024

EUR thousands	Offices	Retail stores	Ware-houses	Other assets	Total
Carrying amount at 1 January	**1 327**	**3 243**	**0**	**221**	**4 791**
Exchange differences	5	8	-	2	15
Depreciation charge for the year	(686)	(1 463)	-	(144)	(2 293)
Additions	209	2 141	-	238	2 588
Disposals	-	(33)	-	-	(33)
Carrying amount at 31 December	**854**	**3 896**	**0**	**317**	**5 069**

Leased tangible assets are presented as a separate line item Right-of-use assets in the consolidated balance sheet.

12.6 Lease liabilities

12.6.1 Carrying amounts

EUR thousands	31 Dec 2025	31 Dec 2024
Current	1 527	1 415
Non-current	3 505	3 508
Total	**5 032**	**4 923**

The above liabilities are presented on the line item Lease liabilities (non-current / current) in the consolidated balance sheet, based on their maturity.

12.6.2 Maturity analysis – contractual undiscounted cash flows

EUR thousands	31 Dec 2025	31 Dec 2024
Less than one year	1 911	2 527
One to five years	3 340	3 932
Total undiscounted cash flows	**5 250**	**6 459**

12.7 Lease commitments

There were no non-cancellable lease contracts for 2025 that had not yet commenced as at 31 December 2025. Refer to Note 22.3 Collaterals for commitments on low-value and short term leases not recorded on balance sheet.

13 Inventories

13.1 Accounting policy

Inventories are stated at the lower of cost and net realisable value. Reima determines cost by using the first-in, first-out (FIFO) method. The cost of purchased products consists of:
- the purchase price
- other variable costs, such as freight, custom duties and product handling to ready-to-sell state, and
- costs incurred from procurement and quality control eligible for capitalisation,

incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Write-downs of inventories are recognised under the line item Materials and services in the income statement.

13.2 Assumptions and estimation uncertainties

Inventories are one of the most significant individual balance sheet items of Reima. The Group uses predetermined seasonal percentages when calculation obsolescence provision. Management judgement is required in determining the appropriate provisions required for obsolete inventory and the quantities of products sold under cost. This relies on both, analysis of inventory from previous seasons and forecast of the net realisable value of products sold at discounts. The value of the inventories may be subject to a risk of impairment if actual sales deviate significantly from forecasts.

EUR thousands	31 Dec 2025	31 Dec 2024
Finished goods[1]	15 131	17 425
Other inventories	4 189	1 548
Total	**19 320**	**18 974**
Total obsolensence provisions recognised on inventories	369	341

1 An error in previous financial periods was detected in the 2025 financial year, due to which the 2024 comparative data has been corrected. The correction reduces the value of the finished goods item by 121 kEUR. Please see note 16.3

14 Financial assets

14.1 Accounting policy

Classification

Reima classifies financial assets of the Group either as financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income. Classification of financial assets is made based on their purpose of use upon initial recognition. Classification relies on the objectives of Reima's business model and the contractual cash flows from financial assets, or by applying the fair value option upon initial recognition.

All purchases and sales of financial assets are recognised at the trade date. For financial assets not carried at fair value through profit or loss, transaction costs are included in the initial carrying amount. Financial assets are derecognised when Reima loses the rights to receive the contractual cash flows on the financial asset or it has transferred substantially all the risks and rewards of ownership outside the Group.

Financial assets measured at amortised cost

At Reima financial assets measured at amortised cost mainly comprise trade receivables. Assets classified in this category are measured at amortised cost using the effective interest (EIR) method. In the Group trade receivables are held within a business model whose objective is to collect the contractual cash flows, and those cash flows that are solely payments of principal and interest. Trade receivables are current assets that Reima has the intention to hold for less than 12 months from the end of reporting period. The carrying amounts of current trade receivables are expected to substantially equal their fair values. For credit loss accounting, refer to Note 20.4 Credit and counterparty risk.

The Group's cash and cash equivalents consist of cash on hand and in banks. Items qualifying as cash equivalent have a maturity of three months or less from the date of acquisition.

Financial assets measured at fair value through other comprehensive income

Reima classifies in this category such derivative instruments acquired for hedging purposes. These financial assets are classified either as non-current or current financial assets, based on their maturity.

The Group uses derivative instruments for hedging purposes. The derivatives acquired are recognised at fair value and are under cash flow hedge accounting (refer to Note 19 Derivative instruments and cash flow hedge accounting).

14.2 Carrying amounts

EUR thousands	Note	31 Dec 2025	31 Dec 2024
At amortised cost			
Trade receivables[1]	20.4	12 275	10 919
Cash and cash equivalents		15 414	2 718
Total		**27 689**	**13 637**

1 An error in previous financial periods was detected in the 2025 financial year, due to which the 2024 comparative data has been corrected. The correction reduces the value of the Trade receivables by 203 kEUR. Please see note 16.3.

Trade receivables includes factoring receivables in amount of 188 kEUR (207 kEUR).

Derivative instruments designated as hedging instruments			
Derivative instruments, current	19	123	10
Total		**27 811**	**13 647**

15 Other receivables

EUR thousands	31 Dec 2025	31 Dec 2024
Accrued income and prepayments[1]	3 692	4 716
Tax receivables	93	31
Other	657	713
Total	**4 442**	**5 459**

1 An error in previous financial periods was detected in the 2025 financial year, due to which the 2024 comparative data has been corrected. The correction reduces the value of the Accrued income and prepayments by 285 kEUR. Please see note 16.3.

16 Capital and reserves

16.1 Accounting policy

Reima classifies the instruments it has issued either as financial liabilities or equity instruments, based on their nature.
- A financial liability is an instrument that obligates Reima to deliver cash or another financial asset, or the holder has a right to demand cash or another financial asset.
- An equity instrument is any contract that evidences a residual interest in the assets of Reima after deducting all of its liabilities.

16.2 Share capital and share classes

16.2.1 Accounting policy

The share capital consists of the parent company Reima Group Holding Oy's A, B, C, D, E and F shares classified as equity. The subscription price of a share received by the company in connection with share issues is credited to the share capital, unless it is provided in the share issue decision that a part of the subscription price is to be recorded in the Reserve for invested non-restricted equity. Transaction costs directly attributable to the issue of new shares are recorded in equity as a deduction, net of tax, from the proceeds.

As at 31 December 2025, Reima Group Holding Oy had six share classes, as follows:

- A shares are ordinary shares that carry all shareholder rights, including one vote per share at a general meeting of shareholders.

- Non-voting B shares were entitled to fixed dividend (10.0 %) until 31 December 2015. B shares have no other rights than accrued dividend. The company has no obligation to redeem or repurchase the paid-in capital(issue price). The company can, at its sole discretion, redeem the paid-in capital and related accrued dividend. Potential redemption is restricted by distributable funds. The paid-in capital is classified as equity and the accrued unpaid dividend as a financial liability.

- Non-voting C shares do not have any rights and may be redeemed by Reima at the share's original subscription price. They resulted in from the conversion of a capital loan in 2016.

- Non-voting D, E and F shares are entitled to preferred annual dividend (for D shares 10.0 %, for E shares 15.0 % and for F shares 20.0 % on the paid-in capital). Reima has no obligation to repay the principal or redeem the shares. Therefore, the paid-in capital is classified as equity. D and E shares are attached with redemption and consent clauses. They are non-transferable and have no pre-emptive subscription rights. Dividend distribution requires, among others, that the company is solvent in accordance with the Finnish Limited Liability Companies Act and it has distributable funds. Most of these shares resulted in from the conversion of shareholder loans in late 2019. Those shares were registered in January 2020. In addition, new E shares were issued and registered in 2020 and in 2021.

All issued shares have been fully paid. The shares have no nominal value.

The dividend distribution liability related to the B shares (fixed amount) amounted to 1,589 kEUR at 31 December 2025 (same value in 2024).

The Group had no treasury shares in its possession at the year-end 2025 and 2024.

