

Reima Europe Oy

**FINANCIAL STATEMENTS
and MANAGEMENT REPORT**

1.1.-31.12.2024

reima

Unofficial translation

Reima Europe Oy
Karhumäentie 3
01510 Vantaa
Business ID: 2204295-7

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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 more about 50 countries across the world. The most important markets are Nordic countries, Germany, China and North America. Reima employs around 300 people.

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 the United States, Reima Japan KK which operates in Japan, In addition, there are two companies owned by Reima Europe Oy that operate in China; Reima Trading (Beijing) Co., Ltd. and Reima Trading (Shanghai) Co., Ltd.

The Russian subsidiary Reima LLC was sold on February 15th, 2023 and the company left the Russian market. In the process Reima gave up the Lassie trademark. Reima Danmark ApS was dissolved in November 2023.

Reima Europe Oy does not prepare consolidated financial statements, but the company and its subsidiaries are combined in the consolidated financial statements prepared by Reima Group Holding Oy.

Reima Europe Oy's CEO was Elina Björklund until December 31st 2023 and Heikki Lempinen January 1st 2024 onwards. Fabio Pesiri acted as the Chairman of the Board and Jeroen Jenssen as Board member. Starting 4th March 2025 Heikki Lempinen has been the sole Member of the Board of the board and Ilkka Haavisto as the Vice Member of the Board. The Company's auditor is KPMG Oy with Turo Koila acting as the main responsible authorized public accountant.

FINANCIAL POSITION AND RESULT

Reima Europe Oy's net sales amounted to 60,9MEUR (2023: 60,2M€, 2022: 66,8M€). Reima Europe Oy's result before interests, taxes, depreciation and amortization (EBITDA) was -5,0MEUR (2023: 32,M€, 2022: 9,1M€).

Expanding operations globally continued in 2024. Developing digital operations in the most important markets was a key focus area during the financial year as well as maintaining current and prospective customerships and developing cooperation.

FINANCING AND CAPITAL LOANS

Reima Europe Oy has a capital loan of 5,6 MEUR (5,6 M€) from Reima Group Oy. The interest is 10.25 % pa. More detailed loan conditions are presented in the notes.

The key factors underlying the financial needs include the seasonality of the business and investments in operations. In 2024 and 2023 the company did not pass the covenant conditions related to the loans regarding e.g. equity ratio and all financial loans were classified as short-term liabilities. Board of Directors negotiated with the lenders to restructure the financing in the spring of 2024 and 2025, additionally the Reima Group issued a 25 M€ bond in 2025. The loan covenant terms were updated, and previous covenant breaches were waived. At the end of the financial year, the Group's loans from financial institutions amounted to 92.5 M€. Reima Europe acts as a guarantor for the aforementioned external loans of the Group jointly with other Group companies. Reima Europe Oy's share of the loan was EUR 0 as of 31 December 2024. As of 31 December 2024, Reima Europe Oy had external debt of 9.1 M€, consisting of a 6.5 M€ revolving credit facility and a 2.7 M€ negative bank balance, which were repaid as part of the updated financing arrangement in Summer 2025.

Reima Europe Oy's equity ratio was positive 14,1 % (2023: 25,3 %, 2022: 9,6 %). Return on equity was positive. The equity ratio including capital loans was 21,0 % (2023: 32,0%, 2022: 14,3 %).

RESEARCH AND DEVELOPMENT

Reima's R&D activities include 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 development of new digital services and solutions are included in research and development as well. The Group capitalises development costs when certain criteria are met.

Research and development expenses during the financial year were 0,06 M€ (2023: 0,5M€, 2022: 0,8M€) which is approximately 0,1 % of revenue (2023: 0,7 %, 2022: 1,2 %).

PERSONNEL

The average number of personnel totalled of 125 (2023: 135, 2022: 144) during the financial period. Wages and salaries amounted to 5.153.035 EUR (2023: 6.236.051 EUR, 2022: 7.838.660 EUR, 2021: 8.234.566 EUR).

RISKS AND BUSINESS UNCERTAINTIES

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 also in 2024. The company sees that the unstable political situation in Europe may also affect consumer behaviour. On the other hand, the situation of previous turbulent years has shown that the demand for kidswear is relatively stable.