16.2.2 Movements in number of shares and Group's equity

In May 2023, the company carried out a directed share issue to strengthen its equity and issued total of 8,898,465 new class F shares. The equity increase was fully recorded in reserve for non-restricted equity. The total number of shares is now 101,156,180 and includes no changes after May 2023.

In January 2021, the company carried out a directed share issue to strengthen its equity and liquidity. A total of 1,582,393 new E shares were issued and they were registered to trade register in February 2021. The equity increased by 1.9 MEUR, which was fully recorded in the reserve for non-restricted equity.

The table below discloses changes in the number of shares and respective changes in Group's equity.

	At 1 Jan 2024	Movement	At 31 Dec 2024	At 1 Jan 2025	Movement	At 31 Dec 2025
EUR thousands						
Share capital	5	-	5	5	-	5
Reserve for invested non-restricted equity[1]	101 346	-	101 346	101 346	-	101 346
Share issue	-	-	-	-	-	-
Total	**101 351**	**-**	**101 351**	**101 351**	**-**	**101 351**
Thousands of pieces						-
A shares	18 926	-	18 926	18 926	-	18 926
B shares	2 951	-	2 951	2 951	-	2 951
C shares	41 935	-	41 935	41 935	-	41 935
D shares	19 730	-	19 730	19 730	-	19 730
E shares	8 716	-	8 716	8 716	-	8 716
F shares	8 898	-	8 898	8 898	-	8 898
Total	**101 156**	**-**	**101 156**	**101 156**	**-**	**101 156**

[1] The reserve for invested non-restricted equity comprises other equity investments and that part of the share subscription price that has not specifically been allocated to share capital.

16.3 Reserves

Cash flow hedge reserve

This reserve recognises movements in the fair value of derivative financial instruments used in cash flow hedges, net of deferred tax assets and liabilities. Recognition in the hedging transactions reserve requires that the hedge is determined to be effective. The effective portion of the change in fair value of the hedging instrument (due to a change in spot and forward rates) is recognised in the cash flow hedge reserve.

Translation differences

The reserve includes translation differences arisen from the IFRS post-transition date (1 January 2018) translation of the financial statements of foreign operations into euro. Please see the consolidated statement of changes in equity for more details.

Retained earnings

Retained earnings are earnings accrued over the previous financial years that have not been transferred to equity reserves or issued as dividends to owners. Please see the consolidated statement of changes in equity for more details and balance sheet.

Adjustments to previous financial years data

During the financial year 2025, the Group corrected errors from the prior year amounting to 609 kEUR in its U.S. subsidiary. The corrected amounts have been restated in the 2024 comparative figures and affected the following line items: trade receivables 203 kEUR, other receivables (value added tax receivables) 285 kEUR, and inventories 121 kEUR. The errors relate to several financial years preceding 2024 and consist of a number of small individually items. Please see the consolidated statement of changes in equity and the consolidated balance sheet.

Translation differences amounting to 1,526 kEUR had been incorrectly presented prior to the IFRS conversion. This amount was reclassified to retained earnings in the financial year 2025 and is reflected in the 2024 comparative figures. Please see the consolidated statement of changes in equity. The adjustment has no impact on the result for the financial year, but only on the above-mentioned balance sheet items for the comparison year 2024.

16.4 Capital management

The Group's revenue increased by 2,2 % to 86,0 MEUR (84,1 MEUR). Mainly increase of revenue was due to increase of sales in North America.

Reima has updated earnings forecasts for the following four years. The outlook of the Group is positive. Therefore the Group continues to invest in development on distribution channels, especially in e-commerce. Reima aims to create a profitable and sustainable business. These investments are closely monitored and returns analysed.

There were no significant changes to capital management in 2025. The Group's capital management objectives are to safeguard its ability to continue operating as a going concern, so that it can continue to generate returns for shareholders and benefit other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital. In 2025, the weighted average interest rate on interest-bearing loans for which interest is paid on a cash basis was 16.13% (13.31%). The weighted average interest expense has increased due to repayment of revolving credit facility which had interest rate of 6.9% in 2024.

Reima's loan and borrowings involve financial covenants. Under the updated financing agreements, Reima is subject to a quarterly liquidity covenant requiring a minimum level of consolidated gross cash, as well as an annual senior net debt to adjusted EBITDA covenant. Reima's policy is to maintain sufficient headroom to meet the covenant requirements. In 2025, Reima passed both covenants. At the time of signing, the company's forecasts indicated that the company's group covenants would be fulfilled at least for the next 12-month period.

16.5 Authorisations

The Annual General Meeting held on 27 September 2016 authorised the Board of Directors to decide on the issuance of shares. Based on the authorisation, the number of shares to be issued shall not exceed 200,000 shares. The Board of Directors may issue shares as follows: A: not exceeding 75,837 pieces; C: not exceeding 124,163 pieces.

17 Financial liabilities

17.1 Accounting policy

Reima classifies financial liabilities into the following categories:
- financial liabilities measured at fair value through profit or loss (FVTPL), and
- financial liabilities measured at amortised cost (comprising loans and borrowings).

The categorisation determines whether and where any remeasurement to fair value is recognised.

A financial liability is classified as current if Reima does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. In respect of loans and borrowings current financial liabilities comprise the portion falling due within less than 12 months. Financial liabilities may be interest-bearing or non-interest-bearing.

A financial liability (or part of the liability) is not derecognised until the liability has ceased to exist, that is, when the obligation identified in a contract has been fulfilled, cancelled or is no longer effective.

Financial liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative not eligible for hedge accounting or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss.

The Group uses derivative instruments for hedging purposes. The derivative liabilities eligible for hedge accounting are measured at fair value through other comprehensive income. Refer to Note 19 Derivative instruments and cash flow hedge accounting.

The company's Board of Directors renegotiated the terms of the old PIK loan in June 2025. As a result of the negotiations, the old PIK loan of 90.3 MEUR was changed to interest-free and at the same time a new PIK loan of 2 MEUR was granted, which is interest-bearing. Due to the interest-free nature, the terms of the old PIK loan changed significantly, so the debt is treated as a new debt in the 2025 financial statements, which is recorded in the balance sheet at fair value. The fair value of the loan at the balance sheet date was 66.8 MEUR. The company has recorded the effect of the change in loan terms in the income statement in the item Other financial income, totaling 27.7 MEUR in the 2025 financial period.

A loan is initially measured at fair value by discounting the cash flows to their present value and subsequently measured at amortised cost using the effective interest method. The Group applies a discount rate representing the interest rate that the Group estimates it would be required to pay to borrow a similar amount of funds under comparable terms and conditions.

Financial liabilities at amortised cost (other financial liabilities)

Other financial liabilities are initially recognised at fair value. Transaction costs are included in the original carrying amount. Subsequently, these financial liabilities are measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expenses, EIR amortisation, foreign exchange gains and losses as well as any gain or loss on derecognition are recognised in profit or loss.

17.2 Financial liabilities

EUR thousands	**Note**	**31 Dec 2025**	**31 Dec 2024**
i) At amortised cost			
Non-current financial liabilities			
Lease liabilities	12.6	3 505	3 508
Capital loans		911	911
PIK-loan		68 915	-
Bond (senior)		24 381	-
Shareholder loan		330	1 575
Other loan		1 457	-
Other non-current financial liabilities		1 589	1 589
		101 089	**7 584**
Current financial liabilities			
Borrowings from financial institutions		130	89 892
Bank overdraft		-	2 658
Lease liabilities	12.6	1 527	1 415
Trade payables		13 781	11 856
Other current financial liabilities		(0)	1 994
		15 439	**107 814**
Total financial liabilities at amortised cost		**116 527**	**115 398**

EUR thousands	**Note**	**31 Dec 2025**	**31 Dec 2024**
ii) Derivate instruments			
Current financial liabilities			
Derivative instruments designated as hedging instruments	19	113	-
		113	**-**
Derivative financial instruments designated as hedging instruments measured at fair value through other comprehensive income, total		**113**	**-**
Total financial liabilities		**116 641**	**115 398**

17.3 Terms of loans and borrowings and repayment schedule

The major terms and conditions of outstanding loans and borrowings are as follows:

	At 31 Dec 2025				
	Currency	**Nominal interest rate**	**Year of maturity**	**Fair value[1]**	**Carrying amount**
Bond (senior)	EUR	9,5% + Euribor	2028	24 381	24 381
PIK loan[3]	EUR	11% + Euribor or 0 %	2028	68 915	68 915
Lease liabilities	Several	-	2026-2028	5 032	5 032
Capital loans[4]	EUR	-	2026-2031	911	911
Shareholder loan	EUR	10 %	2028	330	330
Other loan	EUR	11% + euribor	2028	1 457	1 457
Factoring credit[2]	EUR	0.20 %	N/A	130	130

	At 31 Dec 2024				
	Currency	**Nominal interest rate**	**Year of maturity**	**Fair value[1]**	**Carrying amount**
Secured bank loan (senior)	EUR	8.5% + Euribor	2025	30 366	30 366
Secured bank loan, revolving credit	EUR	4% + Euribor	2025	6 451	6 451
PIK loan	EUR	11% + Euribor	2025	52 939	52 939
Lease liabilities	Several	-	2025-2027	4 923	4 923
Capital loans	EUR	-	2031	911	911
Shareholder loan	EUR	10 %	2025	1 575	1 575
Factoring credit[2]	EUR		N/A	134	134

[1] Measurement at amortized cost using the effective interest method provides fair view on the fair value of the instrument
[2] Reima has a recourse factoring credit agreement.

3 Since June 2025 2 MEUR of the PIK is cash interest bearing, rest of the PIK loan is not cash interest bearing

4 As a result of the change in the main shareholder in 2025, the existing shareholders' agreements expired, leading to changes in the maturity dates of the capital loans.

Reima has a dividend distribution liability related to its Class B shares, which has no maturity. This loan has not been included in the above table. Under the Articles of Association, the holders of these Class B shares were entitled to a fixed dividend (10.0% of par value) until 31 December 2015. The accumulated liability amounts to 1,589 kEUR. In accordance with the Articles of Association, Reima Group Holding Oy is entitled, at its sole discretion, to redeem the shares at any time by paying the par value together with the accumulated unpaid fixed dividend attributable to the shares. Refer to Note 16 Capital and reserves for further information.

The related company mortgages are disclosed in Note 22 Provisions, contingencies and commitments.

17.4 *Changes in loans and borrowings*

In 2025 Reima issued a bond of 25 MEUR on Frankfurt Open Market, the country of issue for the bond is Norway. The bond must be listed on a regulated market by 10th June 2026. Revolving credit 6.4 MEUR and negatitive bank account 3.7 MEUR was paid back with the new financing. The company's Board of Directors renegotiated the terms of the old PIK loan in June 2025. As a result of the negotiations, the old PIK loan of 90.3 MEUR was changed to cash interest-free and at the same time a new PIK loan of 2 MEUR was granted, which is cash interest-bearing. Due to the interest-free nature, the terms of the old PIK loan changed significantly, so the debt is treated as a new debt in the 2025 financial statements, which is recorded in the balance sheet at fair value. The fair value of the loan at the balance sheet date was 66.8 MEUR. The company has recorded the effect of the change in loan terms in the income statement in the item Other financial income, totaling 27.7 MEUR in the 2025 financial period.

In 2024, Reima's all borrowings from financial institutions were classified as short-term liabilities due to a covenant breach, refer to Note 17.5 Financial covenants. There was no covenant breaches at year-end 2025 nor after the year-end until signing date and all borrowings are classified as long-term.

In 2024 a recourse factoring credit arrangement was set in place to improve Reima Europe Oy's liquidity position. Company's sales receivables were given as security for the loan. Under the arrangement, Reima retains the credit risk and bears the responsibility for the collection of factoring receivables that are not recovered.

17.5 *Financial covenants*

Reima's borrowings from financial institutions involve financial covenants. The related liabilities amounted at nominal values to 117,417 kEUR at 31 December 2025 (92,549 kEUR) and balance sheet value is 93 296 kEUR at 31 December 2025 (92 550 kEUR). The Group must comply with the financial covenant terms on a quarterly basis. In 2025, Reima passed all the covenants. In 2024, Reima's all borrowings from financial institutions were classified as short-term liabilities as the company did not meet covenant regarding minimum adjusted EBITDA.

17.6 *Movements of liabilities from financing*

The following table provides a reconciliation between the opening and closing balances for liabilities arising from financing activities. The other loans and borrowings include movements of bond and PIK-loan.

	2025		2024	
EUR thousands	**Lease liabilities**	**Other loans and borrowings**	**Lease liabilities**	**Other loans and borrowings**
Balance at 1 January	**4 923**	**95 035**	**4 780**	**79 127**
Changes from financing cash flows	-	(9 424)	-	12 774
Transactions costs related to loans and borrowings	-	(847)	-	(1 406)
Withdrawal and repayment of borrowings	-	27 000	-	(5 079)
Payment of lease liabilities	(2 507)	-	(2 617)	-
Total changes from financing cash flows	(2 507)	16 729	(2 617)	15 908
Other changes				
New leases (Note 12.5) and lease terminations	2 388	-	2 557	-
Capitalisation of interests		4 876		9 619
Discounted PIK-loan	-	-23 344	-	-
Other	228	-	203	-
Balance at 31 December	**5 032**	**93 296**	**4 923**	**95 035**

18 Fair values of financial assets and financial liabilities

18.1 Accounting policy

Derivative assets and derivative liabilities are measured at follows:

Foreign currency derivatives

Reima basically measures foreign currency derivatives by comparing the contract strike price (agreed delivery price) with the market forward rate for the maturity of the contract. Once the estimated future settlement of the contract has been obtained based on the aforementioned comparison (in Euro), the settlement is discounted using the risk-free zero coupon yield curve. The Group uses valuations obtained from the counterparty (bank).

The fair value of the hedges is recognised as follows in the consolidated balance sheet, depending on whether it is positive or negative:
- Asset: under Other non-current assets (non-current) / Trade and other receivables (current) or
- Liability: under Other financial and other non-current financial liabilities (non-current) / Trade and other payables (current).

Other items

A loan is initially measured at fair value by discounting the cash flows to their present value and subsequently measured at amortised cost using the effective interest method. The Group applies a discount rate representing the interest rate that the Group estimates it would be required to pay to borrow a similar amount of funds under comparable terms and conditions.

Share appreciation rights and anti-dilution options: the fair value of these liability items is based on management estimate.

18.2 Accounting classification and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy (for the fair value hierarchy refer to Note 1.7 Measurement of fair values). The table excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value (i.e. trade receivables, trade payables and lease liabilities).

At 31 December 2025		Carrying amount	Fair value			
EUR thousands	Note		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
Foreign currency derivatives in hedge accounting		123	-	123	-	123
Total	19	**123**	**-**	**123**	**-**	**123**
Financial liabilities measured at fair value						
Foreign currency derivatives in hedge accounting	19	113	-	113	-	113
Total		**113**	**-**	**113**	**-**	**113**
Financial liabilities not measured at fair value						
Capital loans		911	-	911	-	911
Bond (senior)		24 381	-	24 381	-	24 381
PIK loan		68 915	-	68 915	-	68 915
Factoring credit		130	-	130	-	130
Shareholder loan		330	-	330	-	330
Other loan		1 457	-	1 457	-	1 457
Unsecured other borrowing		1 589	-	1 589	-	1 589
Total	17	**97 714**	**-**	**97 714**	**-**	**97 714**

At 31 December 2024		Carrying amount	Fair value			
EUR thousands	Note		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value						
Foreign currency derivatives in hedge accounting		10	-	10	-	10
Total	19	**10**	**-**	**10**	**-**	**10**
Financial liabilities not measured at fair value						
Capital loans		911	-	911	-	911
Secured bank loan, senior		83 440	-	83 440	-	83 440
Secured bank loan, revolving credit		9 109	-	9 109	-	9 109
Unsecured other borrowings		3 583	-	3 583	-	3 583
Total	17	**97 043**	**-**	**97 043**	**-**	**97 043**

19 Derivative instruments and cash flow hedge accounting

19.1 Accounting policy

The Group uses derivative financial instruments, including foreign exchange forward contracts and flexible forward contracts, to hedge the currency risk arising from forecasted foreign currency-denominated purchases. The hedging strategy is based on an 18-month rolling forecast period with predefined and gradually decreasing minimum and maximum hedge ratios.. The derivatives acquired in accordance with the Group's exchange risk hedging policies are recognised at fair value and are under cash flow hedge accounting.