As the purchases of the Group are mainly currency-denominated, the Group is subject to foreign exchange risks. In line with a policy approved by the Board of Directors, the Group hedges currency risks on a rolling 18 months basis. Forward rate agreements are used to hedge these risks. The biggest currency flows consist of the US dollar and Chinese yuan.

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 operations, the Group needs seasonal financing, which is managed with credit lines taken by Reima Europe Oy. The loans of the Reima Group from financial institutions are subject to financial covenants, for which Reima Europe Oy is jointly liable together with the other Group companies.

Inventory values may also be subject to write-down risks if the realized sales materially deviate from estimated sales.

EVENTS AFTER THE FINANCIAL YEAR

In March 2024 Reima held cooperation negotiation to its office personnel in Finland. The aim with the negotiations was find solutions to strengthen the liquidity of the company. In the negotiation was agreed to lay off the Finnish office personnel for two weeks or alternatively personnel could choose to convert holiday bonuses to a leave.

In June 2025 the company signed an updated financing agreement and issued a three-year 25 M€ bond which will mature on 10 June, 2028. At the same time, old corporate mortgages were mainly ended and 171,7M€ new corporate mortgages were agreed. Reima Europe Oy acts jointly as the guarantor of the financing.

The majority owner of the Group changed in April 2025. The new ownership group consists of Reima's Chair of the Board Elina Björklund as well as Swedish fashion and activewear brand experts Anders Ullstrand and Jonas Meerits. After the change in Reima's ownership structure the previous main owner waived a management fee receivable which was EUR 5.3 M€.

FUTURE OUTLOOK

Due to Reima's strong market position with focus on high-quality and sustainable products, the outlook of Reima business operations in Europe, Asia and North America is positive. The uncertainties on the consumer markets and currency exchange fluctuation 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.

SHARES AND EQUITY

The Company has 4.244.958 A-shares and 227.583 B-shares with equal rights.

THE BOARD'S PROPOSAL FOR DISPOSAL OF THE RESULT

The loss for the financial year is 8.151.432,92 EUR. The Board proposes that the loss for the financial year be transferred to the retained earnings of the Company.

REIMA EUROPE OY BALANCE SHEET	31/12/2024	31/12/2023
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ASSETS**NON-CURRENT ASSETS****INTANGIBLE ASSETS** (1)

Development assets

Intangible rights	1 676,28		2 514,44	
Goodwill	929 476,51		1 248 249,07	
Group goodwill				
Other intangible assets	4 854 750,72		3 469 659,66	
Construction in progress	0,00	5 785 903,51	0,00	4 720 423,17

TANGIBLE ASSETS (2)

Buildings

Machinery and equipment	103 342,55		22 470,91	
Other tangible assets	28 357,30	131 699,85	78 659,07	101 129,98

INVESTMENTS (3)

Holdings in companies in the same group	9 481 530,68		9 481 530,68	
		9 481 530,68		9 481 530,68
Total non-current assets		15 399 134,04		14 303 083,83

CURRENT ASSETS**INVENTORIES**

Materials and consumables				
Finished products / accessories	11 839 739,79		17 345 900,46	
		11 839 739,79		17 345 900,46

NON-CURRENT RECEIVABLES

Loan receivables	(14)	0,00		0,00
			0,00	0,00

CURRENT RECEIVABLES

		0,00		
Trade receivables		8 306 328,20		7 641 362,15
Receivables from group companies	(4)	36 677 541,28		33 608 792,02
Other receivables	(5)	2 335 181,15		1 387 370,06
Accrued income	(6)	1 950 840,12	49 269 890,75	596 439,57
			303 982,75	97 147,66
Cash and cash equivalents				
Total current assets		61 413 613,29		60 677 011,92

TOTAL ASSETS		76 812 747,33		74 980 095,75
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LIABILITIES AND EQUITIES**EQUITY** (8)

Share capital		2 500,00		2 500,00
Other reserves				
Reserve for invested unrestricted equity		32 231 998,22		32 231 998,22
Retained earnings (-loss)		-13 281 842,01		-21 037 216,04
Profit (-Loss) for the financial year		-8 151 432,92	10 801 223,29	7 755 374,03
				18 952 656,21