Reima treats foreign currency hedges relating to forecast transactions as cash flow hedges. Therefore, any gains or losses derived from measuring the hedging instrument at fair value, which correspond to the effective portion of the hedge, are recognised in other comprehensive income and presented under Cash flow hedge reserve in equity. The ineffective portion is charged to finance expenses or credited to finance income, as appropriate.

Amounts recognised in equity are transferred to profit or loss when the forecast transaction takes place with a charge or credit to the income statement in which it was recognised. Also, gains or losses recognised in equity are reclassified to finance income or finance expenses when the forecast transaction is no longer expected to occur. The fair value of the hedges is recognised, depending on whether it is positive or negative, under Other non-current assets (non-current) / Trade and other receivables (current) or Other financial and other non-current financial liabilities (non-current) / Trade and other payables (current) in the consolidated balance sheet.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as hedging instruments and the hedging relationship is documented. Reima also verifies, both at inception and continuously during the hedge period, using 'effectiveness tests', that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument. Also, the ineffective portion of the hedging instrument is recognised immediately in profit or loss.

19.2 Hedge accounting

	31 Dec 2025				31 Dec 2024			
EUR thousands	**Notional amount**	**Positive fair value**	**Negative fair value**	**Fair value, net**	**Notional amount**	**Positive fair value**	**Negative fair value**	**Fair value, net**
Derivatives in hedge accounting								
FX forward and option contracts, cash flow hedges	15 932	123	(113)	9	3 200	10	(0)	10
Total	**15 932**	**123**	**(113)**	**9**	**3 200**	**10**	**(0)**	**10**

19.3 Cash flow hedges

19.3.1 Hedging instruments

At year-end 2025 and 2024, the Group held the following instruments to hedge exposures to changes in foreign currency:

	Maturity at 31 Dec 2025			Maturity at 31 Dec 2024		
EUR thousands	**1-6 months**	**6-12 months**	**More than 1 year**	**1-6 months**	**6-12 months**	**More than 1 year**
Foreign currency risk						
Forward exchange and option contracts						
CNH notional amount of hedges	3 932	4 800	-	1 600	-	-
CNH average rate of bought hedges	8.297	8.248		7.5500	-	
CNH average rate of sold hedges	8.297	8.248		7.5500	-	
USD notional amount of hedges	4 400	2 800	-	1 600	-	-
USD average rate of bought hedges	1.182	1.184	-	1.053	-	-
USD average rate of sold hedges	1.182	1.184	-	1.053	-	-

19.3.2 Cash flow hedge reserve

EUR thousands	At 31 Dec 2025 Continuing hedges[2]	At 31 Dec 2025 Discontinued hedges[3]	At 31 Dec 2024 Continuing hedges[2]	At 31 Dec 2024 Discontinued hedges[3]
Foreign currency contracts[1]	6	(372)	10	(17)

[1] Highly probably cash flows arising from, [2] Refers to unrealised hedges, [3] Refers to realised hedges.

19.3.3 Hedge ineffectiveness and hedging gains or losses

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

		At year-end		During the year		
		Carrying amount		Changes in fair value of hedging instruments used in measuring hedge ineffectiveness	Recycled into income statement as	
EUR thousands	**Notional amount**	**Assets**	**Liabilities**	**Effective portion Recognised in OCI**	**Interest expense**	**Gross profit**
At 31 Dec 2025 / Year 2025						
Cash flow hedges						
Foreign exchange contracts[1]	15 932	123	113	(6)	-	(694)
At 31 Dec 2024 / Year 2024						
Cash flow hedges						
Foreign exchange contracts[1]	3 200	10	0	(10)	-	(34)

[1] The line item affected in the income statement by recycling is the subtotal Gross profit.

19.4 Hedging activities

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, resulting from cash flow hedge accounting.

	Cash flow hedge reserve	
EUR thousands	**2025**	**2024**
Opening balance at 1 January		
Cash flow hedges	**(23)**	**(181)**
Effective portion of changes in fair value arising from:		
Foreign exchange contracts	(1 034)	124
Net amount reclassified to profit or loss into		
Other finance expenses	-	-
Gross profit	694	34
Tax impact of the above	-	-
Closing balance at 31 December	**(364)**	**(23)**

20 Financial risk management

20.1 Financial risk management

Reima's activities are exposed to various financial risks:
- market risk (foreign currency risk and interest rate risk) and
- other risks (credit risk, liquidity risk and country risk).

The Group's financial risk management focuses on the uncertainty of financial markets and aims to minimise the potential adverse effects on the profitability of its business.

Reima's financial risks consist of liquidity risk, interest rate risk, foreign exchange transaction risk, foreign exchange translation risk, credit risk and counterparty risk. The Group manages financial risks centrally, in order to align financial risk management with Reima's strategy and ensure access to debt financing. Major financial risks are summarised below:

Foreign currency risk

Foreign currency risk is managed in line with the Reima's risk management guidelines, which establish the ongoing monitoring of exchange rate fluctuations and other measures designed to mitigate this risk through arrangement of financial hedges.

Credit risk

The Group is not exposed to significant concentrations of credit risk as policies are in place to cover sales in Wholesale channel, and retail sales together with Direct-to-consumer sales represent material part of revenues. Credit risks are disclosed below in note 20.4. Financial conditions of significant suppliers is followed actively and when needed prepayments are used to reduce Reima's risks.

Liquidity risk

The Group is exposed to liquidity risk due to seasonality of the business. Company maintains sufficient cash and cash equivalents through credit facilities to meet the outflows required in its normal operations. Liquidity risks are disclosed in note 20.5 below. Reima has financial loans wich include financial covenants, see more about the covenants in Note 17.5 Financial covenants.

The Board of Directors of the parent company has the following responsibilities:
- Board will approve hedging counterparties
- Board will appoint an FX Committee to monitor and supervise the implementation of the FX policy and provide guidelines and best practices in, for example approving new counterparties and guiding the optimal set up of FX rate hedging levels when using options.

This note provides information on Reima's exposure to each of the aforementioned risks, the Group's objectives, policies and processes for managing risk, the methods used to measure these risks, any changes from the previous year and the financial instruments used to mitigate the risks.

The Group manages loan negotiations centrally for the parent company and the subsidiaries, for example, and projects the financing requirements for the next 12 months on a rolling basis, in order to ensure long-term liquidity. The objective is to ensure that the Group has liquidity for outgoing commitments at all times and that the financing portfolio is well diversified. The financing portfolio should also be flexible in case of changes in Reima's business operations.

Basic financial management operations are delegated to the subsidiaries, such as payment transactions and debt collection. Subsidiaries should maximise their long-term performance by optimising their working capital structure.

20.2 Foreign exchange transaction risk and foreign exchange translation risk

20.2.1 Transaction risk

Reima operates in an international environment and, accordingly, is exposed to foreign currency risk on transactions in currencies, in particular the US dollar (USD), and the Chinese Yuan (CNY). Euro is the Group's primary currency and the functional currency of the parent company. Foreign currency risk arises on future commercial transactions and recognised assets and liabilities.

In Reima foreign currency risk is managed in line with the corporate risk management model guidelines. They establish the ongoing monitoring of exchange rate fluctuations and other measures designed to mitigate this risk. It is mainly carried out through the optimisation of the Group's operations in order to minimise the impact, using natural hedges, the benefits of diversification and the arrangement of financial hedges. Goods are acquired through orders placed with foreign suppliers, in US Dollar and Chinese Yuan. In accordance with the prevailing foreign currency risk management policies, Group management arranges foreign exchange derivatives to hedge fluctuations in cash flows relating to the EUR-USD and EUR-CNY exchange rates.

Reima applies the IFRS hedge accounting rules. No hedge ineffectiveness arose during the financial year, as there was an economic relationship between the hedging instrument and the hedged item, and credit risk did not dominate the changes in fair value. In addition, the hedging relationship was consistent with the company’s risk management strategy, and no over-hedging occurred; therefore, the hedge was effective.

As at 31 December 2025, approximately 52% (0%) of the cash flows associated with hedges are expected to occur in 6 months subsequent to year-end, while 48% (100%) are expected to fall due between six months and 12 months, and 0% (no cash flows) beyond 12 months. Also, the impact on the consolidated income statement will likely occur in those periods.

20.2.2 Translation risk

Reima's foreign exchange translation risk is defined as the negative effect of movements in exchange rates on the value of a foreign subsidiary’s assets when those values are translated into the reporting currency of the parent company (Euro). The Group has subsidiaries in various countries (e.g. in USA and China). So far, the translation difference has not been a significant item, and thus the Group has not hedged this risk by using currency derivative instruments.

20.2.3 Most significant currency risk exposure

EUR thousands	USD	CNY	NOK
At 31 December 2025			
Trade receivables	880	1 253	795
Trade payables	5 721	2 476	138
Total	**6 602**	**3 728**	**933**
At 31 December 2024			
Trade receivables	963	1 070	253
Trade payables	1 736	3 354	24
Total	**2 699**	**4 425**	**277**

20.2.3 Sensitivity analysis on exchange rate movements

	At 31 December 2025		**At 31 December 2024**	
EUR thousands	**Income statement**		**Income statement**	
	EUR strenghtening	EUR weakening	EUR strenghtening	EUR weakening
Trade receivables				
+/- 10 % change in USD	(80)	98	(84)	103
+/- 10 % change in CNY	(114)	139	(97)	119
+/- 10 % change in NOK	(72)	88	(23)	28
Trade payables				
+/- 10 % change in USD	520	(636)	158	(193)
+/- 10 % change in CNY	225	(275)	305	(373)
+/- 10 % change in NOK	13	(15)	2	(3)
Total net effect	**492**	**(601)**	**260**	**(318)**

20.2.4 Closing rates for financial years used in consolidated financial statements

	Closing rate 2025	**Closing rate 2024**
EUR/USD	1.175	1.039
EUR/CNY	8.226	7.583

20.3 Interest rate risk

Reima’s interest rate risk is primarily derived from outstanding floating-rate borrowings from financial institutions. Interest rate risk is not significant. The Group’s revenues and operational cash flows are to a large extent independent of fluctuations in interest rates.

Reima's loans and borrowings from financial institutions carry variable and fixed interest. At the end of the 2025 financial year, the Group had interest-bearing financial liabilities, on which interest is paid on a cash basis, totalling 28.4 MEUR. Variable interest liabilities are linked to Euribor rates (0 to 12 months). In 2025, the weighted average interest expense on interest-bearing loans and borrowings, for which interest is paid on a cash basis, was 16.13% (13.31%). The weighted average interest expense has increased due to repayment of revolving credit facility which had interest rate of 6.9% in 2024.

Reima manages that part of the interest rate risk that is beyond the fluctuating amount of the working capital. The existing financing agreements also stipulate that a certain portion of the floating rate debt must be hedged. If interest rates were to increase by 1 percentage unit, interest expenses would increase by 0.3 MEUR (0.7 MEUR) and if interest rate were to decline with 1 percentage unit, interest expenses would decline by 0,3 MEUR (0,7 MEUR).

20.4. Credit risk and counterparty risk

Credit and counterparty risks arise from a counterparty not being able to fulfil its contractual requirements, and thus resulting in a loss to the creditor. For Reima trade receivables are the main driver of credit and counterparty risk. Counterparty risk results from receivables from companies for which the Group provides credit.

The Group and Board of Directors actively manages credit risk through internal processes, in order to avoid concentrations of such risk. Reima is exposed to changes in customers’ payment behavior and possible risks arising from trade receivables through wholesale channels. Collections through cash and credit card payments in own channels are increasing, which decreases credit risk. Seasonality of the children clothing business affects the Group's operations, resulting in the trade receivables balance being at the highest during the period July-September. The autumn/winter season is the primary season for Reima.

Reima recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost. Expected credit losses on trade receivables are recognised based on the Group’s historical experience of defaults and delays in payments, as well as on customers’ financial positions. The assessment also incorporates forward-looking information. The allowance for credit losses is assessed both on a collective basis and individually for significant receivables (certain countries or customers). The amount of expected credit losses is determined by discounting the estimated future cash flows using the original effective interest rate of the receivables and comparing them with the carrying amount. Credit losses are recognised in profit or loss as other operating expenses and as a reduction of the carrying amount of trade receivables.

All realised credit losses are recognised in profit or loss. A credit loss is reversed in a subsequent period, if the reversal can be related objectively to an event occurring after the impairment was recognised.

20.4.1 Credit exposure per geographical area

	Carrying amount	
EUR thousands	**31 Dec 2025**	**31 Dec 2024**
Trade receivables		
Europe	9 976	8 373
Asia	1 148	1 278
North America[1]	1 151	1 268
Total	**12 275**	**10 919**

Presentation of the note has been been changed to reflect companys current major market areas.

[1] During the financial year 2025, a prior period error was identified, as a result of which the 2024 comparative information has been restated by 203 kEUR. See Note 16.3.

20.4.2 Exposure to credit risk and loss allowance: aging analysis of trade receivables

EUR thousands	At 31 Dec 2025 Gross carrying amount	At 31 Dec 2025 Loss allowance	At 31 Dec 2024 Gross carrying amount[1]	At 31 Dec 2024 Loss allowance
Current (not past due)	10 487	(5)	8 229	(12)
Past due				
1-30 days	1 325	(25)	1 546	(2)
31-60 days	332	(13)	952	(21)
61-90 days	66	(4)	76	(5)
More than 90 days past due	154	(42)	343	(187)
Total	**12 364**	**(89)**	**11 146**	**(227)**

[1] During the financial year 2025, a prior period error was identified, as a result of which the 2024 comparative information has been restated by 203 kEUR with reducing impact. See Note 16.3.

The country-based loss allowance rates applied at financial year-end were as follows:

At 31 December 2025

EUR thousands	All countries	China		Other	
Current (not past due)	5	5	0.43 %	1	0.01 %
Past due					
1-30 days	25	-	5.12 %	25	0.01 %
31-60 days	13	-	5.60 %	13	4.42 %
61-90 days	4	-	9.95 %	4	5.00 %
> 90 days past due	42	50	10.56 %	(8)	7.05 %
Total	**89**	**55**		**35**	

At 31 December 2024

EUR thousands	All countries	China		Other	
Current (not past due)	12	5	0.43 %	8	0.23 %
Past due					
1-30 days	2	-	5.12 %	2	0.23 %
31-60 days	21	-	5.60 %	21	3.99 %
61-90 days	5	-	9.95 %	5	11.25 %
> 90 days past due	187	54	10.56 %	133	22.49 %
Total	**227**	59		**168**	

20.4.3 Reconciliation of loss allowance

EUR thousands	2025	2024
Balance at 1 January	227	324
Amounts written off	27	(17)
Net remeasurement of loss allowance	(164)	(80)
Balance at 31 December	**89**	**227**

The item Net remeasurement of loss allowance includes any amounts received for items previously recorded as credit losses. Changes in expected and realised credit losses are recognised under Other operating expenses.

20.5 Liquidity risk

Liquidity risk is incurred from a potential mismatch between Reima’s liquid assets and financing requirements. The Group adheres to careful liquidity risk management and aims to ensure sufficient liquidity even in difficult circumstances. Reima manages liquidity risk by ensuring that non-current liabilities have different maturities and by limiting individual receivables. At the reporting date, the single largest distributor accounts for 24% of the Group’s trade receivables. Reima also aims at ensuring liquidity through credit instruments. The liquidity of the Group is monitored and forecast over a 12-month period and, if necessary, short-term liquidity is monitored. Liquidity is followed up on a rolling basis. Reima has a minimum cash covenant, however, it does not have significant impact on Reima's liquidity management.