LIABILITIES (9)**NON-CURRENT LIABILITIES**

Capital loans		5 573 235,36		5 047 267,98
Other loans from group companies		8 891 599,35	14 464 834,71	0,00
Loans from financial institutions		0,00	14 464 834,71	0,00
				5 047 267,98

CURRENT LIABILITIES

Loans from financial institutions		9 109 271,97		7 913 462,32
Advances received		76 941,88		81 155,14
Trade payables		8 035 105,25		5 869 367,82
Payables to group companies		30 539 671,47		32 385 287,15
Other liabilities		1 875 828,81		1 533 262,01
Accruals and deferred income		1 909 869,94	51 546 689,32	50 980 171,56
Total liabilities			66 011 524,03	56 027 439,54

TOTAL LIABILITIES AND EQUITY		76 812 747,33		74 980 095,75
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REIMA EUROPE OY INCOME STATEMENT		1.1.-31.12.2024	1.1.-31.12.2023
INCOME STATEMENT			
Net sales	(10)	60 962 676,37	60 188 226,91
Other operating income	(11)	103 214,20	776 352,01
Materials and services			
Materials and consumables			
Purchases during financial year		22 731 945,35	30 526 838,36
Variation in stocks		6 889 463,71	486 210,96
Outside services		9 570 373,24	39 191 782,30
		9 057 546,13	40 070 595,45
Personnel costs	(13)		
Wages, salaries, and fees		5 153 035,05	6 236 050,83
Social security expenses			
Pension expenses		864 296,63	1 256 042,20
Other social security expenses		152 677,56	6 170 009,24
		136 364,59	7 628 457,62
Depreciation, amortization, and impairments			
Planned depreciation and amortization	(14)	2 200 858,00	2 085 496,41
Other operating expenses	(12)	20 713 850,75	16 540 807,19
OPERATING PROFIT (-LOSS)		-7 210 609,72	-5 360 777,75
Financial income (+) and expenses (-)	(15)	-940 823,20	13 116 151,78
PROFIT BEFORE APPROPRIATIONS AND TAXES		-8 151 432,92	7 755 374,03
PROFIT (-LOSS) FOR THE FINANCIAL YEAR		-8 151 432,92	7 755 374,03

REIMA EUROPE OY CASH FLOW STATEMENT**1.1.-31.12.2024 1.1.-31.12.2023****CASH FLOW STATEMENT****1 000 EUR****CASH FLOW FROM OPERATING ACTIVITIES**

Operating profit	-7 211	-5 361
Adjustments:		
Planned depreciation	2 201	2 085
Cash flow before working capital changes	-5 010	-3 275
Change in working capital	226	31 396
Cash flow before financing and taxes	-4 784	28 120
Interest income/expenses and other financial income/expenses	-1 800	-36 570
CASH FLOW FROM OPERATING ACTIVITIES	-6 584	-8 450

CASH FLOW FROM INVESTMENT ACTIVITIES

Investments in tangibles and intangible assets	-3 297	-2 888
Income from sold investments	0	19 365
CASH FLOW FROM INVESTMENT ACTIVITIES	-3 297	16 477

CASH FLOW FROM FINANCING ACTIVITIES

Net change in short-term loans	1 196	0
Payback of short-term loans	0	-12 319
Net change in long-term loans	8 892	0
Payback of long-term loans	0	-96
Addition in invested free own capital	0	3 336
CASH FLOW FROM FINANCING ACTIVITIES	10 087	-9 079

NET CHANGE IN CASH AND CASH EQUIVALENTS**207 -1 052**

Cash and cash equivalents at beginning of financial year

97 1 149

Cash and cash equivalents at end of financial year

304 97

NET CHANGE IN CASH AND CASH EQUIVALENTS**207 -1 052**

REIMA EUROPE OY NOTES

Reima Europe Oy (ID 2204295-7), which belongs to the Reima Group, is domiciled in Vantaa. Reima Europe Oy is 100-% own by Reima Group Oy, domiciled in Helsinki. The consolidated financial statements are prepared by Reima Group Holding Oy, which is the parent company of Reima Group Oy and the ultimate parent company of Reima Group. Copies of the financial statements are available from the Group's head office at Karhumäentie 3, FI-01530 Vantaa.