The seasonality of the children clothing business affects both the Group's operations and financing needs which are covered using credit limits. The autumn/winter season is the primary season for Reima.

The following table analyses financial liabilities based on their contractual maturities. The amounts disclosed are undiscounted, comprising repayments of capital. Interest payments on borrowings from financial institutions are presented separately. Reima's borrowings from financial institutions involve financial covenants. In 2024, Reima did not meet it's equity ratio covenant and all borrowings from financial institutions were classified as short-term liabilities. Currently Reima has met all it's covenants and external borrowing is classified as long-term. Refer to note 17.5 Financial covenants .

20.5.1 Contractual maturities of financial liabilities

EUR thousands	Total	0-3 months	3-12 months	2-3 years	4-5 years	Over 5 years
At 31 December 2025						
PIK-loan	**92 259**	-	-	92 259	-	-
Related cash interest payments	**800**			800	-	-
Shareholder loan	**330**	-	-	330	-	-
Related cash interest payments	**91**	-	-	91	-	-
Bond	**25 000**			25 000	-	-
Related cash interest payments	**7 231**	723	2 169	4 338		-
Capital loans[2]	**911**	-	260	443	-	208
Other non-current financial liabilities[1]	**3 046**	-		1 457		1 589
Related cash interest payments	**437**	-	-	437	-	-
Trade and other payables						
Current derivative instruments	**113**	45	68	-	-	-
Other	**13 781**	13 781	-	-	-	-
Total	**143 999**	**14 549**	**2 497**	**125 155**	**-**	**1 797**
At 31 December 2024						
Borrowings from financial institutions	**92 550**	92 550	-	-	-	-
Related cash interest payments	**2 802**	2 802	-	-	-	-
Shareholder loans	**1 575**	1 575	-	-	-	-
Capital loans[2]	**911**	-	-	-	-	911
Other non-current financial liabilities	**1 589**	-	-	-	-	1 589
Trade and other payables						
Other	**11 856**	11 856	-	-	-	-
Total	**111 283**	**108 783**	**-**	**-**	**-**	**2 500**

For the maturity analysis of lease liabilities refer to Note 12.6.2 Maturity analysis – contractual undiscounted cash flows.

[1]Reima has a dividend distribution liability related to its Class B shares, which has no maturity. Under the Articles of Association, the holders of these Class B shares were entitled to a fixed dividend (10.0% of par value) until 31 December 2015. The accumulated liability amounts to 1,589 kEUR. In accordance with the Articles of Association, Reima Group Holding Oy is entitled, at its sole discretion, to redeem the shares at any time by paying the par value together with the accumulated unpaid fixed dividend attributable to the shares. Refer to Note 16 Capital and reserves for further information.

[2]As a result of the change in the main shareholder in 2025, the existing shareholders’ agreements expired, leading to changes in the maturity dates of the capital loans.

21 Other payables and accruals

EUR thousands	31 Dec 2025	31 Dec 2024
Prepayments received	128	250
Return accruals	312	702
Accruals and deferred income	3 012	10 791
Other current liabilities	3 746	2 863
Total	**7 199**	**14 606**

22 Provisions, contingencies and commitments

22.1 Accounting policy — Provisions

Provisions comprise liabilities of uncertain timing or amount. A provision is recognised when:
- Reima has a present obligation (legal or constructive) as a result of a past event
- an outflow of resources is probable, and
- the amount of the obligation can be estimated reliably.

The amount recognised is the best estimate of the settlement amount at the end of the reporting period, being the present value of the expenditures after taking account of the risks and uncertainties surrounding the obligation, unless the impact of discounting is immaterial.

A restructuring provision is recognised when Reima has prepared a detailed restructuring plan and has begun to implement the plan or has announced it to those concerned.

The Group had no provisions at the year-end 2025 and 2024.

22.2 Accounting policy — Contingent liabilities, contingent assets and commitments

Contingent assets and contingent liabilities are possible rights and obligations. They arise from past events and their existence will be confirmed only by the occurence or non-occurence of one or more uncertain events not fully within the control of Reima.

22.3 Collaterals

EUR thousands	31 Dec 2025	31 Dec 2024
Company mortgages given by Reima	444 039	308 100
Other commitments	771	1 157
Commitments related to open letters of credit	1 800	182
Lease commitments	50	1 572

At 31 December 2025, the company mortages for the liabilities of the subsidiaries totaled 444 MEUR (308 MEUR). The mortgages given are for the Group and they cover shares and the Group's loans and borrowings and commitments, such as obligations for leases and letters of credit as well as accounts receivables. The companies of the Group have concluded that all Group mortages and other collaterals have been given for parent company's commitments and liabilities. Moreover, registrated trademarks recognised in the balance sheets of the subsidiaries as well as other off-balance sheet trademarks have been pledged for security of loans and borrowings. Those recognised trademarks were carried at 23 kEUR at 31 December 2025 (2 kEUR).

The Group’s external financial institution loan includes an exit fee, which, subject to certain conditions, becomes payable upon repayment of the loan. The fee is reduced by exit-related costs; the maximum amount of the exit fee is 2.7 MEUR and the minimum amount is zero euros.

At 31 December 2025, there were no other commitments. Refer to Note 12.7 Lease commitments.

22.4 Legal proceedings and disputes

There were no open legal disputes at 31 December 2025.

23 Related party transactions

23.1 Accounting policy

The parent company Reima Group Holding Oy's related parties comprise the following:
- its subsidiaries
- key management personnel, comprising the members of the Board of Directors, CEO[1], the Group Leadership Team members and its main owners who all have consulting agreement with the Group. The agreements are with the own companies of the owners: Ebit Oy (Elina Björklund), Remap AB (Anders Ullstrand) and Long Island Consulting AB (Jonas Meerits).
- entities, over which the above-mentioned persons have control or joint control
- close family members of the above-mentioned persons
- fellow subsidiaries and upstream companies having control - directly or indirectly - over or significant influence in Reima Group Holding Oy.

The parent of Reima Group Holding Oy was REF IV Luxembourg Sàrl until 15th April 2025 and EAJ Holding Oy starting from 15th April 2025. The ultimate controlling parties were Béla Szigethy and Stewart Kohl, who shared joint control over the ultimate US-based parent company REF IV GP, LLC until 15th April 2025. With the change of main ownership in April 2025 Elina Björklund, Anders Ullstrand and Jonas Meerits became the ultimate controlling parties as they share joint control over EAJ Holding Oy. Elina Björklund, Anders Ullstrand and Jonas Meerits own EAJ Holding Oy through their 100% owned companies, Ebit Oy, Viano Holding AB and Long Island Holding AB, respectively.

The related party transactions disclosed consist of transactions carried out with related parties that are not eliminated in the consolidated financial statements.

[1] Reima Group Holding Oy has no CEO. The operative CEO of the Group is Heikki Lempinen from Jan 2024.

23.2 Key management personnel compensation

The amounts presented below represent the expenses recognised in those financial years. Salary amounts include any fringe benefits. The pension benefits of the key management personnel consist of the pensions provided under the statutory pension plans of the respective countries, the Group has no voluntary supplementary pension plans for current key management.

All key management personnel option programs expired with zero value at the transfer of the main ownership of the Group in April 2025.

EUR thousands	**2025**	**2024**
Salaries and other short-term employee benefits	(1 357)	(1 265)
Pension benefits (defined contribution plans)	(218)	(203)
Share-based payments	-	1 406
Total	**(1 575)**	**(62)**

The positive net gain for the share-based incentive plans in 2024 resulted in from changes in fair value of the plans, refer to Note 5.3 Share appreciation rights for details.