NOTES REGARDING THE PREPARATION OF THE FINANCIAL STATEMENTS

Reima Europe Oy's financial statements have been prepared in accordance with the Accounting Act of Finland.

Valuation of fixed assets

Fixed assets are valued at acquisition cost reduced by planned depreciation.

The depreciation periods are:

Goodwill 10y.

Intangible rights 5-10y.

Other intangible assets 3-5y.

Machinery and equipment 3-5y.

Assets depreciation has started on the month of purchase.

The goodwill includes the goodwill of the business acquired in the 2017 business transaction. The most significant and valuable factor in goodwill is the brand value contained in trademarks, which produces important financial benefits in the long-term.

The Board of the Group has assessed the goodwill and other intangible assets related to Reima Europe Oy based on financial estimates covering four years following the financial period. No other write downs were deemed as necessary and the amortization of the assets continues based on the initial amortization plan.

Those assets for which the estimated economic lifetime is under three years as well as minor investments in assets have been expensed during the financial period when such assets have been acquired.

Valuation of inventory

Inventories are measured according to the FIFO principle at the lower of cost and probable replacement

value or estimated realisable value. The value of inventory includes variable costs.

Product cost calculations are prepared by season. If needed, the management assesses after each season the accuracy of the calculations by preparing calculations based on actual costs. In case the actual costs deviate materially from the initial product cost calculations, the difference will be reflected in the inventory values.

Allocation of development expenses and other long-term expenses

Research and product development expenses are generally recorded as annual expenses in the year they are incurred. Product development costs that accumulate income for three or more years are capitalized in

Taxes

Income taxes are entered according to Finnish tax legislation. The calculated deferred tax liabilities are calculated on the difference between taxation and financial statements using the tax rate confirmed for the following years, at the moment of closing the books. Deferred tax receivables are not recorded in the company's balance sheet.

The amount of unrecorded deferred tax assets from confirmed losses is a total of EUR 5,6 million (EUR 5,4 million).

Pensions

Pension coverage for the company's personnel has been arranged through an outside pensions insurance company. Pension costs are entered as costs in the year that they accrue.

Foreign currency items

Receivables and payables denominated in foreign currency have been converted to euros at the exchange rate prevailing at the last day of the financial year. Exchange rate differences resulting from hedging are recorded to adjust the exchange rate difference of the hedged position.

Derivative contracts acquired for hedging purposes

The Group enters into derivative contracts in accordance with its risk management policy to hedge against currency risk. The company uses currency forwards to hedge against changes in the cash flows of forecasted foreign currency purchases (USD and CNY). The contracts are scheduled to mature at the same time as the hedged purchases and sales, and the resulting gains and losses are recognized upon maturity. The fair value of the derivative contracts has not been recorded on the balance sheet but is presented in the notes to the financial statements. The fair value of the derivatives is disclosed in Note 7.

Financing arrangements and the most significant risks and uncertainties related to operations

The continuity of the company's and the group's operations depends on reaching agreements with lenders regarding covenant terms and financing, as well as the company's ability to meet the covenant conditions associated with its loans in the future. This indicates a material uncertainty that may cast significant doubt on the company's and group's ability to continue as a going concern. An agreement on the terms of financing and the restructuring of financing was reached in June 2025, and the going concern principle has been applied in preparing the financial statements. The company's management believes that Reima has sufficient resources to continue its operations and that management intends to do so for at least twelve months from the date of approval of the financial statements. See Note 18. Events after the reporting period