23.3 Transactions with other related parties and outstanding balances

	Transaction values		**Year-end balances outstanding**	
EUR thousands	**2025**	**2024**	**31 Dec 2025**	**31-Dec-24**
Owners of the company until April 2025				
Management fee gain/expense	5 220	(700)	-	(5 260)
Other expenses	(167)	-	-	-
Other loan[2]	(181)	-	(1 457)	-
Owners of the company from April 2025				
Ebit Oy	(75)	(266)	(19)	(123)
Remap AB	(30)	-	(25)	-
Long Island Consulting AB	(51)	-	(10)	-
Shareholder loan[1]	(31)	(1 439)	(330)	(1 575)
Capital loan	-	-	(911)	(911)
Total	**4 685**	**(2 405)**	**(2 752)**	**(7 869)**

Board members who are not employed by Reima are paid a fee for their board work. In the financial year 2025, a total of 120 kEUR (110 kEUR) board fees were paid.

1 Refer to note 17 Financial liabilities.

2 Presented as shareholder loan in 2024 comparative figures.

23.4 Group structure

As of 31 December 2025, the Group comprised the following subsidiaries:

Entity	Domicile	Ownership interest, %
Reima Group Holding Oy, parent company		
Reima Group Oy	Finland	100
Reima Europe Oy	Finland	100
Bindley Ltd	China (Hong Kong)	100
Reima Sweden AB	Sweden	100
Reima Norway AS	Norway	100
Reima GmbH	Germany	100
Reima Trading (Beijing)Co., Ltd.	China	100
Reima Trading (Shanghai)Co., Ltd.	China	100
Reima USA Inc.	United States	100
Reima Japan, KK	Japan	100

24 Events after the end of the financial year

The parent company has capital loans in amount of 0.9 MEUR, part of which will mature during the financial year 2026. Under the terms of the company’s bond, the repayment of capital loans is not permitted during the bond period, and the company is currently renegotiating the terms of the capital loan agreements with the lenders. At the financial statement signing date, maturing capital loan agreements amounting to 260 kEUR remain subject to renegotiation. The Company expects that all capital loan agreements will be successfully renegotiated and, accordingly, the capital loans are presented as non-current liabilities.

The financing of the company and the Group is subject to compliance with the covenant terms. At the time of signing, based on the company’s forecasts, the Group is expected to comply with the covenants for at least the following 12 month period. In accordance with the terms of the bond loan, the company is required to list the bond on Nasdaq Stockholm, or another regulated market, by 10 June 2026.

The company informed about the initiation of change negotiations considering all office employees in Finland on 9 April 2026. The aim of these negotiations is to achieve cost savings and improve operational efficiency. According to preliminary estimates, the planned changes could lead to a permanent reduction of up to 15 positions.

BALANCE SHEET

EUR	Note		31 Dec 2025		31 Dec 2024
ASSETS					
NON-CURRENT ASSETS					
INTANGIBLE ASSETS					
Other intangible assets	3	929 850.32	929 850.32	52 381.61	52 381.61
INVESTMENTS	3.1				
Holdings in Group companies		33 941 109.93		11 197 651.00	
Receivables from Group companies		-	33 941 109.93	70 526 396.78	81 724 047.78
Total non-current assets			34 870 960.25		81 776 429.39
CURRENT ASSETS	4				
NON-CURRENT RECEIVABLES					
Receivables from Group companies		77 111 954.38	77 111 954.38	25 693 505.48	25 693 505.48
CURRENT RECEIVABLES					
Income tax receivables		-		5 386.23	
Accrued income from Group companies		40 499 321.79		50 190 512.67	
Other accrued income		2 637.25		-	
			40 501 959.04		50 195 898.90
Cash and cash equivalents			1 085 909.74		48.67
Total current assets			118 699 823.16		75 889 453.05
TOTAL ASSETS			**153 570 783.41**		**157 665 882.44**
EQUITY AND LIABILITIES					
EQUITY	5				
Share capital		5 000.00		5 000.00	
Reserve for invested non-restricted equity		101 346 221.04		101 346 221.04	
Retained earnings		(18 766 054.81)		(18 849 721.42)	
Profit for the financial year		(50 013 376.41)	32 571 789.82	83 666.61	82 585 166.23
Total equity			32 571 789.82		82 585 166.23
LIABILITIES	6				
NON-CURRENT LIABILITIES					
Capital loans		911 186.90		911 186.90	
Shareholder loans		330 395.02		298 916.37	
Other loans		1 456 967.67		1 276 482.35	
Loans from financial institutions, PIK loan		92 416 695.53		-	
Bond		25 000 000.00	120 115 245.12	-	2 486 585.62
Total non-current liabilities			120 115 245.12		2 486 585.62
CURRENT LIABILITIES					
Loans from financial institutions		-		52 949 323.84	
Liabilities to Group companies		695 628.00		19 619 250.89	
Trade payables		21 472.47		24 642.34	
Interest payables		166 648.00		-	
Other payables		-	883 748.47	913.51	72 594 130.58
Total current liabilities			883 748.47		72 594 130.58
Total liabilities			120 998 993.59		75 080 716.20
TOTAL EQUITY AND LIABILITIES			**153 570 783.41**		**157 665 882.44**

INCOME STATEMENT

EUR	Note	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
Other operating expenses	7	(131 008.05)	(323 591.51)
OPERATING PROFIT/LOSS		**(131 008.05)**	**(323 591.51)**
Finance income and expenses	8		
Other interest and finance income		6 530 601.62	7 515 882.01
Interest and other finance expenses		(5 699 385.05)	(6 991 439.51)
Impairment losses on investments in non-current assets		(50 000 000.00)	-
Finance income and -expense total		**(49 168 783.43)**	**524 442.50**
PROFIT BEFORE APPROPRIATIONS AND TAXES		**(49 299 791.48)**	**200 850.99**
Appropriations	9		
Group contribution		(695 628.00)	(117 000.00)
PROFIT BEFORE TAXES		**(49 995 419.48)**	**83 850.99**
Taxes for financial period		(17 956.93)	(184.38)
PROFIT FOR THE FINANCIAL YEAR		**(50 013 376.41)**	**83 666.61**

REIMA GROUP HOLDING OY CASH FLOW STATEMENT	1.1.-31.12.2025	1.1.-31.12.2024
CASH FLOW STATEMENT		
EUR		
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit	(131 008.05)	(323 591.51)
Other adjustments	(694 988.70)	(116 261.14)
Cash flow before working capital changes	(825 996.75)	(439 852.65)
Change in working capital	(11 491 363.27)	213 016.07
Cash flow before financing and taxes	(12 317 360.02)	(226 836.57)
Interest income/expenses and other financial income/expenses	(1 582 655.39)	232 059.53
Direct taxes paid	(14 123.51)	(5 570.97)
CASH FLOW FROM OPERATING ACTIVITIES	**(13 914 138.92)**	**(348.01)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in short-term loans PCP	-	6 857 064.28
Loans given to subsidiaries	(12 000 000.00)	(8 000 000.00)
Net change in long-term loans	27 000 000.00	-
Net change in long-term loans shareholders	-	1 142 935.72
CASH FLOW FROM FINANCING ACTIVITIES	**15 000 000.00**	**0.00**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1 085 861.08**	**(348.01)**
Cash and cash equivalents at beginning of financial year	48.67	396.68
Cash and cash equivalents at end of financial year	1 085 909.74	48.67
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1 085 861.07**	**(348.01)**

NOTES TO THE FINANCIAL STATEMENTS

Notes regarding a company belonging to a group

1 Basis of preparation

Reima Group Holding Oy's financial statements are prepared in accorrance with PMA 1-3 paragraphs. In addition cash flow statements has been included to the financial statements due to bond's listing requirements.

The management of the Company has assessed the Company’s ability to continue as a going concern for a period of at least 12 months from the balance sheet date. Although the Company reported a loss for the financial year, management considers that the Company’s liquidity position and financial standing are sufficient to support operations during this period.
The assessment is based on the Company’s current business plan, measures implemented to improve profitability, existing financing arrangements, and advance orders received from wholesale customers of group companies. Management has also assessed that the Company is expected to comply with its financial covenants during the assessment period.
Based on management’s assessment, impairment testing has been performed on investments in subsidiaries and receivables.

The Company’s parent company is EAJ Holding Oy, domicile Helsinki, which holds 92.2% of the Company’s shares.