1. INTANGIBLE ASSETS	31/12/2024	31/12/2023
Intangible rights		
Acquisition costs 1.1.	7 803 965	7 803 965
- additions during the year	0	0
- decreases during the year	0	0
- transfer to other intangible assets	0	0
Acquisition cost 31.12.	<u>7 803 965</u>	<u>7 803 965</u>
Accumulated depreciation 1.1.	-7 801 451	-7 800 613
- depreciation for the year	-838	-838
Accumulated depreciation 31.12.	<u>-7 802 289</u>	<u>-7 801 451</u>
Book value 31.12.	1 676	2 514
Goodwill		
Acquisition costs 1.1.	22 754 746	22 754 746
Acquisition costs 31.12.	<u>22 754 746</u>	<u>22 754 746</u>
Accumulated depreciation 1.1.	-21 506 497	-21 187 724
- depreciation for the year	-318 773	-318 773
Accumulated depreciation 31.12.	<u>-21 825 269</u>	<u>-21 506 497</u>
Book value 31.12.	929 477	1 248 249
Other intangible assets		
Acquisition costs 1.1.	14 414 113	11 234 111
- additions during the year	3 204 952	3 180 002
Acquisition costs 31.12.	<u>17 619 065</u>	<u>14 414 113</u>
Accumulated depreciation 1.1.	-10 944 453	-9 333 702
- depreciation for the year	-1 819 860	-1 610 751
- impairments for the year		
Accumulated depreciation 31.12.	<u>-12 764 313</u>	<u>-10 944 453</u>
Book value 31.12.	4 854 752	3 469 660
Constructions in progress		
Acquisition costs 1.1.	0	387 846
- additions during the year	1 592 403	1 685 998
- deductions during the year	-11 379	-46 167
- transfers to other asset groups	-1 581 025	-2 027 676
Acquisition costs 31.12.	<u>0</u>	<u>0</u>
Book value 31.12.	0	0
TOTAL INTANGIBLE ASSETS	5 785 904	4 720 424
2. TANGIBLE ASSETS	31/12/2024	31/12/2023
Machinery and equipment		
Acquisition costs 1.1.	1 185 757	1 160 165
- additions during the year	91 957	25 592
Acquisition costs 31.12.	<u>1 277 714</u>	<u>1 185 757</u>
Accumulated depreciation 1.1.	-1 163 285	-1 130 452
- depreciation for the year	-11 085	-32 834
Accumulated depreciation 31.12.	<u>-1 174 370</u>	<u>-1 163 285</u>
Book value 31.12.	103 343	22 472
Other tangible assets		
Acquisition cost 1.1.	536 204	483 643
- additions during the year	0	52 561
Acquisition costs 31.12.	<u>536 204</u>	<u>536 204</u>
Accumulated depreciation 1.1.	-457 545	-353 427
- decreases during the year	-50 302	-104 118
Acquisition costs 31.12.	<u>-507 847</u>	<u>-457 545</u>
Book value 31.12.	28 357	78 659
TOTAL TANGIBLE ASSETS	131 700	101 130

3. INVESTMENTS	31/12/2024	31/12/2023
Group undertakings		
	Group's share of ownership	
Bindley Ltd, Hong Kong	100 %	19 024
Reima Trading (Beijing) Co., Ltd., China	100 %	6 400 000
Reima Sweden AB, Mölndal, Sweden	100 %	1 650 453
Reima GmbH, Germany	100 %	25 000
Reima Trading Shanghai, China	100 %	100 000
Reima Norway AS, Norway	100 %	1 203 105
Reima USA Inc.	100 %	884
Reima Japan, KK	100 %	83 063
TOTAL INVESTMENTS	9 481 531	9 481 531

There may be an impairment risk in the valuation of the parent company's subsidiary shares and internal receivables if the business performance of the group companies does not develop as expected.

4. RECEIVABLES FROM GROUP COMPANIES	31/12/2024	31/12/2023
Current receivables		
Trade receivables	2 109 508	4 368 178
Other receivables	18 543 628	16 741 482
Loan receivables	16 024 405	12 499 133
Total current receivables	36 677 541	33 608 792
TOTAL RECEIVABLES FROM GROUP COMPANIES	36 677 541	33 608 792

There may be an impairment risk in the valuation of the parent company's subsidiary shares and internal receivables if the business performance of the group companies does not develop as expected.

5. OTHER RECEIVABLES	31/12/2024	31/12/2023
Accrued income		
VAT receivables	2 274 958	1 212 058
Other receivables	60 223	175 312
Total accrued income	2 335 181	1 387 370
TOTAL ACCRUED INCOME	2 335 181	1 387 370

6. ACCRUED INCOME	31/12/2024	31/12/2023
Accrued income		
Accrued expenses	955 323	594 131
Prepaid expenses	995 518	0
Other accrued expenses	0	2 309
Total accrued income	1 950 840	596 440
TOTAL ACCRUED INCOME	1 950 840	596 440

7. DERIVATIVE CONTRACTS	31/12/2024	31/12/2023
Currency derivatives, fair value	9 680	-68 963
Currency derivatives, nominal amounts	4 032 781	4 808 481

All the derivatives are short-term and the hedge period ends during 2025. The fair values of derivatives have been determined using market data on the balance sheet date.

8. EQUITY		
	31/12/2024	31/12/2023
Restricted equity		
Share capital 1.1.	2 500	2 500
Share capital 31.12.	2 500	2 500
Total restricted equity	2 500	2 500
Unrestricted equity		
Reserve for invested unrestricted equity 1.1.	32 231 998	28 896 126
- additions during the year	0	3 335 872
Reserve for invested unrestricted equity 31.12.	32 231 998	32 231 998
Retained earnings 1.1.	-13 281 842	-21 037 216
Profit (-Loss) for previous financial years 31.12.	-13 281 842	-21 037 216
Profit (-Loss) for financial year	-8 151 433	7 755 374
Retained earnings	-21 433 275	-13 281 842
Total unrestricted equity	10 798 723	18 950 156
TOTAL EQUITY	10 801 223	18 952 656
Distributable funds 31.12.	10 798 723	18 950 156
SHARE CLASSES AND PRIMARY PROVISIONS		
	2024	2023
A-Class (1 vote/share)	4 244 958	4 244 958
B-Class	227 583	227 583
The share classes give equal rights		
9. LIABILITIES		
	31/12/2024	31/12/2023
Non-current liabilities		
Capital loans from Group companies	5 573 235	5 047 268
Loans from Group companies	8 891 599	0
Total non-current liabilities	14 464 835	5 047 268
Current liabilities		
Loans from financial institutions	9 109 272	7 913 462
Advances received	76 942	81 155
Trade payables	8 035 105	5 869 368
Liabilities to Group companies		
Trade payables	14 681 476	16 203 375
Other liabilities	13 749 165	14 082 291
Interest liabilities	2 109 031	2 099 621
Liabilities to Group companies total	30 539 671	32 385 287
Other liabilities	1 875 829	1 533 262
Personnel expenses accruals	122 849	165 514
VAT debt	1 619 482	1 367 748
Factoring	133 498	0
Accruals and deferred income		
Interest expenses	42 498	251 109
Salaries and social-security costs	1 176 380	1 296 939
Other accrued expenses	690 993	1 649 589
Total non-current liabilities	51 546 689	50 980 172
TOTAL LIABILITIES	66 011 524	56 027 440

Capital loans are capital loans according to OYL chapter 12. The principal and interest of the loan are paid during the company's liquidation and bankruptcy with a lower priority than other creditors. Otherwise, the capital can be returned and interest paid only to the extent that the amount of the company's free equity and all capital loans at the time of payment exceeds the amount of the loss according to the balance sheet that is confirmed from the company's most recently ended financial year or included in the more recent financial statements. Payment of principal or interest is not guaranteed. At the end of the financial period, the company had no unrecorded capital loan interest debt. The interest of financial period 2024 has been capitalized. The company has 5,6 M€ capital loan (5 M€) from Reima Group Oy. The interest is 10.25 % pa.