2 Accounting policies

Investments in subsidiaries and the loans granted to them are stated in the balance sheet at cost, or if the estimated future revenue generated by the asset is expected to be permanently lower than the undepreciated balance of the cost, an adjustment to the value must be made to write off the difference as an expense.

Notes to the balance sheet

3 Intangible assets

	31.12.2025	31.12.2024
Other intangible assets	929 850.32	52 381.61

The presentation has been changed so that loan issuance costs are recognised as non-current assets and amortised over the term of the loan.

3.1 Investments

EUR			31 Dec 2025	31 Dec 2024
Group undertakings				
Reima Group Oy, domicile Helsinki	ownership	100 %	33 941 109.93	11 197 651.00
Group receivables				
Capital loans			-	70 526 396.78
Total investments			**33 941 109.93**	**81 724 047.78**

During the financial year, the Company recognised an impairment of EUR 50 million on shares in subsidiaries. The impairment was preceded by the conversion of capital loan receivables into the Company’s reserve for invested unrestricted equity in Reima Group Oy and into shares in subsidiaries in Reima Group Holding Oy. The impairment had no impact on the adequacy of the Company’s equity.

The valuation of the parent company’s investments in subsidiaries and intragroup receivables may involve a risk of impairment if the operating performance of the group companies does not develop as expected. Total intragroup receivables amounted to EUR 117,611,276.17.

4 Current assets

EUR	31 Dec 2025	31 Dec 2024
Non-current receivables		
Loan receivables from Group companies	77 111 954.38	25 693 505.48
Current receivables		
Accrued income from Group companies	40 499 321.79	50 190 512.67
Tota receivables from Group companies	**117 611 276.17**	**75 884 018.15**

5 Equity

5.1 Restricted and non-restricted equity

EUR	31 Dec 2025	31 Dec 2024
Restricted equity		
Share capital at 1 January	5 000.00	5 000.00
Share capital at 31 December	5 000.00	5 000.00
Total restricted equity	**5 000.00**	**5 000.00**
Non-restricted equity		
Reserve for invested non-restricted equity at 1 January	101 346 221.04	101 346 221.04
Increases for the financial year	-	-
Reserve for invested non-restricted equity at 31 December	101 346 221.04	101 346 221.04

EUR	31 Dec 2025	31 Dec 2024
Retained earnings (loss) at 1 January	(18 766 054.81)	(18 849 721.42)
Retained earnings (loss) at 31 December	(18 766 054.81)	(18 849 721.42)
Profit for the financial year	(50 013 376.41)	83 666.61
Total unrestricted equity	**32 566 789.82**	**82 580 166.23**
Total equity	**32 571 789.82**	**82 585 166.23**
Distributable funds at 31 December	32 566 789.82	82 580 166.23

5.2 Classes of shares and related primary provisions

Pieces	31 Dec 2025	31 Dec 2024
Class A (1 vote per share)	18 926 003	18 926 003
Class B	2 950 796	2 950 796
Class C	41 934 798	41 934 798
Class D	19 730 475	19 730 475
Class E	8 715 643	8 715 643
Class F	8 898 465	8 898 465
Total	**101 156 180**	**101 156 180**

Class B shares are non-voting preferential shares that give their holder preferential right to funds distributed from the company's non-restricted equity. The class B shares accumulated an annual fixed dividend of 10.0 % in cumulative dividends defined until the financial year 2015 based on the Articles of Association and the Shareholders' agreement. The unrecorded liability amounted to 1,589,071 EUR at the balance sheet date.

Non-voting class C shares.

Non-voting class D shares. The class D entitles to 10% dividends as defined in the Articles of Association and the Shareholders' agreement.

Non-voting class E shares. The class E entitles to 15% dividends as defined in the Articles of Association and the Shareholders' agreement.

Non-voting class F shares. The class F entitles to 20% dividends as defined in the Articles of Association and the Shareholders' agreement.

6 Liabilities

6.1 Non-current liabilities

EUR	31 Dec 2025	31 Dec 2024
Non-current liabilities		
Capital loans	911 186.90	911 186.90
Shareholder loans	330 395.02	298 916.37
Other loans	1 456 967.67	1 276 482.35
PIK loan	92 416 695.53	-
Bond	25 000 000.00	-
Total non-current liabilities	**120 115 245.12**	**2 486 585.62**
Current liabilities		
Loans from financial institutions	-	52 949 323.84
Trade payables	21 472.47	24 642.34
Liabilities to Group companies		
Other liabilities	695 628.00	19 619 250.89
Accruals and deferred income		
Interest payables	166 648.00	-
Tax liability	-	913.51
Total current liabilities	**883 748.47**	**72 594 130.58**
Total liabilities	**120 998 993.59**	**75 080 716.20**

6.2 Liabilities falling due in more than five years

EUR	31 Dec 2025	31 Dec 2024
Capital loans	207 792.19	911 186.90
Total	**207 792.19**	**911 186.90**

The subordinated loans are capital loans under Chapter 12 of the Finnish Limited Liability Companies Act. In liquidation or bankruptcy, repayment of principal and interest is subordinated to other creditors. Repayment of principal and payment of interest are permitted only to the extent unrestricted equity and the total amount of subordinated loans exceed accumulated losses. No security has been provided for the loans.

As a result of the change in the main shareholder in 2025, the existing shareholders' agreements expired, leading to changes in the maturity dates of the subordinated loans. As at the balance sheet date, the Company has subordinated loans amounting to EUR 911,186.90, part of which mature in 2026. Due to restrictions under the Company's bond terms and ongoing renegotiations with lenders, the Company expects all subordinated loans to be renegotiated and therefore presents them as non-current liabilities. At the date of signing of the financial statements, agreements totalling EUR 259,744.45 had not yet been renegotiated.

Notes to the income statement

7 Other operating expenses

EUR	2025	2024
Other expenses	(131 008.05)	(323 591.51)
Total other operating expenses	**(131 008.05)**	**(323 591.51)**
Auditors fees		
Auditing fee	84 496.07	59 185.09
Other fees	-	3 336.84
Total of Auditors fees	**84 496.07**	**62 521.93**

8 Finance income and expenses

EUR	2025	2024
Interest and other finance income		
Finance income from Group companies	6 530 596.95	7 515 882.01
Total interest and other finance income	**6 530 596.95**	**7 515 882.01**
Impairment losses on investments in non-current assets	(50 000 000.00)	-
Interest and other finance expenses		
Interest expenses to others	(5 699 385.05)	(6 991 439.51)
Total interest and other finance expenses	**(55 699 385.05)**	**(6 991 439.51)**
Total finance income and expenses	**(49 168 788.10)**	**524 442.50**

9 Appropriations

EUR	2025	2024
Given group contribution	(695 628.00)	(117 000.00)
Total appropriations	**(695 628.00)**	**(117 000.00)**

Other notes

10 Contingent items and commitments

EUR	31 Dec 2025	31 Dec 2024
Business mortgages as collateral for parent company's loans and borrowings	102 700 000.00	102 700 000.00

11 Related party loans

EUR	31 Dec 2025	31 Dec 2024
Reima Group Oy		
Long-term loan receivable	68 471 906.82	25 693 505.48
Short-term loan receivable	40 499 321.79	50 190 512.67
Reima Europe Oy		
Long-term loan receivable	8 640 047.56	-

All internal loans are with market based interest. Based on loan terms, unpaid interest will be capitalized at year-end and bare interest.
Company has a shareholder loan in amount of 330 395,02 eur (298 916,37 eur). Interest is capitalized and loans termination date is 10.6.2028.

Please see note 6.2 regarding capital loan from shareholders.

12 Events after the end of the financial year

Refer to Note 24 Events after the end of the financial year to the consolidated financial statements.

Signings of Management Report and Financial Statements

Helsinki, 22 April 2026

Elina Björklund
Chair of the Board

Anders Ullstrand
Member of the Board

Jonas Meerits
Member of the Board

The Auditor's Note

A report on the audit performed has been issued on the date shown in the electronical signing.

In Helsinki

KPMG Oy Ab
Audit Firm

Turo Koila
Authorised Public Accountant, KHT