NOTES TO THE INCOME STATEMENT

10. NET SALES	2024	2023
Finland	16 496 293	17 851 894
Europe	41 712 797	38 634 149
Other exports	2 753 586	3 702 184
Total net sales	60 962 676	60 188 227
11. OTHER OPERATING INCOME	2024	2023
Received contribution	115 612	76 688
Received compensations	4 687	4 198
Other operating income	-17 085	695 466
Total other operating income	103 214	776 352
12. OTHER OPERATING EXPENSES	2024	2023
Other operating expenses		
Business premises	1 743 980	1 326 849
Sales and marketing	6 129 571	6 222 131
Cars and travel	270 987	333 723
ICT expenses	1 867 844	2 835 036
R&D and planning expenses	61 761	443 746
Credit losses	92 630	67 639
Administrative expenses for group companies	9 166 563	4 080 024
Other expenses	1 380 515	1 231 659
Total other operating expenses	20 713 851	16 540 807
Fees to auditors		
Auditing fee	83 695	46 605
Tax consulting	0	1 180
Other fees	68 889	115 297
Total fees to auditors	152 584	163 082
13. NOTES ON PERSONNEL	2024	2023
Average number of personnel	125	135
14. DEPRECIATION AND IMPAIRMENT	2024	2023
Amortization of immaterial rights	838	838
Amortization of goodwill	318 773	318 773
Amortization of other long term expenses	1 819 860	1 610 751
Depreciation machinery and equipment	11 085	32 834
Depreciation other tangible assets	50 302	104 118
Scrapping	0	18 183
Total depreciation and impairment	2 200 858	2 085 496
15. FINANCIAL INCOME AND EXPENSES	2024	2023
Interest and other financial income		
Interest income from group companies	864 118	400 191
Interest income from others	4 682	7 526
Exchange rate gains	714 338	388 216
Other financial income	19 043	1 156
Other financial income from group companies	0	17 302 991
Total interest and other financial income	1 602 181	18 100 080
Interest and other financial expenses		
Interest expenses to group companies	1 426 977	524 593
Interest expenses to others	682 249	2 181 462
Exchange rate losses	133 475	1 040 963
Other financial expenses	300 304	1 236 910
Total interest and other financial expenses	2 543 004	4 983 928
Total financial income and expenses	-940 823	13 116 152

16. INCOME TAXES			2024	2023
17. CONTINGENT LIABILITIES			31/12/2024	31/12/2023
Pledges given				
Business mortgages as collateral for parent company loans			102 700 000	102 700 000
Other liabilities			1 157 195	1 180 242
Factorized receivables pledged as collateral for own and Group loans			206 680	0
Rental liabilities				
Maturing in the next financial year			917 215	968 262
Maturing later			922 010	803 112
The rental liabilities have been calculated based on the termination conditions of the lease agreements.				
Leasing liabilities				
Maturing in the next financial year			239 550	78 782
Maturing later			202 320	70 490
Liabilities are presented without value added tax.				
Letters of credit				
Revocable letters of credit			182 271	0

According to the Group's loan agreement, Reima Europe Oy's business mortgages valued at € 102,700,000 have been pledged as collateral for the liabilities of Reima Europe Oy and other Group companies. The company's trademarks registered in different countries have been pledged as collateral for loans. The collateral has been granted as Group pledges and they cover the Group's loans and contingent liabilities such as leasing, letter of credit, and rent liabilities. The Group companies have agreed that all business mortgages and other pledges serve as collateral for the liabilities and debts of all Group companies.

18. EVENTS AFTER THE END OF THE FINANCIAL YEAR

In January-February 2025 Reima held cooperation negotiations to part of its personnel in Finland. The aim with the negotiations was to make the business operations more effective and based on the negotiations employment of six employees was ended.

In June 2025 the company signed an updated financing agreement, issued a three-year 25 MEUR bond which will mature on 10 June, 2028. At the same time, old corporate mortgages were mainly ended and 171,7M€ new corporate mortgages were agreed. Reima Europe Oy acts jointly as the guarantor of the financing.

The majority owner of the company changed in April 2025. The new ownership group consists of Reima's Chair of the Board Elina Björklund as well as Swedish fashion and activewear brand experts Anders Ullstrand and Jonas Meerits. After the new ownership and new financing were confirmed the previous main owner gave up 5,3 MEUR management fee receivable.

Vantaa

June/19/2025

Heikki Lempinen
CEO and Member of the Board

Ilkka Haavisto
Deputy Member of the Board

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

In Helsinki, on the date shown in the electronical signing.

KPMG Oy Ab
Audit Firm

KPMG Oy Ab
Authorised Public Accountant, KHT

Reima Europe Oy**ACCOUNTING BOOKS USED IN THE FINANCIAL YEAR 1.1.-31.12.2024**

General journals	Electronic record
General ledger	Electronic record
Trade receivables	Electronic record
Trade payables	Electronic record
Notes	Electronic record
Financial statements and Report of the Board of Directors	Electronic record